

ORIGINAL
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: **ALL EMPLOYEES MEETING ON "THE GREEN"**
PLAZA AREA BETWEEN BUILDINGS
AT WHITE FLINT --
PUBLIC MEETING

Location: **Rockville, Maryland**

Date: **Thursday, September 3, 1998**

Pages: **1 - 59**

ANN RILEY & ASSOCIATES, LTD.
1025 Connecticut Avenue, NW, Suite 1014
Washington, D.C. 20036
(202) 842-0034

.

DISCLAIMER

This is an unofficial transcript of a meeting of the United States Nuclear Regulatory Commission held on September 3, 1998, in the Commission's office at One White Flint North, Rockville, Maryland. The meeting was open to public attendance and observation. This transcript has not been reviewed, corrected or edited, and it may contain inaccuracies.

The transcript is intended solely for general informational purposes. As provided by 10 CFR 9.103, it is not part of the formal or informal record of decision of the matters discussed. Expressions of opinion in this transcript do not necessarily reflect final determination or beliefs. No pleading or other paper may be filed with the Commission in any proceeding as the result of, or addressed to, any statement or argument contained herein, except as the Commission may authorize.

.

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3 ***

4 ALL EMPLOYEES MEETING ON "THE GREEN"
5 PLAZA AREA BETWEEN BUILDINGS AT
6 WHITE FLINT

7 ***

8 PUBLIC MEETING

9
10
11 Nuclear Regulatory Commission
12 White Flint North
13 Rockville, Maryland
14 Thursday, September 3, 1998

15
16 The Commission met in open session, pursuant to
17 notice, at 10:34 a.m., Shirley A. Jackson, Chairman,
18 presiding.

19
20 COMMISSIONERS PRESENT:

21 SHIRLEY A. JACKSON, Chairman of the Commission
22 NILS J. DIAZ, Commissioner
23 EDWARD McGAFFIGAN, JR., Commissioner

24
25
ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue, NW, Suite 1014
Washington, D.C. 20036
(202) 842-0034

P R O C E E D I N G S

[10:34 a.m.]

MRS. NORRY: I would like to welcome everyone to this all-hands meeting with Chairman Jackson, Commissioner Diaz, Commissioner McGaffigan.

We have the region offices and the Technical Training Center from Chattanooga on video, which is a first. We also have all the resident sites on audio and the people from all those places will be able to ask questions, as will the people here in the tent.

We have a number of questions that were submitted in advance in response to our request to do so. We are going to try to deal with as many of those as we can today, but we recognize there will also be questions that will occur to you during the presentation. You know where the microphones are. You can see them. One over there, one there, and one there. So come forward and ask your questions. We will try to balance the questions that we got in advance and those which you may want to ask this morning.

I would just like to say that, as last year, we do not intend this particular meeting to address personnel policies, personnel practices or working conditions. For that purpose, we will be having a partnership meeting where management officials and union officials will be in some very large gathering which will be open to all employees to

1 ask those kinds of questions.. Those which you have already
2 submitted in advance will be made a part of that meeting,
3 plus any others you want to ask.

4 I would like to also point out that NTEU officials
5 are seated down there in whatever row that is. Can you
6 raise your hands?

7 [Show of hands.]

8 MRS. NORRY: The meeting I just referred to where
9 we will address partnership issues will be in October
10 sometime.

11 I would like to introduce Sue Smith and James Heck
12 who will be reading the questions and forwarding those that
13 we get from the regions.

14 With that, I would like to introduce Chairman
15 Jackson.

16 CHAIRMAN JACKSON: Thank you, Mrs. Norry.

17 Before we begin, I was wondering if perhaps we
18 could try to do without the ground level fans. They seem to
19 be providing a bit too much background noise. So if someone
20 could take care of that, we would appreciate it.

21 Good morning. With me today are NRC Commissioners
22 Nils Diaz and Edward McGaffigan, Jr. On behalf of my
23 Commission colleagues and myself, let me welcome all of you
24 to this special meeting of the Commission with the NRC
25 staff. I extend that welcome both to those of you who are

1 assembled here in the tent at headquarters and also to
2 groups of employees connected by videoconference and by
3 telephone from the regions.

4 These all employees meetings have become an annual
5 tradition at the NRC since 1991. They are intended to
6 stimulate and to facilitate direct communication between the
7 Commission and individual members of the staff on
8 mission-related policies and initiatives; to clarify the
9 Commission's agenda; to engender a shared vision; and to
10 motivate the staff in pursuit of that vision.

11 This year, as you know, the Commission actually
12 moved the date of this meeting forward because we especially
13 wanted to solicit your input during this time of transition.

14 I suppose some of you may be thinking that we have
15 been in a time of transition for several years, and that in
16 fact would be an accurate thought, but the pace certainly
17 has accelerated in a number of areas in recent months.

18 I would like to thank all of you at the outset on
19 behalf of the Commission for the high degree of
20 professionalism, the hard work and the dedication that all
21 of you have exhibited.

22 As you know, the NRC has been the subject of a
23 number of recent external reviews from our congressional
24 appropriations and authorization committees, the General
25 Accounting Office, and other stakeholders.

1 In fact, on July 17 the Commission invited a
2 number of its stakeholders, including some of our harshest
3 critics, to engage in a round table discussion that was open
4 to the NRC staff, the press and the public.

5 On July 30 the Commission testified in a hearing
6 before the Senate Committee on Environment and Public Works
7 Subcommittee on Clean Air, Wetlands, Private Property, and
8 Nuclear Safety.

9 These interactions have provided the Commission
10 with beneficial insights. Although the recent feedback has
11 provided a valuable range of perspectives on the strengths
12 and weaknesses of NRC regulatory policies and programs,
13 these general topics also have been the focus of various
14 Commission and staff efforts and initiatives for sometime.

15 Some of the particular areas of focus include
16 providing a more rapid transition to a risk-informed and,
17 where appropriate, performance-based regulatory framework.

18 Reexamining our reactor oversight processes,
19 including inspection, enforcement and performance
20 assessment, to ensure a proper safety focus, to enhance the
21 objectivity and defensibility of our methods, and to
22 eliminate unnecessary licensee burden.

23 Ensuring that some of our frequently used
24 processes such as generic communications and confirmatory
25 action letters are subject to proper controls.

1 Streamlining our licensing and adjudicatory
2 processes.

3 Ensuring the overall effectiveness of our
4 organization, management and self-assessment capabilities,
5 including a reevaluation of staffing and resource needs.

6 In addition, a consistent thread that has run
7 through various critiques is the need for us to be clear
8 with our definitions and standards.

9 Now I'm sure that many of you have read various
10 trade press articles or have heard discussions that have led
11 you naturally to ask, what does it all mean? Where are we
12 headed as an agency? Let me make several points in this
13 regard.

14 First, we should remember that change can be good,
15 and the Commission believes in this instance that change is
16 good. Many of you may remember that when I spoke to you at
17 an all employees meeting back in 1996 I shared a vision
18 which included the need for NRC to position for change.

19 In fact, the NRC was in the process of active
20 change when some of these external reviews began, including
21 Commission initiatives such as the revisions of 10 CFR
22 50.59, the integrated review of reactor performance
23 assessment processes, the revisions to 10 CFR Part 35 and
24 Part 70, and the new registration program for generally
25 licensed devices, as well as the changes to our agency-wide

1 planning and budget framework.

2 These and many other initiatives had been in
3 various states of gestation before the recent focus on the
4 NRC, but they have not come to fruition. The recent
5 external interests and focus have proven then to be useful
6 in highlighting areas in which we need to accelerate change,
7 as well as in revealing new areas that need additional
8 attention. These changes will have an effect on the entire
9 agency and will not be limited just to the reactor oversight
10 program areas.

11 Although the short-term focus is predominantly in
12 the reactor programs, it is important -- very important --
13 that we all understand that we will be assessing and
14 changing how we do business throughout the NRC.

15 Today I would like to focus your thoughts briefly
16 on the importance of what I have called holding the center.

17 Let me emphasize at the outset that holding the
18 center does not -- I repeat -- does not mean adopting a
19 defensive posture or clinging to the past. What it does
20 mean is not losing sight of our primary health and safety
21 mission while enhancing our effectiveness by changing. It
22 means continuing to stay focused on that mission as we make
23 the transition from a traditional deterministic approach to
24 a more risk-informed and performance-based approach to
25 regulation.

