

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, October 17, 1996

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

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

6 ***

7 PUBLIC MEETING

8 ***

9 Nuclear Regulatory Commission
10 11555 Rockville Pike
11 Rockville, Maryland

12
13 Thursday, October 17, 1996
14

15 The Commission met in open session, pursuant to
16 notice, at 10:40 a.m., the Honorable SHIRLEY A. JACKSON,
17 Chairman of the Commission, presiding.
18

19 COMMISSIONERS PRESENT:

20 SHIRLEY A. JACKSON, Chairman of the Commission
21 KENNETH C. ROGERS, Member of the Commission
22 GRETA J. DICUS, Member of the Commission
23 NILS J. DIAZ, Member of the Commission
24 EDWARD McGAFFIGAN, JR., Member of the Commission
25

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P R O C E E D I N G S

[10:40 a.m.]

MRS. NORRY: Good morning.

Welcome to the sixth annual All Employees Meeting at the NRC. Back in the early days of this gathering, some of you may recall we had to have it at downtown hotels and now we are lucky to have a beautiful campus and a beautiful location and beautiful weather, which was arranged for you by the Office of Administration.

[Laughter and applause.]

MRS. NORRY: After the Chairman speaks, we will have questions from the audience. You will notice that there are microphones spread around. The regions and the resident sites are plugged in and those questions will be relayed by our reliable Sue Smith and James Heck, stars of former years.

We may have some press here and we welcome them but we ask that the questions be limited to those from NRC employees; this is an employee meeting.

Now I would like to introduce Chairman Jackson, who will introduce her fellow commissioners.

CHAIRMAN JACKSON: Good morning everyone. Can everyone hear me?

VOICES: Yes.

CHAIRMAN JACKSON: Thank you.

1 Now, on behalf of my Commission colleagues, I want
2 to welcome you to this special meeting of the Commission
3 with the NRC staff. These All Employee Meetings have been
4 held annually since 1991 and are intended to facilitate
5 communication between the Commission and individual members
6 of the staff and to enable employees to become better
7 acquainted with newly appointed commissioners. Today's
8 meeting serves both of these purposes.

9 Before I launch into the more formal parts of my
10 remarks, I want to thank very much Mrs. Norry and the Office
11 of Administration, particularly for the weather.

12 Because this is the first All Employees Meeting in
13 some time in which we have had a full five-member Commission
14 and since many of you may not have had the opportunity to
15 meet all the members of the Commission, I would like to
16 introduce my colleagues to you.

17 On my immediate right is someone all of you know
18 and you know him well, Commissioner Kenneth C. Rogers, who
19 is serving his second five-year term as commissioner and as
20 dean of the corps.

21 COMMISSIONER ROGERS: Didn't know that.

22 [Laughter.]

23 CHAIRMAN JACKSON: He previously served as
24 president of the Stevens Institute of Technology.

25 On my immediate left is Commissioner Greta Joy

1 Dicus, who previously served the state of Arkansas as a
2 commissioner and as Chairman of the Central Interstate Low-
3 level Radioactive Waste Commission among other activities
4 and, in fact, was a member of the board of directors of the
5 U.S. Enrichment Corporation.

6 On my far right is Commissioner Nils J. Diaz.
7 Dr. Diaz came to the NRC from the University of Florida,
8 where he was a professor of nuclear engineering sciences and
9 director of the innovative Nuclear Space Power and
10 Propulsion Institute.

11 And, last but not least, on my far left is
12 Commissioner Edward McGaffigan, Jr., formally a senior
13 advisor to U.S. Senator Jeff Bingaman of New Mexico and a
14 member of the U.S. Foreign Service for seven years.

15 All of us have been looking forward to this
16 meeting with you and the opportunity to have an interchange.
17 Our format today will be the same as that used for our
18 session last year.

19 Following my opening remarks, the Commission will
20 entertain questions from NRC employees here on the Green as
21 well as from our regional and field offices, which are
22 connected to us by open telephone lines. And, again this
23 year, we will be holding the second session of this meeting
24 this afternoon at 1:30 p.m., since we have insufficient
25 space to accommodate all of our employees here in a single

1 session.

2 I want to remind all of you that this is your
3 meeting. The agenda will be determined by your questions.
4 This is your opportunity to ask us the questions you would
5 like to have answered.

6 I strongly encourage each of you to participate
7 actively and to be candid in expressing your concerns. The
8 Commission needs to know what your concerns are if we are to
9 be effective in directing agency policy and you need to hear
10 our responses so that you can be effective in carrying out
11 your responsibilities as members of the NRC staff.

12 My Commission colleagues and I will respond to
13 your questions to the best of our abilities based on our
14 understanding of your concerns as well as our individual
15 perspectives on those concerns. This informal exchange of
16 views is our sole reason for being here this morning.

17 Before I turn the microphones over to questions,
18 however, I would like to take a few minutes to outline for
19 you my assessment of what we have accomplished in the year
20 since our last All Employees Meeting and where I think we,
21 as an agency, need to be moving in the future.

22 As you will recall, shortly after becoming
23 Chairman, I described my early impression of the NRC as an
24 excellent technical organization that was finding itself
25 subject to an internal and external environment undergoing

1 rapid change. In light of the strong impact of this
2 changing environment, I suggested that it seemed inevitable
3 that the NRC would have to change as well if we were to
4 carry out our regulatory responsibilities successfully.

5 In retrospect, I think the picture I drew last
6 year was reasonably accurate. The agents of change were
7 very busy in the past year. Competitive pressures and
8 economic deregulation did have a strong impact on the
9 nuclear industry and that industry has begun to react,
10 somewhat tentatively to be sure, by consolidating its
11 activities and merging to form new, larger operating
12 entities. And I am primarily talking about the electric
13 utility industry.