1 So how do we go about achieving change in a
2 responsible manner? I've discussed this with agency senior
3 managers, and today I offer some strategies for your
4 consideration which are drawn in part from a presentation
5 made to the Commission by the Office of Research last month.
6 What was presented seemed to indicate that the presenters
7 "got it," at least as articulated at the meeting.

8 So what are these strategies?

9 First, we need to be sure that we have articulated
10 clearly and correctly our vision, our goals, and our
11 requirements.

12 We must use risk-informed thinking and techniques
13 throughout the agency as a means of ensuring a proper safety
14 focus.

15 We must encourage a team concept within and among
16 offices, which means avoiding a stovepipe mentality,
17 because, after all, we are one NRC with one mission.

18 We must encourage agency-wide thinking that places
19 greater value on being proactive and being anticipatory, on
20 being outcomes or results oriented, on being timely and on
21 being cost effective.

22 We should use process mapping, which in its
23 simplest form simply means thinking about how we do things
24 and the best way to do them, as a tool to establish
25 efficient functional relationships and to eliminate

1 duplication of effort.

2 We should build on our current strengths, which
3 primarily means our people but also our programs and
4 processes.

5 And we need, the Commission needs, both management
6 and staff buy-in, and that in fact is why we are here today
7 and that is why we have moved this meeting forward.

8 In addition to these overall higher level
9 strategies, we also should be using a series of what I have
10 referred to as implementing strategies. Let me give you
11 some examples.

12 We should be developing reasonable thresholds for
13 decision-making in areas of potential and high risk or
14 safety significance. Reasonable thresholds.

15 We should be conducting continual self-assessment
16 and soliciting feedback from those we regulate and other
17 stakeholders.

18 We should be assessing -- and this is a hard one
19 -- whether our requirements achieve their intended purpose.

20 And here's another hard one. We should be
21 sunseting activities when they are no longer relevant for
22 regulatory purposes.

23 These are examples of strategies for achieving
24 change in a manner that ensures that we are holding the
25 center, that is, identifying and preserving our core or

1 baseline requirements as we change to be more effective in
2 accomplishing our fundamental mission.

3 Let us take our reactor oversight processes as an
4 example. As I have discussed with NRC senior management, we
5 should ask and answer a series of questions.

6 (1) Within a risk-informed framework, what is the
7 minimal level of inspection or assessment or licensing
8 oversight that will continue to give us confidence that
9 licensed facilities are being operated and maintained in a
10 safe manner?

11 (2) What processes and methods must we establish
12 to achieve a risk-informed baseline as effectively and
13 efficiently as possible?

14 (3) What core competencies and resources must we
15 have to implement those processes?

16 (4) What measures are needed that will tell us
17 when we have succeeded?

18 (5) How can all of this be achieved in the most
19 timely and most cost-effective manner possible.

20 It is important that we establish this framework
21 expediently and reasonably. To repeat, our objective is to
22 be more effective in accomplishing our public health and
23 safety mission. This is not to say anybody has done
24 anything wrong, and that's the natural tendency,
25 particularly when there is a lot of outside focus. Nobody

1 has done anything wrong. Our objective is to be more
2 effective in accomplishing our public health and safety
3 mission by being risk informed, by being performance based,
4 that is, results oriented, and by being cost effective.

5 If we truly move to a program with these
6 characteristics, appropriate burden reduction in fact will
7 occur, both for ourselves, but particularly for those we
8 regulate, because being risk informed means that there will
9 be burden reduction in areas of low risk just as it may
10 entail an increased focus in areas we previously may have
11 underemphasized. In the end, we will impose no more but no
12 less than what is required.

13 Before I close, I would like to offer all of you a
14 few watchwords of which to be mindful as we continue to
15 improve. I call them the three C's. They are confidence,
16 courage and conviction.

17 We need to be confident that our new inspection,
18 assessment and enforcement programs provide objective
19 criteria and consistent methodologies for providing
20 reasonable assurance of public health and safety, and that
21 they accomplish what they are designed to accomplish. We
22 can achieve this, as I've said, through being risk informed,
23 by obtaining input from all of our stakeholders, and by
24 rigorously challenging the expected outcomes and potential
25 weaknesses of all of the options that we consider.

1 We need to have the courage and the discipline to
2 implement fully and consistently our new programs as they
3 are developed and formally adopted. We need to build an
4 assessment function into each of the programs and processes
5 to allow early self-identification of performance results
6 that are not consistent with effective public health and
7 safety regulation. We need to self-initiate course
8 corrections to our programs based on self-assessment before
9 our various stakeholders feel compelled to attempt to force
10 a change on us with the attendant potential for
11 overreaction.

12 As the NRC, as the foremost nuclear regulatory
13 body in the world, we should be leading change in response,
14 yes, to a changing external environment, and because we have
15 new tools and approaches to allow us to better define safety
16 and to implement our programs in new ways.

17 We need to have the conviction and the objective
18 evidence to argue the merits of our programs and policies
19 when challenged. We will be much more effective at
20 resisting the pendulum effect and therefore in maintaining
21 regulatory stability if we are willing to change ourselves,
22 and in changing, to defend the soundness and the
23 effectiveness of our programs as they evolve.

24 I believe I can speak for my colleagues when I say
25 that the Commission encourages the staff to communicate

1 directly with us when you have concerns. The Commission's
2 open door policy is always there. I would encourage you to
3 use that avenue if you have a public health and safety issue
4 to which you feel NRC management or the agency as a whole is
5 not properly responding. But more broadly, as we are making
6 these changes in our various programs, we are open to your
7 suggestions for improvement.

8 In closing, I would like to disabuse you of the
9 view that some may have that we are jumping off the bridge
10 in reaction to criticism from the Congress or from other
11 stakeholders. We are doing what we need to do. We are
12 finishing what we started.

13 The changes we make will be made because they are
14 the right things to do, all predicated on safety first and
15 foremost, but we will be better and smarter in how we carry
16 out our mission. In fact, we should be excited and
17 energized -- I really am -- in our belief that these changes
18 will allow us to have an even better safety focus, to be
19 clearer in our expectations for our licensees and for
20 ourselves, to reduce burden where appropriate, to be
21 responsive to all of our stakeholders in a responsible way.

22 In its criticism the Congress has provided us with
23 a platform to accelerate our movement in a direction we know
24 we must go, a direction we ourselves already had decided we
25 needed to go.

1 We talk a lot about risk, and I've sprinkled it
2 throughout my remarks. And about risk assessment. But
3 there is a different kind of risk we must assume. Let me
4 ask you, drawing on the watchwords, to keep in mind the
5 following thought about risk. This comes from a member of
6 my staff in fact.

7 You cannot discover new oceans unless you are
8 willing to lose sight of the shore, but you do have to have
9 a compass. So please, stay focused on safety, have
10 confidence, continue to work hard, remain committed,
11 maintain your conviction, and above all, have the courage to
12 change, to help us as we move NRC into the next century.

13 This concludes my preliminary remarks, but before
14 taking questions, I would like to ask my Commission
15 colleagues to share their thoughts and insights with us,
16 especially in those areas that they feel very strongly
17 about. I would like to begin with my colleague Commissioner
18 Nils Diaz, and then he will be followed by Commissioner
19 Edward McGaffigan.

20 COMMISSIONER DIAZ: Thank you, Chairman Jackson,
21 and good morning everyone. The only reason I can speak
22 right now is because I decided to take a risk-informed
23 action and not read the paper I was given this morning on
24 the things I cannot talk about, because if I would have read
25 it, I would be mute at the present time. So I decided not

1 to read it.

2 Let me become serious and tell you that I agree
3 with the directions that are implied and said by Chairman
4 Jackson's speech. I think this is a very important turning
5 point in the agency. Chairman Jackson has elaborated on a
6 series of very definite issues, and I agree with the
7 direction that she has pressed.

8 I think before I make a few points I will take a
9 little your side and look at what is happening. I know that
10 we had a lot of external reviews. Those come in small
11 periods of time. They are intense.

12 The actual majority of the work is in the internal
13 reviews that have been going on. I realize that those have
14 caused stress and they create work and the Commission is
15 conscious of all the efforts that have been going on and how
16 much the staff has been doing in these internal reviews
17 besides the imposition of external reviews which, as I said,
18 sometimes are small in time and tend to disappear.

19 I have a few phrases that I tried to compose a few
20 moments ago. They go very simple, like this.

21 In reality, the only thing that we have to fear as
22 an agency is the fear to change, because if we really look
23 at it in a risk-informed fashion -- and I am very much for
24 proceeding to a risk-informed regulatory process -- I think
25 we can reach the conclusion that the only real large risk to

1 this agency right now is not to change. The change is as
2 necessary as any other aspect of our mission, that we are in
3 conditions that allow change to happen; that we have the
4 know-how; that we have the tools, as Chairman Jackson said,
5 and that change has to occur. It has to be meaningful, and
6 in many cases it has to be rapid, especially in those areas
7 where we know how to do it.

8 I realize that risk information has not permeated
9 this agency throughout. I am asking you to relax and accept
10 it and take this step forward. Take a drink of
11 risk-informed regulation and let it go to work in your
12 system. You never know. You might enjoy it.

13 [Laughter.]

14 COMMISSIONER DIAZ: We have the expertise to
15 change. It is here; it is available; it is functional; it
16 has to be put in motion. No matter how much we say here, we
17 cannot do it. You are the ones that have to do it. So we
18 look to you, to the leadership in your own workplace,
19 whether you are a manager or not, to embrace the fact that
20 change is good and you may even like it.

21 I was looking at some of the things that we use as
22 phrases. We always hammer our licensees with the fact that
23 they have to have a questioning attitude. I always get a
24 little iffy about what questioning attitude means.

25 I don't think there is any doubt that the staff

1 has a questioning attitude, and perhaps the Commission
2 suffers from the same illness or the same strength, whatever
3 it is. But there is something beyond that attitude that has
4 to coexist with it, and that is the attitude of solving
5 issues.

6 So it is not only to have the ability to question,
7 the ability to reason, the ability to make sure that we are
8 in this envelope of safety that we call adequate protection,
9 but to get into an attitude of solving things. This is
10 sometimes where we question our ability to really rapidly
11 move into solutions. I think what we are saying is that we
12 are capable of doing that. The Commission is firmly behind
13 these changes, and we stand ready to work with you to make
14 them happen.

15 Thank you.

16 COMMISSIONER McGAFFIGAN: I was sketching some
17 remarks because I thought the Chairman was going to ask me
18 to particularly focus on the congressional oversight
19 committee. So I scribbled some notes here. I will start
20 there and then I will make a couple other points.

21 The first point I will make is that the attention
22 from the Congress is not going to go away. This agency has
23 not had an authorization bill in 15 years. I'll be
24 surprised if we don't have an authorization bill next year.

25 Sometimes in the Congress, even though there are

1 535 members up there, one member can make an enormous
2 difference. Senator Domenici pretty much all on his own has
3 put us in the spotlight. He is renowned as a tenacious
4 member of Congress, and his chief staffers Alex Flint and
5 Dave Gwaltney are wonderful, capable people who are going to
6 keep asking us hard questions in the coming years.

7 More importantly, our authorizing committees are
8 going to ask us more questions in the future. I think that
9 is an opportunity. I think it's an opportunity to fix a
10 bunch of things in statute. Because we don't get
11 authorization bills passed, we never think proactively in
12 terms of, gosh, we've got this statute that is causing us
13 all sorts of problems. Why can't we get it fixed?

14 One statute that comes to mind is antitrust
15 reviews. The Commission is united that we should get out of
16 the antitrust review business, and that is part of the
17 President's proposal on electric industry restructuring.

18 We have, for better or for worse, been involved in
19 Superfund legislation and high-level waste legislation.

20 The Congress will challenge us in the new year as
21 to whether sections 189 and 193 of the Atomic Energy Act
22 need to be changed with regard to the flexibility of our
23 hearing process and allow us to adopt more legislative style
24 hearings rather than the adjudicatory hearings that have
25 been the norm in this agency.

1 The foreign ownership issues that come up that
2 perhaps should not have to come up.

3 There is a whole host of issues.

4 11(e)(2) byproduct material. The adverb
5 "primarily." Congress beats us about the head and shoulders
6 at times as we struggle with what the word "primarily" in
7 that definition of 11(e)(2) byproduct material means. It
8 would be nice at times -- and this has come up at Commission
9 meetings -- if the Congress would give us some
10 clarification. We have been reluctant to ask for the
11 clarification because there has been no real mechanism, no
12 authorization bill to get it passed.

13 In the new Congress we are going to have new
14 members. There are several retirements in key
15 subcommittees. Mr. McDade is retiring, on our
16 appropriations committee on the House side. Mr. Schaefer is
17 retiring on the subcommittee that oversees us on the House
18 side. Mr. Bumpers on the Energy Committee. Although that
19 is not a primary committee of jurisdiction, it's a committee
20 that is very interested in our work. There could be further
21 changes as a result of the election that is coming up
22 because several members who are important to us may well
23 face tough reelection campaigns.

24 The main point I want to give you with regard to
25 the Congress is it's going to continue to ask us questions;

1 it's going to continue to listen to other stakeholders, be
2 they the Nuclear Energy Institute, individual licensees, the
3 Union of Concerned Scientists, public citizen, whoever, and
4 we are going to have to be much more proactive and
5 interactive than probably has been the norm in the agency
6 over time.

7 Commenting more broadly, a couple of years ago
8 when I first sat up here one of the points that I made was
9 that, having been here two months, I sensed the difference
10 in the time constants of this agency and the time constants
11 of the industry and the external world.

12 The old model was you could have ponderous
13 utilities dealing with ponderous state utility commissions
14 and a ponderous NRC and everyone was happy, because if we
15 took forever, they could pass on all the costs anyway. I
16 did not think that was a viable way to interact going
17 forward.

18 At the moment there is a lot of emphasis on
19 timeliness, and I think the emphasis on timeliness in NRC
20 actions is going to only increase as an industry gets into a
21 competitive mode where time is money for them. So we are
22 going to have pressure to make decisions so that we don't
23 burn licensee money, and to get on with decisions.

24 We are creating at the moment extraordinary
25 processes in various areas. In license renewal we have an

1 extraordinary process. I don't think anybody would call it
2 ordinary with Chris Grimes and Frank Miraglia and Sam
3 Collins providing a lot of oversight.

4 In dry cask storage, in order to get some of the
5 dual purpose canisters past rulemaking and certified, we are
6 creating extraordinary processes.

7 In AP600, which we are about to wrap up, at least
8 over the last year there was an extraordinary process.

9 On improved standard tech spec conversions there
10 has been a lot of focus over the last year.

11 Yesterday at the Commission meeting we heard of an
12 extraordinary process being put in place to deal with
13 risk-informed licensing actions.

14 I think the challenge as we go forward is to make
15 the extraordinary the ordinary and to embed it into our
16 processes in a way that is honorable. I honestly think we
17 can make these decisions. This is based on my own
18 experience in government for 20-odd years.

19 You can make these decisions promptly and well,
20 and the extra time working the asymptotes, a term that I've
21 adopted -- it wasn't my original term; I used the term
22 "working the nth order terms of the equation" -- but working
23 the asymptotes doesn't really get you that much at times.
24 It just gets you a bunch of questions as to why we are being
25 delaying and overly conservative.

1 We have to go forward. We have to change. That
2 has been the theme this morning. We had some of the changes
3 under way. We had recognized some of it, and I think we
4 have more change to do.

5 We have a very good document from the staff that I
6 believe was distributed last week that outlines what the
7 senior staff's initial thoughts are with regard to the
8 immediate challenges before us. I guess I will conclude by
9 saying I hope some of you have read it. You've certainly
10 seen the stakeholder meeting and the congressional hearing
11 transcript. We look forward to your comments on whether we
12 are on the right track in all of these short-term and longer
13 term actions that we are about.

14 CHAIRMAN JACKSON: We stand ready to address any
15 and all questions within the parameters that Mrs. Norry has
16 outlined. I think what we would like to do is to try to
17 interleave the questions that were submitted ahead of time
18 with spontaneous questions from those of you present here in
19 the tent as well as by our various technological hookups.

20 We are ready for the first question.

21 QUESTION: This is a comment I submit to the
22 Commission. One of the challenges facing us is whether we
23 as an agency can do our job with less resources. I believe
24 we can do a good job, perhaps even better job with less
25 resources if we fundamentally change the work processes at

1 this agency.