14 Interestingly, one of the first such mergers took
15 place right here in our own backyard, so to speak, when
16 Baltimore Gas and Electric and PEPCO announced their plans
17 to merge. In the meantime, several state public utility
18 commissions, some of the most active agents for change, have
19 begun to define rather precisely the responsibilities that
20 existing utilities and new entities in the business of
21 producing and distributing electric power will have in a new
22 competitive local area marketplace.

23 The U.S. Congress, always a source of new
24 concepts, ideas and plans affecting the regulatory agencies,
25 including the NRC, has had a fairly broad agenda of energy-

1 related legislative proposals to consider this year and can
2 be expected to maintain its strong interests in such matters
3 next year, no matter what the outcome of the November
4 elections.

5 At the NRC, we have been busy reacting to change
6 and to challenge over the past year and I think we can be
7 proud of what we have accomplished. We have continued to
8 carry out our regulatory mission of protecting public health
9 and safety and to maintain our fundamental regulatory
10 activities despite continuing budget restrictions and the
11 national effort to reduce the size of government.

12 Sometimes, when we look at ourselves and our
13 budget, which has been shrinking, we think of ourselves as a
14 small, not-so-important agency. However, if we look at the
15 importance of our mandate, namely adequate protection of
16 public health and safety and the environment and the common
17 defense and security in the use of nuclear materials in the
18 United States, and if we look at the scope of that
19 responsibility, together with the net capital investment in
20 the range of activities that we regulate, our importance is
21 very great indeed.

22 Potential new activities will give even greater
23 weight to what we do at a time when significant changes are
24 occurring for those we regulate. I believe that we have
25 taken significant steps to position ourselves for future

1 change.

2 Last month, we issued a draft policy statement on
3 economic deregulation of nuclear power plants outlining our
4 concerns about the adequacy of decommissioning funds and the
5 potential impact on reactor operational safety. Our
6 relationship with the Department of Energy is rapidly being
7 redefined. As you know, the Department has requested NRC
8 involvement in its pilot project to develop a high-level
9 radioactive waste solidification system at Hanford,
10 Washington, in order to facilitate possible NRC licensing of
11 a privatized Hanford facility soon after the year 2000.

12 During fiscal year 1997, NRC will begin the
13 development of an overall review strategy to be made
14 available as guidance for potential DOE contractors at the
15 site. Also in FY 1997, the NRC will begin assisting DOE
16 through a memorandum of understanding in evaluating
17 alternative approaches to tritium production. One
18 alternative under consideration by DOE for evaluation is the
19 production of tritium in commercial light water reactors.
20 The NRC will be evaluating potential policy issues and
21 licensing requirements to implement this approach.

22 Possibly even more farreaching, we are being
23 considered for a major role in the oversight of DOE's
24 nuclear activities more broadly. Such an increase in our
25 regulatory responsibilities to encompass DOE facilities if

1 adopted by the Congress would require adequate resources and
2 sufficient time to develop a sound regulatory program.

3 Finally, we intend to assume regulatory oversight
4 of the operations of the U.S. Enrichment Corporation by
5 March 3, 1997, as well.

6 On the international scene, the Convention on
7 Nuclear Safety negotiated over a three-year period by
8 representatives from over 65 nations will enter into force
9 on October 24, thereby helping to ensure a safer global
10 environment. In the United States, ratification of the
11 treaty which the U.S. and the NRC in particular had major
12 roles in developing, is currently before the Senate and we
13 hope to obtain early Senate approval in the new Congress.

14 We are also finding international support for my
15 proposal to establish an international nuclear regulators'
16 forum in which nuclear regulatory officials from all over
17 the world can exchange views, coordinate approaches and
18 harmonize arrangements for the safe and secure use of
19 nuclear energy for peaceful purposes.

20 Finally, within the agency, we have made
21 significant progress in our strategic assessment and
22 rebaselining initiative. Although I will have more to say
23 about this in a few minutes, I want to note here that the
24 issue papers are out for public and NRC staff comments and
25 we intend to be in a position to reach final decisions on

1 them in the December/January time frame.

2 While we have been busy preparing ourselves for
3 future changes, we have also continued to improve our
4 existing major safety programs. In the reactor area, we are
5 expanding our use of probabilistic risk assessment to ensure
6 that the Agency's resources and activities are focused on
7 the issues that are most important to safety. We have
8 modified our processes for evaluating nuclear plant
9 performance and we are taking steps to improve our program
10 for protecting allegers against retaliation.

11 In the nuclear materials and nuclear waste areas,
12 we have improved our cooperation with the states on
13 regulation of radioactive material. We have streamlined our
14 materials licensing and inspection processes. We have
15 adopted a new, performance-based licensing approach with
16 respect to uranium recovery facilities and we have started a
17 process, initially with respect to our medical program, to
18 evaluate whether our materials program standards and
19 regulations are appropriately focused on the health and
20 safety issues of significance for these licensees.

21 In research, we are focusing our efforts on PRA,
22 on understanding the reactor component aging process and on
23 consolidating our efforts on thermal hydraulics into a
24 comprehensive long-range plan.

25 Now, I have covered a lot and, taken together, all

1 of these efforts represent a significant attempt to improve
2 our performance and to adjust to changing circumstances and
3 we, as an agency, have much to be proud of in our record
4 over the past year. I certainly am proud of our
5 accomplishments and our efforts to be ready to address the
6 new responsibilities we may take on during the next twelve
7 months and beyond. And I think each of you should take
8 pride in the individual roles that you have played in the
9 overall effort.

10 Now, unfortunately, much of what we have
11 accomplished has been seriously overshadowed by events in
12 New England. The Millstone and Connecticut Yankee plants
13 are likely to leave in many people's minds a more permanent
14 stamp on the record of the last twelve months and to
15 characterize the performance of the NRC far more than any of
16 the numerous accomplishments I have described over the same
17 period of time.