2 It is widely recognized by the staff that work
3 products take a long time to get out in this agency. In
4 1994 several of my colleagues and myself felt encouraged by
5 the pronouncements made by the Administration for
6 streamlining work processes at agencies and empowering
7 frontline workers. Several of us provided suggestions in
8 the 1994 reorganization to adopt these changes.

9 Little changed then or has changed at the NRC
10 since that time. So I look at this initiative as another
11 that will come and go by, and after all is done, not much
12 will have changed for me.

13 I suggest to the Commission that this time it
14 should really look at fundamentally changing the work
15 processes at this agency. This will require going beyond
16 meeting mandatory constraints such as the staff to
17 supervisor ratio. It will mean determining and addressing
18 the obstacles to getting work done efficiently at the agency
19 and how one can boost the morale and responsibilities of
20 frontline workers with the goal of increasing the efficiency
21 of the agency.

22 Thank you for your attention.

23 CHAIRMAN JACKSON: Thank you. That was a comment
24 and not a question, but I will make a few comments to that.

25 The issue of empowering people is always an

1 interesting one. I think that the ponderousness of
2 processes in a regulatory agency always relate to being a
3 regulator, and people are risk averse. As I said in my
4 opening remarks, we need to be braver about thinking through
5 and implementing new strategies for accomplishing what we
6 do, and I have in fact challenged the EC to address this
7 issue.

8 Commissioner McGaffigan talked about the
9 extraordinary efforts that have been created in a number of
10 specific initiative areas and that what he would like to see
11 is for the extraordinary to become the ordinary.

12 I talked about process mapping. That has
13 different meanings to different people, but in the simplest
14 terms it means thinking about the best way to organize work,
15 to empower people, to have people as the point of contact,
16 but to hold them accountable. That is something that we are
17 very focused on. To what degree we will satisfy some of
18 your historical frustrations is hard to predict, but we are
19 certainly very committed to trying to address that kind of
20 issue.

21 Is there another question, please?

22 MR. STEIN: Yes, Chairman, Commissioners. My name
23 is Mike Stein. I'm with NTEU; also the Office of
24 Enforcement. Change is important. All organizations
25 change, continually change. It's vital. It's a matter of

1 life. Organisms change was well. What I didn't hear from
2 you, though -- I heard rapid change. I didn't hear you mean
3 change. What I mean by that is change can be an avalanche.
4 It can wipe out EEO. It can destroy careers. It's
5 imperative that in any change the human aspect of the change
6 needs to be taken into account. My question is, how are you
7 going to be addressing the human factors to the change that
8 you are contemplating?

9 CHAIRMAN JACKSON: As you know, I'm not going to
10 talk about specific work conditions and that kind of thing.
11 I think the human part of all of this is the heart of what
12 we are about. You've heard me talk about the fact that when
13 we change, we have to change in a responsible manner, and
14 changing in a responsible manner of course relative to our
15 mission means staying focused on safety.

16 Changing in a responsible manner also means being
17 mindful of the fact that the agency is not just bricks and
18 mortar; it is in fact people. We are well aware of that.

19 Nonetheless, there are any number of decisions
20 that we are going to have to make that will require people
21 to let go of some of their old shibboleths about exactly how
22 things can and should be done, but in terms of our core
23 values, I certainly intend, and I believe the Commission
24 intends, for the agency to hold to those, but holding to
25 core values cannot be an excuse to maintain the status quo.

1 COMMISSIONER McGAFFIGAN: I just might add that
2 the employees of this agency really are blessed with the
3 senior career people at the top. Joe Callan and Pat Norry
4 and Paul Bird and folks like that are always bringing the
5 human dimension to the Commission's attention.

6 I think it's fair to say, because it's public
7 information, the Commission itself, recognizing that change
8 is not going to be easy and that careers may well be
9 disrupted and there will be reorganizations and that sort of
10 thing, we did ask for buyout authority as part of the appeal
11 to the appropriations committee last month. So we are going
12 to try to be as fair to the people of the agency as we go
13 about this change as is possible within the federal family.
14 Your leadership constantly brings the human dimension to our
15 attention.

16 COMMISSIONER DIAZ: I would like to add that we
17 are conscious of that human dimension, that we do consider
18 it. Bringing it up is a good thing because it reminds us
19 that there are particular differences between the staff and
20 different needs. We are trying to get attune to the
21 different needs. We believe that, like everybody has said,
22 it is the people in here who are our engine. It is the care
23 that we keep in maintaining that engine that will actually
24 allow us to make the changes we will need to make.

25 CHAIRMAN JACKSON: Thank you.

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue, NW, Suite 1014
Washington, D.C. 20036
(202) 842-0034

1 Next question.

2 QUESTION: I have a question that was submitted in
3 advance. Many staff members are concerned about the
4 apparent inability of the Commissioners to work together
5 effectively. Please address this concern as candidly as
6 possible.

7 CHAIRMAN JACKSON: Thank you. I'm actually glad
8 that question came up because I think it gives us a chance
9 to clear the air on a number of issues.

10 Let me preface what I have to say with the
11 following. You know when the NRC was first created, and
12 even before then the AEC, a fundamental value that has been
13 held and a reason that we are always looking to have the
14 full Commission is that a Commission format is important in
15 the business we are in.

16 Why is that Commission format important? It's
17 important because of the opportunity to have a diversity of
18 opinion come to bear on the issues that the agency has to
19 address. So you cannot then say that diversity of opinion
20 is important and then expect when you bring together a group
21 of talented -- I'll speak for them -- committed and focused
22 individuals that you have mental clones. So yes, the
23 Commission and the Commissioners will disagree on any number
24 of things, but in the end we are a Commission, and we do
25 resolve our differences.

1 I'm sure all of you can't wait, and most people
2 can't, this being Washington, for the Monday morning papers,
3 particularly the trade press. I'm not going to speak to you
4 relative to what I feel is the veracity or lack thereof of
5 what is in there, but in the end the important thing is that
6 I think all of us operate in good will, and we can have
7 disagreements. However difficult they are, I think all of
8 us are committed to working together and in point of fact, I
9 think our record in terms of the important programs of this
10 agency is outstanding, particularly in terms of a Commission
11 that is united in terms of where this agency fundamentally
12 needs to go.

13 I think my Commissioner colleagues should speak
14 for themselves in this regard. I'm quite satisfied with the
15 way we operate, but diversity of opinion is what makes us
16 strong.

17 COMMISSIONER DIAZ: It is a very good question. I
18 know people keep coming around and asking about it. Let me
19 just say that there is no doubt that we have had serious
20 difficulties in the past two years to address some issues
21 and to reach some conclusions. For my part, I am a forward
22 looking person. I think that we have made significant
23 progress in establishing how we work together as a
24 Commission.

25 That doesn't mean that we are not going to

1 disagree, but the key issue is that in the direction in
2 which we are going, in the major issues, in how we address
3 the work, the processes, the staff, the human dimension, we
4 have a collegial decision that has been reached in most of
5 those issues, which we all support.

6 If you start going back and looking at things, you
7 can go on forever. It serves no purpose. We had
8 differences of opinion. I admit that we had differences of
9 opinion. I think the point is that on the important issues
10 we are now converging and converging rapidly, and that is in
11 the best interest of the agency, and I believe we are all
12 committed to continue to do that.

13 COMMISSIONER McGAFFIGAN: I might just turn the
14 question almost on its head. I think part of working
15 together effectively is to disagree occasionally. Obviously
16 the staff has some pretty roaring debates that are
17 oftentimes invisible to us. I understand on the integrated
18 review assessment process, IRAP, there were some pretty
19 roaring debates, and it turned out the Commission repeated
20 those debates, but I don't think it's fair for you all to
21 say you can debate and we can't.

22 I also agree with Commissioner Diaz. What is
23 going to get written up in Inside NRC, Nucleonics Week, et
24 cetera, are the two-one votes; the three-zero votes get
25 short play towards the end of it.

1 There is a remarkable amount of stuff that we have
2 been united on, very important things: the Superfund
3 legislation, the need in decommissioning to get rid of dual
4 regulation, Part 35 rulemaking, high-level waste
5 legislation, license renewal. There is a whole host of very
6 important issues that we agree on. There is the occasional
7 shutdown rule vote -- I think that one was two-two -- where
8 the Commission doesn't come to agreement, but that is the
9 nature of a commission.

10 I am totally used to having debates because I come
11 out of the Congress. Occasionally the Armed Services
12 Committee reports the defense bill 20 to nothing, but more
13 typically it reports the defense bill 11 to 9. Most of the
14 issues are 20 to nothing, but the SDI program or the
15 Comprehensive Test Ban Treaty or fundamental issues
16 sometimes have to be fought out.

17 I think part of being an effective Commission and
18 working effectively together is to debate the issues just as
19 the staff debates the issues. Out of that will come a
20 better process.

21 CHAIRMAN JACKSON: One last comment from me. Let
22 me give you some insight into how I am. From time to time I
23 get calls from reporters, but they don't call me so much,
24 because I'm not focusing on what the count is and where the
25 fissures are, because in the end we have a collegial

1 decision-making process. My analogy is to the Supreme
2 Court. The Supreme Court can make a ruling that is nine to
3 zero, seven to two, or five to four, but in the end that
4 decision is the law of the land.

5 So I'm clear, and I have a responsibility as
6 Chairman to see that the staff carries out Commission
7 policy, whatever that is. That is true whether I'm on the
8 three side of a three-two vote or the two side or a
9 three-two vote, because I believe in the process, and the
10 process, as the Commissioners have said, works.

11 In the end, we in the end influence each others
12 points of view anyway even if the votes are allegedly
13 three-two, two-one, and so the product that you get really
14 is from a collegial decision-making process, and I am
15 committed to seeing to it that the agency carries out the
16 staff's policy. I think you should be proud of the
17 Commission and proud of yourselves. What we need to do, as
18 Commissioner Diaz has said, is to look forward and not spend
19 time looking back, because we certainly are looking forward.

20 We are ready for the next question.

21 QUESTION: A couple of years ago, Chairman
22 Jackson, when we were having a different budget problem, you
23 said that, well, you would look at what Congress gave us and
24 go on and prioritize our programs and everything and tell
25 them, this is what we can do with what you gave us, and if

1 you want us to do all these other things, you need to
2 provide us further resources. I wanted to know if this was
3 still your attitude, those of you on the Commission, or
4 whether things have changed.

5 Thank you.

6 CHAIRMAN JACKSON: My point of view is this. The
7 point of prioritizing is to be clear on what we think is
8 core. At the same time, if we become better -- and we are
9 becoming better both at how we organize our work as well as
10 in how we plan -- then we find that honestly there are some
11 things that can go off of the plate.

12 It is also true that we have to have a certain
13 baseline funding in order to carry out our jobs, and the
14 Commission is committed to fighting to ensure that we have
15 the resources that we need. But that is a separate
16 statement than the issue of whether we can in fact
17 streamline what we do, be more cost effective in how we do
18 things, that we can make use of the investment in certain
19 tools that are under development, such as ADAMS or STARFIRE,
20 as well as process improvements that others have in fact
21 spoken to, to be smarter in how we do things.

22 Fundamentally, being risk informed from the point
23 of view of the thrust of our regulatory programs allows us
24 to prioritize in a way where we don't lose sight of what is
25 fundamental, and that is what we are here to do and to

1 preserve and to fight for. But that is different than
2 saying that the way that we have done things in the past or
3 the status quo is what has to happen.

4 My last comment is that in the end -- and
5 Commissioner McGaffigan has spoken to this -- we have to be
6 realistic about what the situation is that our licensees
7 face as well as the situation that we face in terms of
8 expectations of us from the Congress. We are operating in a
9 multivariable situation. One optimizes, and that is
10 precisely what we are doing.

11 Commissioner Diaz.

12 COMMISSIONER DIAZ: Eventually what we want to do
13 is increase the credibility of not only our processes but
14 our budget in a manner that when the interaction takes place
15 with Congress, if it does, there will not be significant
16 gaps. That is part of what is happening right now. We are
17 increasing the credibility and efficiency of our processes
18 so that significant gaps in the way that we actually work
19 are not large.

20 COMMISSIONER MCGAFFIGAN: I have very little to
21 add. It's a good question. We are clearly going to end up
22 in the coming year with about \$17 million less than we
23 requested. We are going to absorb the pay raise, as all
24 agencies are. Hopefully it's going to be 3.6 rather than
25 3.1 percent. Hopefully for you; it won't affect us. But

1 that will mean another \$1 million that has to be absorbed.

2 We are going to end up doing less. Some of the
3 areas we are going to end up doing less in is inspection.
4 We are going to do less inspecting next year than we have
5 this year. We are probably going to devote less resources
6 to assessment next year than we did this year. We now think
7 that can be done and it makes sense, and the senior managers
8 are telling us it can be done.

9 There are some places we are going to do more. We
10 are going to probably ask you to process more licensing
11 actions next year than you did this year.

12 As I said earlier, we are going to ask the Spent
13 Fuel Projects Office to get more done in the way of getting
14 dual purpose canisters across the finish line.

15 One thing we had better darn well do is keep to
16 the 585 day schedule for the Oconee and Calvert Cliffs
17 reviews for the SER and the EIS. That is an historically
18 difficult thing for this agency to do.

19 We have successes. The AP600. We are there in
20 getting AP600 across the finish line. That took an
21 extraordinary effort of the staff, and we appreciate that.

22 I think we can get what we need done with the
23 resources we are going to be provided next year, but it is
24 going to be tough, and there are some things that we are not
25 going to get to. We agonize at times over those in a budget

1 process that maybe is invisible to many of you, but we do
2 try to do the right thing in allocating the resources that
3 we have remaining to meet the priorities that we see.

4 CHAIRMAN JACKSON: Let me make a couple more
5 comments. I'm going to be straightforward with you. I
6 think it is very important so that there is the least
7 confusion as possible.

8 You hear us talk about what to some people may
9 sound like buzzwords, being risk informed. At the same
10 time, we've pressed very hard and I've worked many hours
11 with the senior managers on putting into place a new
12 infrastructure for planning and budgeting and measuring the
13 results of what we do, and to try to be outcomes oriented.
14 When you have your day-to-day job doing technical reviews or
15 licensing actions or inspecting or typing manuscripts,
16 whatever your job is, this sounds like so much poppycock.

17 Commissioner McGaffigan ran through a list of
18 things, and that is part of the tasking memo that I sent to
19 the staff and the response from Mr. Callan. There are any
20 number of specific things that we are going to do and do
21 within an accelerated time frame, giving more emphasis to
22 certain things and less emphasis to others.

23 But in the end, I feel that the greatest thing I
24 can do for NRC is to ensure that the right legacy is left
25 behind, and that legacy has to do with having the right

1 people in place, the right managers for doing the various
2 critical elements of our mission, that we have the right
3 staff, that people are oriented the right way.

4 A big part of that is to have the right kinds of
5 tools and ways of doing things that allow us to deal with
6 whatever we have to deal with, to deal with contingencies as
7 they arise, to deal with emergent issues or activities as
8 they arise, to adjust to budget vicissitudes as they arise,
9 because all of these things are part of the reality of life.
10 They are part of the reality of life whatever sector of the
11 economy one works in, and increasingly it has become part of
12 the reality of life here.

13 If we are going to be able to respond, to make
14 adjustments to deal with contingencies that arise, we have
15 to be clear on what is core, what is fundamental. That is
16 why we are talking about becoming more risk informed. And
17 we have to make adjustments as they come, because if we
18 don't, then we tend to get overwhelmed and we are not able
19 to make whatever justifications we need to make for what we
20 do.

21 Early on, when I was first here at NRC as Chairman
22 the first budget that I had to deal with was not a budget
23 that I had anything to do with putting together, and the
24 Congress came along with a \$52 million cut in our budget,
25 heavily because we had a certain amount of carryover money

1 that was just hanging out there as kind of an obvious
2 target.

3 So there was this discussion of writing a reclame
4 letter, which is the way you write back and say to the
5 appropriators, oh no, please don't cut this money.

6 I would say, well, where is the line in the sand?
7 Where is the health and safety line in the sand such that I
8 know and I can say credibly that if we go below this we
9 can't do our jobs?