18 In part, this result is only to be expected. The
19 role of the regulator is a difficult role to play. Those of
20 you who are sports fans or have participated in a formal
21 debate know how much more difficult it is to maintain a
22 defensive posture than it is to mount an effective offense,
23 since the latter requires only a plan for a single course of
24 action and some ability to actually carry it out while the
25 former, the defensive posture, must have effective plans

1 against all possible contingencies. Regrettable as it may
2 seem, it only takes one event to call into question the
3 ability or willingness of a regulator, an umpire, a referee
4 or a traffic cop to accomplish his or her mission.

5 Yet it would be a serious mistake on our part to
6 dismiss the events at Millstone in particular as presenting
7 merely an interesting set of technical problems that will
8 ultimately be addressed and resolved with time and a certain
9 amount of increased attention on the part of the NRC. As I
10 noted last March when I addressed all of you about the Time
11 Magazine article about the Millstone situation, if we
12 honestly assess the performance of the utilities in question
13 and our own performance, we would agree that not all aspects
14 of nuclear operations and nuclear regulation are as they
15 should be, despite all of our efforts to the contrary. And
16 although we have much to learn yet about the situation at
17 Millstone and it would be premature to state totally full
18 conclusions, we do know enough about the conditions at the
19 plants to begin to ask ourselves some thought-provoking
20 questions about whether we have succeeded in establishing
21 the safety culture we have been trying to establish
22 throughout the industry, whether we are succeeding as well
23 as we should in anticipating problems in advance, whether we
24 are asking ourselves the right questions about the way we
25 have done things in the past or are doing them now and

1 whether NRC personnel both in headquarters and on site, in
2 evaluating licensee activities are sufficiently familiar
3 with regulations and requirements that apply to the specific
4 activity being carried out.

5 When I look at the recent events at Millstone, I
6 see two broad decisions that, if we could go back and
7 change, we could. We should have put more NRC resources on
8 discovering the problems at Millstone at an earlier stage
9 and possibly turned the facility around prior to its
10 reaching its current state. The other is that perhaps we
11 stopped doing design-basis inspections too early and we
12 relied on industry to address the problem without
13 maintaining an appropriate regulatory focus to assess
14 whether, in fact, they were dealing with the issue in a
15 timely manner.

16 Now, this is not to say -- this is very
17 important -- this is not to say that we cannot rely on
18 industry. We have to, because they are responsible for the
19 safe operation of their facilities. However, it is our
20 responsibility to regulate them, to set appropriate safety
21 requirements and to insist upon compliance with existing
22 requirements. We cannot delegate regulatory responsibility
23 to the industry.

24 Now, I want to address a few remarks toward our
25 expectations of licensee performance and the emphasis of our

1 own regulatory oversight. I see real danger in our becoming
2 ensnared by false distinctions between safety and compliance
3 in our regulatory program. In fact, the concepts are bound
4 tightly to each other.

5 A licensee's compliance with our regulations and
6 license conditions is fundamental to our confidence in the
7 safety of licensed activities. As I have said any number of
8 times, if there are requirements on the books that do not
9 have to do with safety, we should remove them through the
10 well-established processes to make such changes. That is
11 important because it is untenable, as a regulatory agency,
12 to imply that regulatory requirements can be ignored.

13 I recognize that, as an agency with limited
14 resources and staff, we must make informed choices in
15 applying our resources to the most safety-significant
16 activities or challenges requiring our oversight. This
17 drives the importance of a risk-informed approach to
18 regulation. By focusing our resources on those significant
19 issues and maintaining high expectations for licensees'
20 adherence to existing requirements until and unless they
21 change, we will strengthen the quality of our oversight and
22 public confidence in it and we will enhance consistency and
23 objectivity in our evaluation and enforcement and thereby
24 help to ensure fairness to all.

25 Of course, an event like Millstone quite obviously

1 suggests the need for change, change in the industry as well
2 as change at the NRC, and we should welcome the opportunity
3 that Millstone affords to correct and improve our
4 performance as a regulatory body responsible for protecting
5 public health and safety. I have concern, however, that
6 some of you may view any suggestion for change as a
7 criticism of both your personal performance and the agency's
8 overall performance.

9 I personally believe that such a view is mistaken,
10 for any organization must change over time and in response
11 to the challenges of the moment. We are, in fact, in
12 effect, learning as we go and Millstone provides a timely
13 lesson for us. In fact, change and learning are built on
14 the foundation of the past. That is what we have been doing
15 all the time.

16 I especially want to make it clear to you that I
17 recognize, and I have said it on many occasions, that NRC is
18 a highly competent technical agency that employs many
19 extraordinarily gifted and dedicated people. What we need
20 to do is to work together to continue to have a strong,
21 respected organization and an important part of working
22 together is communicating clearly with others and listening
23 carefully and attentively to what is being communicated to
24 us.

25 Communications and improvements in how we do

1 business are also the key features of our strategic
2 assessment and rebaselining initiative at this stage of its
3 evolution. As you know, issue papers have been published
4 for comment and we will soon be holding a series of meetings
5 across the country to obtain comments from the general
6 public and other stakeholders. We are also especially
7 looking forward to hearing from each of you in that process.

8 I know many of you are concerned about the impact
9 of strategic assessment and rebaselining on your own
10 careers, on your own jobs but I want to assure you that, to
11 date, we have only made preliminary decisions on the issue
12 papers. We are counting, in fact, on your input to help
13 guide us in making final decisions and we want you to
14 identify any and all concerns that you may have. Be candid,
15 be straightforward, be thoughtful but, by all means, provide
16 us with your comments.

17 In that regard, I want to draw your particular
18 attention not just to those issue papers that may directly
19 impact your job but to Issue Paper Number 23 as well. It is
20 one entitled Enhancing Regulatory Excellence, which is
21 directly applicable to the issues I have discussed today and
22 to the general direction of the Agency. We welcome your
23 comments on what you see as the major problems affecting the
24 agency and any solutions you may care to offer.

25 Now, I would like to turn the meeting over to you

1 and I would ask each of you who wishes to speak, to ask a
2 question, to use one of the microphones available so that
3 everyone can hear your question.

4 Please feel free to direct your question to me or
5 to any one of us and if your question is intended for all of
6 us, I will refer it to each of my colleagues in turn.

7 So, may we have the first question, please?

8 Is the meeting over?

9 VOICE: Good morning.

10 CHAIRMAN JACKSON: Good morning.

11 QUESTION FROM AUDIENCE: Who had a "good morning"
12 before I had a "good morning"?

13 [Laughter.]

14 QUESTION FROM AUDIENCE: I would like to direct
15 these two questions to the two new commissioners and welcome
16 you, obviously, to the Commission.

17 Also, do you have any particular areas of
18 expectations or areas of particular interest that you would
19 like to pass on to the staff here as coming new to this job?

20 And also, particularly, Commissioner McGaffigan,
21 coming up from the Senate, what was your view of how the
22 Agency was viewed by the Senate, which obviously is an
23 important body in giving oversight to the Agency? I would
24 be interested in those two.

25 CHAIRMAN JACKSON: Commissioner Diaz?

1 COMMISSIONER DIAZ: I believe that my greatest
2 expectation is on me rather than on the staff. I would like
3 to be able to learn more about all the things that we do so
4 I can work effectively with you and that is what I am trying
5 to do right now. I am in a learning curve. All learning
6 curves are "S" and I am definitely away from curving over; I
7 am still curving at the very bottom of it.

8 But I would like to say that the -- my expectation
9 on the staff are to be able to communicate with you
10 frequently and openly and to know which directions you see
11 things going so I might be able to do my job better.

12 COMMISSIONER McGAFFIGAN: I come to you from the
13 defense world and that means that, perhaps initially, I am
14 going to pay some attention of these issues of tritium
15 production in commercial reactors. I have a strong
16 background in nonproliferation and I spent 20 years in
17 government and I am going to try to help my colleagues
18 understand how government institutions work. I think,
19 having been in government for 21 years, like many of you, I
20 think that will be a strength that I can bring to the
21 Commission in terms of processes, acquisition processes.

22 I was there when a lot of this legislature was
23 passed to make acquisitions systems more flexible for Pat
24 Norry and her people, make information systems work better.

25 I am in a learning mode as well. I have learned a

1 lot in the last month from having 40 people come in and talk
2 to me about being TAs and it gave me a sense of just how
3 excellent this agency is and I think I could have thrown a
4 dart and ended up with good staff, but that is for all of
5 those of you who weren't chosen. But you are all -- they
6 were full of ideas and full of enthusiasm and full of ways
7 to make this a better institution. So I see that in the
8 staff.

9 In terms of how the Senate views the Agency, in
10 all honesty, it is like many institutions. I oversaw the
11 Defense Department and there are many parts of the Defense
12 Department that are relatively unknown except to the
13 specialists and the staff and the NRC is in that category.

14 I think you have a general reputation, as the
15 Chairman said, as an excellent technical agency with top-
16 notch people but you have not had an authorization bill
17 passed in 11 or 12 years. That is -- if you get focus in
18 the Congress, it is when members, all hundred of them, have
19 to vote on issues and that hasn't happened in a long time.
20 And the appropriations bill is handled relatively
21 straightforwardly with you buried in the energy and water
22 bill.

23 I think there are some very important issues for
24 the Agency in the Congress and our profile may well go up in
25 the coming years because of the nature of the issues that

1 are going to come before us. But I think, in general, you
2 are thought of as a very competent technical agency that
3 they don't have to think about very much, which is good.

4 CHAIRMAN JACKSON: Next question.

5 QUESTION FROM AUDIENCE: Good morning.

6 Some statements were made regarding shrinking
7 budgets and streamlining of the inspection and licensing
8 program. In light of this, what does the Commission see in
9 terms of the future of the usage of regions in terms of the
10 administration of the overall purpose of the NRC?

11 CHAIRMAN JACKSON: I think there are two answers
12 to that question. One is that the Commission has made no
13 specific decision one way or the other with respect to the
14 regions. Having said that, I think that the Commission
15 recognizes the strength of the regional system and the
16 importance of our inspection program, in terms of giving us
17 comfort that we, in fact, are carrying out our health and
18 safety mission effectively and that our licensees are living
19 within the regulatory framework. So there is no specific
20 plan, at this particular time, to do anything one way or the
21 other with the regions.

22 But our overall regulatory program including
23 reactor oversight is under discussion both as an outcome of
24 lessons learned from a number of issues we have been
25 grappling with lately as well as being specifically part of

1 strategic assessment and rebaselining and you have, because
2 the papers are out, any and all preliminary views of the
3 Commission. But, as I have said, we also are going to be
4 looking for stakeholder input and some of our biggest
5 stakeholders are our own employees, obviously.

6 QUESTION FROM AUDIENCE: Thank you.

7 QUESTION FROM AUDIENCE: This is primarily for
8 Commissioner Rogers but others may comment.

9 I would like to know the commissioner's impression
10 of the completeness of the documentation of the safety
11 adequacy of the existing nuclear power plants.

12 [Laughter.]

13 COMMISSIONER ROGERS: I detect my fellow
14 commissioners departing.

15 [Laughter.]

16 CHAIRMAN JACKSON: It's called the head-for-the-
17 hills effect.

18 [Laughter.]

19 COMMISSIONER ROGERS: Well, you know, the question
20 I think could be viewed in a couple of ways. One is, if you
21 really want to focus on documentation as such, that is one
22 aspect. And the other is, safety as it relates to
23 documentation.

24 I think that we certainly have felt that more
25 attention has to be paid to make sure that plants indeed

1 understand what their own documentation is and I have to say
2 that I think we have learned, through some studies recently
3 by the staff, that everybody's documentation has not been in
4 very good shape.

5 I can remember some years ago when I was at Public
6 Service Electric and Gas as a director and we ran into
7 trouble with the NRC and an oversight committee was created
8 and I was on that committee. One of the first things that
9 committee did was to ask that company to go and look back at
10 every commitment that it had made to NRC of any kind and to
11 see whether those commitments had been fulfilled or not and
12 to review all of the relevant documentation.