10 I will tell you honestly there was too much
11 squirming around in the seats when I would ask that
12 question. So what we have been doing relentlessly since
13 that time is establishing what that credible line in the
14 sand is both from the point of view of what is core to our
15 mission and what is core to our ability to carry out that
16 mission, because that is the way you go forward. I will
17 stand up and take whatever bullets I have to take with or
18 without a flak vest to defend that. But we have to be clear
19 on what that core is and what it takes to carry it out.

20 That also allows us to be clear on what the cost
21 of new investments are to allow us to either deal with
22 specific initiatives or fundamental investments, to allow us
23 to do our jobs in a smarter, more efficient, more focused
24 way. And I will fight equally for that, but it requires a
25 knowledge and a confidence that we are clear about what is

1 fundamental, about what it takes to do what is fundamental,
2 and that we are clear about what the resources are that are
3 required. That is where we are.

4 Is there another question?

5 QUESTION: Chairman Jackson, while it is
6 commendable that the Commission is seeking staff
7 participation on these subjects, the all-hands meeting does
8 not really provide a forum that is conducive to getting
9 input from the staff. Perhaps after listening to these
10 presentations by the Commissioners an e-mail address could
11 be created where the staff could provide their input on
12 topics germane to the discussion.

13 CHAIRMAN JACKSON: You heard me in my remarks
14 indicate that the Commission is open to hearing from the
15 staff both if you have concerns relative to safety issues a
16 la the open door policy or if you have suggestions to make
17 to us. I think we are all reachable through the normal
18 e-mail process, but if not, we can look into ensuring that
19 that avenue exists.

20 At the same time, as some of you may know because
21 you may have met with me, I've been having Chairman/staff
22 dialogues in order to have more face-to-face meetings with
23 smaller groups of employees in order to hear directly from
24 you, and my intent in fact is to accelerate and to try to
25 pack more of those into what admittedly is an already packed

1 schedule.

2 Beyond that, the senior managers following this
3 meeting -- and it's not again a special mechanism; it's
4 beginning that way -- I've asked them to inculcate this as
5 part of their everyday way of doing business, but they on
6 their own have developed a communications plan to in fact go
7 out and talk with and hear from NRC staff beginning with the
8 senior managers talking to the managers who report to and
9 work with them, and so on. ~

10 Beyond that, Mr. Callan tells me that his style in
11 fact is one where he prefers to be able to walk around and
12 deal more directly with all of the employees. His intent is
13 to do that, and I think we at the Commission are going to
14 have to exercise some discipline to free up more of his time
15 so that he can do that.

16 I think we will be sure that the communication
17 channels exist for the direct communications with the
18 Commission. As I say, I intend to accelerate the
19 Chairman/staff dialogues, because we do want to hear from
20 you in terms of recommendations. They will be fed back into
21 the process; we will consider all of those suggestions.

22 If there are thousands, you may not hear direct
23 responses, but we will be considering whatever
24 recommendations and suggestions people have to offer, and
25 they will inform our own thinking as well in terms of our

1 decision-making, as well as providing an opportunity to give
2 direction to the staff.

3 COMMISSIONER McGAFFIGAN: I just might point out
4 that we recognized in the Chairman's original announcement
5 of this meeting that this is not the ideal forum for many
6 folks. If there any suggestions that any of you have as to
7 how to get a process working other than our e-mail
8 addresses, which are, as the Chairman said, widely known, or
9 coming to our offices, I would be open to it. I think the
10 whole Commission would be open to any useful suggestion.

11 I think debate within the staff is good. The one
12 frustration Commissioners sometimes have -- I think this
13 includes the Chairman -- is we don't have a lot of
14 visibility into that roaring debate that sometimes occurs
15 within the staff.

16 All staff recommendations do not have to be
17 consensus staff recommendations. I think the Commission as
18 a whole complimented NMSS on a paper recently with regard to
19 cleanup standards for uranium recovery facilities, uranium
20 in situ facilities, because there was a staffer who laid out
21 a different perspective. We ended up not agreeing with him,
22 but he did bring to the fore a bunch of points that were
23 very valuable with regard to the way some of these models
24 can be manipulated to bring about the result you want.

25 One thing I would urge is that if there are

1 minority views on the staff, let's hear them. Occasionally
2 the Commission may agree with the minority and not with the
3 majority. We've done that already on occasion.

4 CHAIRMAN JACKSON: More questions.

5 QUESTION: Chairman Jackson, could you address why
6 the agency needs ADAMS and STARFIRE?

7 CHAIRMAN JACKSON: ADAMS and STARFIRE are two
8 examples of what I call fundamental infrastructure
9 investments that the agency needs to make in order to be
10 able to work smarter, work in a more cost-effective way, and
11 to work faster.

12 STARFIRE provides us with an opportunity to have
13 an agency-wide resource management system that can save us
14 time, that allows for consistency in terms of how budgeting
15 is done.

16 You may not know that part of our budget process
17 is done by hand essentially, and in this day and time there
18 is no excuse for that. It allows us to integrate personnel
19 as well as financial data, and it's going to be a
20 fundamental tool in our ability to carry out and refine the
21 planning framework that has been under development,
22 including the development and use of operating plans.

23 ADAMS in a certain sense should almost speak for
24 itself. We are a very paper-intensive agency. Sitting at
25 the Commission, one can see the effect of that. There is

1 one document we get and then one may ask for some
2 information that essentially overlaps with or contains much
3 of what we got before and is yet another new document. So
4 this allows an ability to have full text retrieval
5 capabilities, electronic storage, to allow individual and
6 group development of documents, et cetera.

7 It's a fundamental enabling infrastructural
8 investment. It will allow us to do better recordkeeping, et
9 cetera, and it should allow for more consistency in terms of
10 what databases we operate from, what information everybody
11 has, so that we are all literally reading from the same
12 page. An electronic page in this instance, but we are all
13 reading from the same page.

14 That is the virtue. It is the fundamental
15 architecture for this agency in terms of how it handles
16 documents.

17 COMMISSIONER McGAFFIGAN: I might also add that I
18 think this agency in STARFIRE and ADAMS is at the forefront
19 of trying to use commercial, off-the-shelf technology.
20 That's a fancy word, but that means we are really just
21 trying to take stuff that is already being used successfully
22 elsewhere, including in the private sector or similar
23 models, and build it into our processes. We are trying to
24 keep abreast of these fundamental infrastructural
25 information technologies. Although we are not pushing the

1 state of the art, we are trying to buy commercial,
2 off-the-shelf systems that will help us function.

3 CHAIRMAN JACKSON: Another critical virtue built
4 into all of this is the fact that as part of our process,
5 the CPIC process, for how this kind of architecture is
6 developed and the technology is deployed is in fact a
7 built-in requirement that forces us to examine our
8 processes, that is, how we do things, and to optimize those
9 and to be clear about what the requirements are for the use
10 of new systems up front.

11 That again is part of all of where we want to go
12 in terms of sharpening how we go about doing our business
13 and being more efficient. It is not just the technology
14 itself, but it is the whole way that it is developed and
15 deployed, and we hope that over time that will in fact have
16 a beneficial effect in terms of overall thinking.

17 I talked about process mapping as part of my
18 remarks about thinking about how we do things and think of
19 the best ways to accomplish the task. That has many
20 tentacles, but a fundamental one is one having to do with
21 how the work is organized, and that all plays into all of
22 this.

23 Yes.

24 QUESTION: Madam Chairman, members of the
25 Commission, could you comment briefly on what we may need to

1 do to develop further skills in the analytical field and
2 further empirical information as a basis for effective
3 risk-informed regulation?

4 CHAIRMAN JACKSON: Could you repeat the question.
5 I didn't hear the first part of it.

6 QUESTION: Whether we need to develop further
7 analytical skills and empirical information as a basis for
8 effective risk-informed regulation.

9 CHAIRMAN JACKSON: The answer is yes. I'm going
10 to let my colleague Dr. Diaz speak to some of this and then
11 I'll make a few remarks.

12 COMMISSIONER DIAZ: It is obvious that we are in a
13 technical agency that has developed a series of skills in
14 many areas. Even those skills are now being reanalyzed. We
15 have realized that in thermal hydraulics we actually need to
16 do things differently. The fact that we are a technical
17 agency requires skills grading all the time.