13 So I think that was a very healthy thing to do.
14 And I must say that I think plants have to understand what
15 their licensing basis is, they have to understand whether
16 they are in conformity with their alleged design which,
17 sometimes, what is on paper is not exactly what is in the
18 plant. And I think these loose ends just should be tied up.

19 It is a very important fundamental basis on which
20 to start to look at the future: Do you understand and have
21 good documentation for what exists in the plant right now?
22 It would seem to me it is just very fundamental, it is
23 elementary. The protests and objections to doing that from
24 licensees are understandable in some ways but I think it is
25 just a fundamental problem that has to be put to rest that

1 the documentation is in place and that the people who run
2 the plants understand what is in that documentation.

3 So I think that that is the beginning of continued
4 safe operation, to know what you have and what its technical
5 basis is. To me, there is really no argument that makes
6 much sense that you shouldn't do that.

7 CHAIRMAN JACKSON: I think that, in addition, a
8 number of our other initiatives such as PRA, and this came
9 out in the Commission briefing yesterday, rests on just that
10 knowledge and that ability to retrieve the licensing basis
11 and even, as Commissioner Rogers has stated in the past, it
12 is not just that you have it but that it is being
13 appropriately used as the plants are operating and in
14 operations and procedures and, particularly, as changes are
15 made to the plants.

16 Next question?

17 COMMISSIONER DIAZ: I might add a comment on that.
18 I don't know whether it is -- you know, it is a very short
19 time that I have been here. But I am trying to connect the
20 issues regarding the safety culture and what I have come up
21 with lately, and I am probably wrong, is that no safety
22 culture in this business can survive without a tracking
23 infrastructure and the tracking infrastructure is what
24 actually supports the activities that we do, whether it is
25 documentation or anything else. And that tracking

1 infrastructure has to connect every single point in the
2 Agency and now I am going to throw out a word from my early
3 years in school, and there should not be any impedance
4 mismatch in between those points.

5 CHAIRMAN JACKSON: Is there another question?

6 QUESTION FROM AUDIENCE: I was wondering how our
7 efforts have improved the safety in nuclear power plants in
8 the former Soviet Union.

9 CHAIRMAN JACKSON: It depends on your definition
10 of the former Soviet Union. I think if one looks at the
11 facilities in central and eastern Europe and countries that
12 were formerly part of the Soviet Union, I think the case can
13 be made that the safety has been improved in a number of
14 senses. I think that a number of plants have made changes
15 in operations that show improvements in those operations.
16 There are more robust safety assessments that are done in
17 those plants, including the use of PRA and those assessments
18 have been used to make both physical and operational
19 improvements at the plants.

20 We have been involved in international efforts
21 through both the G-7 and the G-24, specifically in making
22 safety upgrades at a number of plants of Soviet design.

23 Within the Russian Federation itself, we have made
24 some progress but the work continues. A big thrust of our
25 efforts as an agency has been in strengthening or bringing

1 into existence where they didn't exist and strengthening the
2 regulatory bodies, particularly with respect to having those
3 bodies and their statutory authority firmly rooted in basic
4 nuclear legislation and having regulatory bodies that have
5 independence and the resources that they need.

6 We could say that there has been a lot of good
7 progress in that regard. If one wanted to be fair or
8 realistic, I would say there is no regulatory body that
9 looks like us anywhere in the world. Those bodies, then, in
10 those countries are a long way from where we are today.
11 However, in the sense that in certain instances there was no
12 regulatory structure and there now is, that there was no
13 independence and there now is more, that there have been
14 specific both physical and operational safety upgrades made
15 in those plants and that there have been a number of efforts
16 and successful ones in improving safety culture, I would say
17 that the record is a positive one.

18 I don't know if Commissioner Rogers, who has also
19 been here for a while, might wish to make a comment?

20 COMMISSIONER ROGERS: Yes. I think one thought
21 that occurs to me that might be of interest to you in this
22 regard is that NRC has been a training ground for regulators
23 from other countries over the years very effectively and
24 today we see people heading nuclear safety organizations in
25 countries that were part of the former Soviet Union who

1 spent a year at NRC some time ago and were profoundly
2 influenced by that and the ability to stay in touch with us
3 and to be assisted by us through informal as well as formal
4 contacts, I think, has been very valuable.

5 So I would say that part of the success that has
6 come about has been through the sharing of expertise by NRC
7 staff members with staff members from other countries and
8 that has produced, I think, some very important
9 possibilities for the future, because they have been
10 oriented toward how we do things, how we think about safety
11 and they could sort of hit the ground running when they were
12 given opportunity to become a regulator in their own
13 countries.

14 CHAIRMAN JACKSON: I also think that one other
15 thing that is very important in this, in fact equally
16 critical, is that our government has been very focused on
17 the issue of safeguarding excess fissile materials and so
18 the NRC, together with other government agencies, has been
19 very involved in issues of material protection, control and
20 accounting, implementing such systems as well as the actual
21 physical protection in countries of the former Soviet Union
22 both through the Gore/Chernomyrdin Commission process, of
23 which I am a member, and my predecessor before me but also
24 at the staff level.

25 So on the nonproliferation side and the

1 safeguarding of materials side, we also have had a very
2 large impact and I don't know if Commissioner McGaffigan
3 wanted to make any comments since I know that the
4 nonproliferation issues are a focus of his.

5 COMMISSIONER MCGAFFIGAN: I don't want to get off
6 track, since the question is originally about reactors. But
7 I think that is something that our government has done
8 extremely well and the Congress continues to provide very
9 adequate resources to pursue that and I think will continue
10 to do so even after Senator Nunn leaves the Senate in
11 January.