18 I think what your question refers to is, can we
19 culturally address the issue of risk information as a part
20 of our technical know-how? I think we are doing some things
21 in that respect, training, and so forth. I'm not convinced
22 that we are doing enough, but what I think the Commission
23 has been saying is we need to get the feedback from that
24 area; we need to see how we need to effect better training.

25 I am a firm believer that we need to become much

1 more cognizant, which is a Navy word, for becoming
2 technically risk informed. There is a difference between
3 just having a policy of risk informed and being technically
4 risk informed. We need to have a core of substantially
5 risk-informed technicians that can practice not only the
6 PRA, but the application of risk information.

7 COMMISSIONER McGAFFIGAN: We just had a briefing
8 yesterday in the Commission about the PRA implementation
9 plan. Obviously many people are getting some exposure to
10 PRA and how it may affect their lives. Probabilistic risk
11 assessment.

12 We also are developing empirical information.
13 AEOD has several outstanding recent studies that are going
14 to help us on the path to risk informing some of our
15 processes, bringing real analytical data into our processes.

16 The answer is yes, we are doing it. There
17 probably is more we could do, and we are open to
18 suggestions.

19 COMMISSIONER DIAZ: Something just occurred to me.
20 It is something that many of you will be able to relate to.
21 This decision of being risk informed is not too different
22 from the decision that a reactor operator has to make some
23 time on going critical. People think that criticality is
24 something that happens. The reality is that we don't want
25 criticality to happen just because it happens. We want

1 criticality to be achieved by a conscious, determined
2 programmatic decision.

3 You would be surprised that when a decision is
4 made we are very little time at criticality. We always pass
5 by it and go supercritical, which maybe is what we want to
6 increase power, or we might try to go critical and still
7 remain subcritical.

8 Becoming risk informed is not too different.
9 There has to be a decision made that we are going to do
10 that. We are going to sometimes go supercritical; sometimes
11 we are going to go subcritical. The bottom line is that it
12 has to be a programmed conscious decision to become risk
13 informed, and that implies that we have to have the skills
14 to be able to do it.

15 CHAIRMAN JACKSON: My basic overall answer to the
16 question is that the first thing that has to happen, which I
17 think both Commissioners have spoken to, is there has to be
18 essentially a culture change, a change in mind-set about
19 being risk informed. We have to recognize that there are
20 various risk assessment methodologies that exist in variable
21 degrees of sophistication and development, but they do exist
22 to allow us to quantify risk or to evaluate relative risk
23 associated with various activities and various aspects of
24 activities that we license and regulate that allow us to
25 aggregate risk. In short, allow us to organize our thinking

1 about where the greatest risks are, how significant they are
2 from the point of view of public health and safety.

3 Having understood that, we then have to put more
4 effort and thought into how to use such methodologies, both
5 the quantitative as well as qualitative ones, and how to
6 incorporate them and use them to migrate our regulatory
7 framework. That takes training, but it takes a conscious
8 decision to make use of them and to deploy them in our
9 regulatory framework.

10 I would just make a last comment, and that is,
11 being risk informed does not just mean being PRA informed.
12 It has different subtleties as well as some differences in
13 methodology, depending upon what aspect of our regulatory
14 framework we are talking about.

15 It could be as simple as being organized in how we
16 go through and think about risk, and it doesn't mean
17 necessarily doing a sophisticated PRA calculation but just
18 being very structured and organized in going through the
19 issue of looking at relative risk and where the risk is
20 greatest.

21 COMMISSIONER DIAZ: In case I missed the bottom
22 line of the question, I believe the Commission realizes that
23 we have to make an investment in personnel in becoming more
24 risk informed. I think that is obvious.

25 CHAIRMAN JACKSON: Exactly.

1 Is there another question?

2 QUESTION: This question deals with the supervisor
3 to employee ratio. Why not reduce the number of management
4 instead of the number of direct staff to get the workforce
5 to the one to eight supervisor to employee ratio?

6 As recommended in the Tim Martin study for
7 Congress, the deputy directors and other positions could be
8 eliminated, and this would allow more inspectors and other
9 workers to keep their jobs. The branch chiefs would fill in
10 for the directors when they are not available. This would
11 also result in the ability to keep more level 15 positions,
12 which are becoming rarer, and better ability of lower grades
13 to move up the ranks. Although this idea is painful to the
14 SES personnel who will make the decisions, it follows more
15 closely with the initiatives implemented by industry and
16 cutting edge government agencies who are trying to empower
17 employees and streamline work processes.

18 CHAIRMAN JACKSON: Would you read the first part
19 of your question again?

20 QUESTION: Don't shoot the messenger, please.

21 [Laughter.]

22 QUESTION: Why not reduce the number of management
23 instead of the number of direct staff to get the workforce
24 to the one to eight supervisor to employee ratio?

25 CHAIRMAN JACKSON: That's right. That's what

1 we're doing. Thank you.

2 QUESTION: Thank you.

3 [Laughter.]

4 CHAIRMAN JACKSON: Is there another question?

5 From the regions, hello out there.

6 QUESTION: This is a question from Region III.

7 The following was printed in a newspaper last week:

8 Hutchison Island, Florida. NRC officials said at
9 a meeting last week with Florida Power and Light officials
10 that the agency is ending its systematic assessment of
11 licensee performance program at the direction of Congress.
12 The occasion was a meeting to discuss the latest SALP report
13 which gave the St. Lucie plant ratings of superior in two
14 areas and good in the other two rated.

15 Question: Is SALP ending? When will it end?

16 CHAIRMAN JACKSON: The situation is the following.
17 As part of the response to the tasking memo a recommendation
18 has been made that we temporarily suspend SALP, both from
19 the point of view or a prioritization of various activities
20 and initiatives and the efforts it takes, and the Commission
21 is considering that.

22 More broadly, what happens to SALP is going to be
23 derived from what comes out of the review of the reactor
24 assessment process, because in the end that will determine
25 what our regulatory program is going to be and how we are

1 going to do reactor oversight.

2 All I am really saying is any decision in terms of
3 a permanent cessation of SALP is going to rest with what the
4 ultimate recommendations are and the Commission decision
5 relative to what the fundamental reactor oversight program
6 is going to look like.

7 QUESTION: A question from Region IV. Please
8 provide any insight on the status of nominations of a full
9 Commission.

10 CHAIRMAN JACKSON: As you know, Greta Dicus,
11 former Commissioner at the moment, has been nominated by the
12 President to serve another term on the Commission. At the
13 same time, the Republican leadership in the Congress and the
14 White House are working through a possible nominee or
15 nominees to the Commission and vetting such candidates.
16 When that is done, the expectation is that the two
17 nominations will come through together.

18 QUESTION: This is tough question for Commissioner
19 McGaffigan, so I would like to remain anonymous.

20 [Laughter.]

21 QUESTION: In your recent testimony to Congress,
22 Commissioner, you stated what makes this agency strong is
23 the openness. The Commission recently directed the staff to
24 proceed with rulemaking on potassium iodine. In that SRM
25 the Commission also directed the staff to issue for public

1 comment its technical assessment of the use of KI, which was
2 included in the Commission package. The staff followed the
3 direction given in the SRM to the letter. Two weeks ago you
4 were quoted in Inside NRC to have said that that technical
5 report should be withdrawn. This came as a surprise to the
6 staff.

7 Would the Commissioner care to comment on this
8 change to your position not reflected in the SRM and whether
9 the Commissioner has confidence in the staff to pursue
10 clarification directly with the staff rather than through
11 less direct but "open" means such as Inside NRC?

12 COMMISSIONER McGAFFIGAN: I'll address that very
13 directly. I think it is fair to say that the staff did what
14 the Commission told it to do. Would I vote to do that
15 today, having read that paper, which I had not done? No.

16 The paper, as one staffer who came to my office
17 under the open door policy pointed out to me, was not
18 drafted to be supportive of the policy that the Commission
19 decided on at the end of June. I did not focus at the end
20 of June.

21 We have this tendency around here. I hereby
22 announce that I will not ask my colleagues in June of 2000
23 when my term is scheduled to end to rush a bunch of votes.
24 We tend to do that around here, and we regret it. When
25 Commissioner Rogers left we made a couple mistakes which we

1 fixed.