12 CHAIRMAN JACKSON: Is there another question?
13 Yes.

14 QUESTION FROM AUDIENCE: I am asking this
15 question -- I am an administrative judge, by the way, and I
16 am asking this question. Does the Commission, either as a
17 whole or individually, Commissioners, realize that in the
18 past few years one of the major efforts of the Commission
19 seems to have been to cut down the opportunities for
20 meaningful -- and I would like to emphasize the word
21 "meaningful" -- public participation in various nuclear
22 regulation and the opportunity of members of the public to
23 participate.

24 There seems to be an effort to cut down the
25 opportunities for meaningful public participation such as in

1 hearings where I have participated. The Commission seems to
2 have attempted to cut down the opportunities for meaningful
3 public participation and I would like to get the current
4 Commissioners' views on the general subject.

5 CHAIRMAN JACKSON: Well, I think, and I will speak
6 first here, that the Commission is continually reviewing and
7 currently reviewing how it interfaces with the public, the
8 opportunities for the public to participate in our
9 regulatory processes at all levels, not just from the point
10 of view of hearings but in rulemakings and other fora.

11 I would take some degree of issue with that
12 perspective that we, in fact, are going the other way. I
13 think my understanding, and Commissioner Rogers, who has
14 been here longer, can speak to this more explicitly, but my
15 understanding is if you look at the question of how many
16 hearings we have versus not and use that as a metric of
17 public participation, I would argue first that is not the
18 only metric of public participation for the Commission and
19 there are any number of other ways that we involve the
20 public in our decisionmaking and continue to evaluate how we
21 can do a more effective job in that regard.

22 We are not as much of a licensing agency in terms
23 of major licensing activities as we were in the past when
24 there were a number of large nuclear facilities under
25 construction and being licensed and I think that there is a

1 natural trend in terms of that kind of a process that then
2 tracks with the case load, as it were.

3 Secondly, there are opportunities for hearing.
4 There are hearing rights afforded to any number of groups
5 with standing in many of our processes ranging from
6 licensing to decommissioning. So that is something that we
7 should take a look at.

8 But in the absence of taking a more detailed look,
9 I would say to you that our public participation has taken
10 different forms than just hearings but, in fact, my
11 perception is that the Agency is more open than it used to
12 be.

13 Commissioner Rogers, maybe you would like to make
14 a comment?

15 COMMISSIONER ROGERS: Yes. I think that that is a
16 very, very important point. I think, perhaps, from your
17 point of view of numbers of hearings and the number of times
18 the Commission has agreed to a hearing may be the basis for
19 your observation but I think that it does not reflect the
20 point of view of the Commission, should not be interpreted
21 as the view of the Commission as disinterested or interested
22 in reducing public participation.

23 I would say that meaningful public participation
24 can take place in many forms and certainly our efforts at
25 enhanced participatory rulemaking, for example, which

1 occupied a great deal of attention of the Commission and has
2 only been tested a little bit but seems to show some real
3 promise, I think that is a meaningful process. It may not
4 be exactly the same kind of participation as you might
5 observe in connection with hearings but I believe it to be
6 very meaningful in influencing how the Commission has come
7 to write its rules and I hope we will see much more of that.

8 I think this Commission is very committed to
9 openness and public participation in every way that we see
10 opportunities for meaningful participation to be exercised.
11 So I would hope your observation would not be that we do not
12 feel that way. I believe very strongly that this Commission
13 has gone on record a number of times of really being
14 interested in involving the public in new ways that go
15 beyond the ways of the past. I don't think that the
16 measures that you may be applying tell the whole story.

17 CHAIRMAN JACKSON: Commissioner Dicus?

18 COMMISSIONER DICUS: I can't address specifically
19 what you are talking about with the hearing process; I have
20 not participated in that. But through the years that I
21 worked with this Agency in the various capacities that I
22 worked with the Agency prior to the time that I joined the
23 Commission, viewing it over that course of time, my
24 impression is that the Agency has become more open and has
25 attempted and honestly and sincerely attempted to involve

1 the public and other stakeholders in its decisionmaking
2 process far more than my view was some years ago.

3 So I see it trending to a better position of
4 communication between our agency, the people we serve, the
5 public, the licensees and the other stakeholders. If there
6 is room for improvement, and you are suggesting there is,
7 certainly, we should take a look at that. But my view is we
8 are doing a better job and we will continue in that trend.

9 CHAIRMAN JACKSON: Commissioner Diaz?

10 COMMISSIONER DIAZ: We are committed to public
11 participation, period. There is no need to elaborate; it is
12 a fact.

13 CHAIRMAN JACKSON: Commissioner McGaffigan?

14 COMMISSIONER MCGAFFIGAN: I can't quite be as
15 short as that.

16 [Laughter.]

17 COMMISSIONER MCGAFFIGAN: But I agree. I come
18 here from an open institution, the Senate, and I have been
19 impressed in my first month-and-a-half here with just how
20 open this institution is, how open we are to public comment,
21 how public comment is taken seriously in every SECY paper
22 that comes to us, how open the staff is when they go out and
23 do inspections and have public meetings at the end of
24 inspections and convey to the public what it is that is our
25 view of the current plants and how we deal openly with the

1 events that occur.

2 So I think you have a remarkably open institution.
3 If there are -- I don't know the history of the hearings
4 process, but if there are improvements to be made, we can
5 look at it. But I think you are one of the most open
6 institutions, most open to public comment and public
7 participation that we have in the government.

8 CHAIRMAN JACKSON: I would also like to point out
9 that in laying out our strategic direction for the future,
10 as part of the strategic assessment, that is precisely why
11 we have rolled out all of these issue papers on what we feel
12 are the key issues for us, in terms of making decisions that
13 are going to affect our regulatory programs going forward
14 before the Commission even comes to a final decision and, in
15 fact, meeting with various stakeholders around the country
16 to solicit their input and, very importantly, getting input
17 from our own people.

18 Let me go on to the next question, please.

19 Yes.

20 QUESTION FROM AUDIENCE: Dr. Jackson and
21 Commissioner Rogers, I would like to indicate for myself a
22 personal concern that I have about the Commission's ability
23 to actually create a risk-informed basis for doing many
24 things in the Agency. There are approximately somewhere
25 between 70 and 80 systematic evaluations, mostly

1 probabilistic risk assessments that have been performed for
2 nuclear power plants primarily under Generic Letter 8820.

3 However, because of the costs and the resources
4 required to review these risk assessments, they have been
5 reviewed to a level that does not allow the staff to make
6 regulatory decisions based on these, it does not allow
7 people to make licensing decisions based on the PRAs and
8 every time an issue comes up, it has to be addressed
9 individually.

10 The staff is at a tremendous disadvantage because
11 it does not have the ability to effectively argue back
12 against the licensee who has put in a million, two million
13 dollars to do the review and performance of the PRA and we
14 have not, on our part, done a review that allows us to use
15 it.

16 Therefore, it seems to me that throughout the
17 agency, if we have all this information that is provided now
18 by licensees, and I know now that I am a project manager I
19 see that we can't effectively use it because the PRA
20 branches are overwhelmed and overburdened with the
21 possibility of reviewing every risk assessment issue that
22 comes up. Therefore, we can't really go forward, I believe,
23 until we do a much better job of reviewing these PRAs to
24 determine if they do do a good job of modeling the plant.

25 So I am interested in how the Commission sees this

1 and whether they have any plans to kind of break this box
2 that we have put ourselves in?

3 CHAIRMAN JACKSON: I think that is an excellent
4 question. I think there are several pieces to the answer.

5 One thing that the staff has been urged to do on
6 an expedited basis is to develop certain key tools, among
7 them regulatory guidance as well as standard review plans.

8 One motivation of the Commission in asking that
9 these activities be undertaken on an expedited basis is for
10 us as an agency to lay out, both for the licensees as well
11 as for our own staff, what are appropriate minimal
12 requirements for the use of the kinds of risk assessments
13 that you described in regulatory decisionmaking and, in so
14 doing, then to be able to give guidance to the staff
15 including people in critical positions, such as yours, for
16 what a minimal submission should be and what level of review
17 is required for what regulatory action.

18 I would say to you that, having had a recent
19 Commission briefing on the PRA implementation plan, I would
20 say that we are not there yet. There are, I know, draft
21 documents under development and under review but, in the
22 end, those documents have to, in fact, address the points
23 that you raise in terms of how are we going to review these
24 submittals, how are we going to make regulatory decisions
25 without certain levels of review of the PRA submissions but,

1 more importantly, what are the base line requirements in
2 terms of what has to be in those.

3 Just as with everything else, everything is linked
4 to everything else. There was an earlier question about the
5 licensing basis of the plants. I think a big issue has to
6 deal with the fact of what is the base on which PRAs are
7 built and if we don't understand, if licensees don't
8 understand how their plants are built versus design, that
9 they haven't kept up with the licensing basis as the plants
10 have changed, it is not clear how, in fact, what the PRAs
11 mean relative to that.

12 That is part of what the Commission is trying to
13 get at with the 5054(f) letters that went out recently but
14 it is also part of what the Commission has asked the staff
15 to do and I have been pushing very hard on the staff to
16 accomplish with developing these guidance documents. Are
17 they end all and be all? Of course not. But I think we
18 have to come up to a certain threshold level in terms of
19 what minimally is required both of ourselves in terms of our
20 review of PRA submittals and of licensees in terms of what
21 has to be in them before we can move forward.

22 The concern that I have and I had when I got here
23 is that the train has left the station in the sense of our
24 licensees very actively using these techniques in making
25 their own decisions and, in a certain sense, we have to

1 catch the train and stabilize the situation.

2 So I thank you for your comment and if you have
3 any specific recommendations that you think we could do --
4 of things you think we can do to move this along in a more
5 focused way or at a better pace, the Commission, I think,
6 would appreciate hearing from you.

7 Commissioner Rogers?

8 COMMISSIONER ROGERS: Yes, I would just like to
9 remind you that we did not require all plants to do a PRA.
10 We required all plants to do an individual plant examination
11 that might involve a PRA but did not necessarily require a
12 PRA and, in the early days of that process, the Commission
13 was not either prepared or totally comfortable with using
14 PRA to make regulatory decisions, although it felt that PRA
15 was a useful tool for licensees to employ in examining their
16 own plants. I think what we have seen here is that that
17 tool has been taken up and used more extensively than we had
18 thought it would be five or six years ago.

19 We were never prepared to review every individual
20 plant PRA. I have been somewhat dismayed by that myself
21 because I think there is a great deal to be learned on our
22 part from examining PRAs. However, the Commission
23 recognized that it would not have the resources to review
24 every single plant PRA, nevertheless saw the value to the
25 licensees in understanding their own plants better by doing

1 a PRA. That certainly has proven to be the case.

2 Many licensees have found vulnerabilities that
3 they did not really fully appreciate in doing the PRA and we
4 have observed that. But, as the Chairman has said, I think
5 we are starting now to get to the point where we realized
6 that this is a very powerful regulatory tool and we have to
7 be able to use it effectively, more extensively.

8 We have committed enormous resources to our PRA
9 implementation program. But we are still not quite in a
10 position to be able to supply enough person power to review
11 every single plant PRA.

12 I think it would be a very good thing if we could
13 do that, so I appreciate your concerns and sense of
14 frustration here. But I would call to your attention the
15 history that has gotten us to this point. We didn't really
16 expect that every plant would necessarily do a full level
17 two PRA or even a level one PRA when we started the
18 individual plant examination program. That has sort of
19 caught fire and now we are trying to learn how to deal with
20 it.

21 CHAIRMAN JACKSON: The question is where we go
22 from here. Commissioner Dicus?

23 COMMISSIONER DICUS: I leaned over and said
24 something to the Chairman so I get called on. That's okay.

25 [Laughter.]