2 I regard the June 26th SRM as a mistake with
3 regard to the publishing of that report, which I will admit
4 I had not read; if you have read all of our votes, the full
5 voting record, a mistake with regard to the one sentence in
6 there describing what we wanted done in the way of fixing
7 the Federal Register notice. I am hoping to vote today to
8 give you what I think the Federal Register notice should
9 read like, and it is consistent with my vote, with
10 Commissioner Dicus' vote, Commissioner Diaz', and the
11 Chairman's.

12 I think in that case what I said to the person who
13 came to my office is if there is a disconnect between the
14 votes and the SRM, there has got to be some mechanism where
15 you come back to us and say, do you really mean this? I
16 don't know what that mechanism is.

17 SRMs have lives around here and it's appropriate;
18 it's the Commission mechanism for talking with you; but I
19 have SRMs from 1980s and 1990s at times thrown at me when I
20 advocate, well, why can't we have a more open dialogue with
21 stakeholders on pre-decisional papers, and clearly the
22 Commission in the past -- AP600 is a good example Frank
23 Miraglia pointed out to me -- has said on the new advanced
24 reactors don't come to us at every milestone and don't
25 share. Commissions in the past give a bunch of guidance.

1 The specific answer to your question on KI. I was
2 asked a direct question by a reporter. I tend to answer
3 direct questions. Because of other things the last couple
4 weeks, budget and other papers that I've had to vote on, I
5 have not finished my KI vote, but the vote will say that the
6 Federal Register notice that was submitted to us in July,
7 consistent with the letter or the SRM, needs more work and
8 that that paper, which I believe is flawed in many respects
9 and we should have recognized it was not consistent with the
10 policy position that we were taking, should be withdrawn.

11 I'm sorry that you heard about it through Inside
12 NRC. I had had some conversations with some of the staff
13 prior to the Inside NRC. So for a few folks it wasn't news,
14 but I guess for many it was.

15 CHAIRMAN JACKSON: I thank you for your
16 willingness to ask such questions as well as the earlier one
17 about Commission dynamics. I think it's important to clear
18 the air.

19 Are there any other questions?

20 QUESTION: Chairman, Commissioners, we've had a
21 lot of discussion today and on previous occasions about risk
22 information and trying to factor that into our decisions.
23 The one thing that is apparent in our focus on this risk
24 information is we may not be taking all risks into account
25 in our focus on this topic. We tend to focus on safety and

1 health issues, but there are other risks that are pertinent
2 to our decision-making. These are risks associated with
3 public acceptance, public reaction, and politics.

4 In the decommissioning arena, where we have an
5 arena that is very high public visibility, very motivated
6 citizens in the vicinities of those facilities, if we were
7 to strictly look at safety and health risk, we could
8 probably say the vast bulk of decommissioning regulations
9 should not be addressed, but when you look at the adverse
10 reaction and motivative reactions by the news media,
11 concerned citizens, the state and local governing officials,
12 the risk that we take into consideration in that arena goes
13 beyond just safety and health risk, and I suspect that is
14 probably true in other arenas as well. So when we move into
15 this area, I would recommend that we take that into
16 consideration as well.

17 CHAIRMAN JACKSON: I thank you for that comment.
18 I would make two comments relative to decommissioning.

19 Of course everything is relative, but I believe
20 the Commission took a bold step when it issued the license
21 termination rule. While some might feel it's still not
22 sufficiently risk informed in the way that you describe,
23 nonetheless it is one that in the Commission's considered
24 judgment moves us in a direction we need to go.

25 At the same time, the very fact that you have a

1 Commission and the way our government operates says that we
2 don't operate in a vacuum, and so a Commission by definition
3 is going to take and weigh all of the various quantitative
4 inputs as well as qualitative inputs and make a judgment
5 that rests in the law, that rests on the scientific and
6 engineering basis that we have, but it will in the end be
7 making a public policy decision. So by definition we do
8 that because we are a public health and safety agency, but
9 we do make a public policy decision.

10 At any given time any decision some may feel does
11 not go far enough in terms of adequate protection, and there
12 will be others who believe that a decision goes too far.
13 The Commission will always make the best judgment it can
14 resting on the database that it has and move forward on that
15 basis, but it is a public policy decision.

16 Commissioner Diaz.

17 COMMISSIONER DIAZ: Thank you for the question. I
18 am very concerned with the fact that sometimes we just look
19 at the technicality of an issue. There is risk to the
20 public in not only our decisions, processes, announcements,
21 and I do believe that we have to become more conscious of
22 those processes, take them into consideration and actually
23 address the risk to the public from whatever announcement,
24 whatever policy, whatever decisions we do, and that should
25 be a normal process in this agency. At the highest possible

1 level we should be responsible for how we address risk in
2 everything we do.

3 CHAIRMAN JACKSON: If we get it right in terms of
4 how we do risk assessment and our ability to discuss
5 relative risk, it affords us the opportunity to communicate
6 more clearly just that, the relative risk. I think we do
7 need to be clearer in how we do that, but at any given time,
8 as I say, we are making what are essentially public policy
9 decisions.

10 COMMISSIONER McGAFFIGAN: I just might add that
11 I'm not sure decommissioning is the best area to cite. I am
12 proud of the structure of regulations we have in place for
13 decommissioning, the 25 millirem, all pathway standard, the
14 allowances for restricted release with up to 100 millirem
15 provided that the average member of the critical group still
16 gets less than 25 millirem, et cetera. We have a good,
17 sound framework for making decommissioning decisions.

18 I would strongly suggest that if there is any
19 political element to this you leave the politics to the
20 political appointees and that you try to make judgments
21 based on public health and safety. And we are. In Moab and
22 other places we are criticized. It is not the end of the
23 world for a decision of this agency endorsed by the
24 Commission to be overturned in the Congress. I know all of
25 you think that it probably is, but it is not the end of the

1 world.

2 If Congress chooses to spend \$100 million to do
3 something that we don't think is required for public health
4 and safety and we respectfully say that to them and they
5 decide something else, okay. They are our bosses, and we
6 will then do it.

7 I would strongly urge you to live within the
8 framework of the decommissioning rules that we have in
9 place, that I'm proud of, and I think thus far we are doing
10 exactly that.

11 I think I saw something in the paper the other
12 day. I wish I remembered the woman's name. She's from New
13 Mexico. She is the President's nominee to be the
14 Commissioner of the Food and Drug Administration.

15 CHAIRMAN JACKSON: Dr. Henney.

16 COMMISSIONER McGAFFIGAN: She was quoted by
17 somebody, an admirer, talking about an advisory group
18 meeting when she was the deputy commissioner a few years
19 back, basically telling a bunch of scientists who were
20 worried about the politics of whatever issue they were about
21 to make advice to the FDA on. She basically said to them,
22 calm down, leave the politics to us; you try to tell us what
23 the right thing to do is from a health and safety
24 perspective. I think that is very good advice. So you do
25 the right thing.

1 I hope we don't let politics get into those
2 decommissioning decisions, that we don't second-guess the
3 staff. We have not thus far, but I can't tell you that we
4 will not be second-guessed as an agency externally, and
5 we'll just have to live with that.

6 CHAIRMAN JACKSON: I think many times the easiest
7 way to get into trouble, and I think where we have been
8 criticized and I think in some instances justifiably so, is
9 not being clear on what our standards are, what our
10 requirements are, whatever they are, and being clear on how
11 we have arrived at them. So the best thing we can do is to
12 have a coherent process where we clearly arrive at what we
13 feel are the justifiable requirements or standards, to
14 clearly articulate them, be willing to lay them out, and to
15 make sure that what we do is consistent with what we in fact
16 lay out. Not everybody is going to agree on either side,
17 but people will at least respect you and understand what you
18 are trying to do.

19 Are there other questions?

20 [No response.]

21 CHAIRMAN JACKSON: I think we have enjoyed it. I
22 hope you have. This won't be the last communication. We
23 talk about being efficient. This is a good way to get a lot
24 of input at one point in time. So we look forward to
25 continuing our discussions with the rest of the staff this

1 afternoon.

2 Thank you very much.

3 [Applause.]

4 [Whereupon, at 12:15 p.m., the meeting was
5 concluded.]

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: ALL EMPLOYEES MEETING ON "THE GREEN"
PLAZA AREA BETWEEN BUILDINGS
AT WHITE FLINT --
PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Thursday, September 3, 1998

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company

Transcriber: _____

Reporter: Mike Paulus