1 COMMISSIONER DICUS: No, I was concerned about the
2 question and agree with the Chairman it is a very valid
3 question and it is a question the Commission needs to be
4 concerned about.

5 I have raised similar issues and approached them
6 in another direction in Commission meetings to the extent of
7 asking when we are developing these documents, when we are
8 going out with things, are they really being effective and
9 then, conversely, when these items come back in to us, are
10 we really able to handle them, what are we going to do with
11 them and how does this track? I am referring, in another
12 way, to what Commissioner Diaz said a little while about
13 about infrastructure and tracking.

14 So I appreciate your question. I think, as a
15 Commission, we are concerned about this and we need to
16 ensure, as the Chairman said, that we do get the key tools
17 in place to address this sort of thing and ensure that what
18 we are doing is the right course to take.

19 CHAIRMAN JACKSON: Commissioner Diaz?

20 COMMISSIONER DICUS: Ditto.

21 [Laughter.]

22 CHAIRMAN JACKSON: Commissioner McGaffigan?

23 Okay, I didn't know who was there first. Maybe we
24 will take one from -- okay.

25 MS. SMITH: We have a number of different

1 questions from the regions but I will start with this one.
2 This is from Region IV.

3 The Information Technology Management Reform Act
4 requires agencies to appoint a chief information officer.
5 When do you anticipate a selection will be made and what do
6 you see is the most significant impact which the agency will
7 experience from the formation of a new CIO organization?

8 CHAIRMAN JACKSON: Thank you.

9 I would say that we are tracking probably to the
10 end of the year to have a choice, a person, a choice made
11 and that come into effect.

12 I think the significant impact has to do with
13 creating an agencywide architecture for information
14 management that is both responsive to the user needs but
15 allows us more effectiveness and efficiency in carrying out
16 our program.

17 There are any number of issues related to how
18 information flows, how information is managed, how databases
19 are created, how they communicate, if they communicate, do
20 they streamline the administrative burden that our various
21 staff have to grapple with so that the focus can be on an
22 effective regulatory program. So acquisition of information
23 technology is linked to that but the role of the individual
24 in that position working with the EDO and CFO is to ensure
25 that the systems that are developed, that before technology

1 purchases are made, that we understand what they are to
2 accomplish and that we can do things appropriately on an
3 agencywide basis. It has some other things in terms of
4 acquisition, but that is a fundamental role.

5 So I personally am excited about the prospect and
6 I think we have a great opportunity and we just have to be
7 sure that it is implemented the right way.

8 MR. HECK: Okay, we have a question from Region
9 IV. The Agency has been --

10 CHAIRMAN JACKSON: Can you speak up? I can't hear
11 you too well.

12 MR. HECK: Okay. A question from Region IV. The
13 Agency has recently been using special team investigations
14 to review problem plants such as Dresden and Maine Yankee.
15 Would you anticipate this process would become a more
16 frequently used supplement to the inspection program for
17 problematic plants?

18 CHAIRMAN JACKSON: I think there are two answers
19 to that. One is that there is always a responsiveness
20 aspect to what we decide is needed relative to an issue that
21 may arise with one of our licensees; in this case a power
22 reactor site. So I would say that as needed and as
23 appropriate, we would do that.

24 There is a larger issue relating back to the
25 design basis and licensing basis issues as to whether -- and

1 I spoke to that in my remarks, that in fact we have stepped
2 away from doing design basis based inspections and that is
3 something that we are looking at again.

4 Let me take a question here. Yes.

5 QUESTION FROM AUDIENCE: Chairman Jackson, in your
6 opening remarks you referred to your support for an
7 international regulators forum.

8 CHAIRMAN JACKSON: Correct.

9 QUESTION FROM AUDIENCE: You are, of course, aware
10 that the Nuclear Energy Agency of the OECD has a committee
11 called the Committee on Nuclear Regulatory Activities which
12 is an informal forum for reactor regulators, usually at the
13 level of the head of the Office of Regulation, nuclear
14 reactor regulation. This group does meet from time to time
15 with regulators from the eastern European countries. In
16 addition, from time to time, there are senior regulators,
17 heads of regulatory committees, regulatory agencies, that
18 meet in Paris and I am wondering to what sense do you see
19 the proposed international regulatory forum differ from what
20 exists already.

21 CHAIRMAN JACKSON: Well, thank you for asking the
22 question. In fact, I introduced the idea of the
23 International Nuclear Regulators Forum at the Senior
24 Regulators Meeting at the NEA OECD in Paris just this fall
25 and it was very warmly and strongly endorsed.

1 The CNRA, the committee that you spoke of, is a
2 committee within the NEA that has had primarily a technical
3 focus and, as you point out, it is one that has had a focus
4 primarily on reactors and it has involved senior managers or
5 officials primarily at the level of someone that would be,
6 in our context, the director of NRR.

7 The forum that I am talking about is one that
8 would involve -- would be at a very high policy level and
9 involves a range of issues primarily focused on nuclear
10 safety and security and would involve the senior most,
11 politically accountable policy officials of those agencies.
12 It is meant to be complementary to but it is meant to
13 address a larger range of issues.

14 It is not going to be a forum where people sit and
15 present papers on PRA and how it is applied to nuclear power
16 plants. It really is looking at some of these issues about
17 regulatory regimes worldwide, some of the issues related to
18 creating regulatory bodies, legislative undergirding, any
19 number of issues. So it is meant to exist independently of
20 these existing structures but in harmony with them and to
21 latch onto them as appropriate.

22 In addition, the NEA membership is a very
23 restricted membership and a lot of the action in terms of
24 where there is need for regulatory discussion on the one
25 hand is in central and eastern Europe but, as far as where

1 there is major growth in nuclear programs, it's in Asia and
2 other than the membership of Japan and Korea, we don't have
3 certain major players in that forum.

4 Yes.

5 QUESTION FROM AUDIENCE: Chairman Jackson, you
6 mentioned that NRC will undergo some changes to survive.
7 Obviously, last year you discussed that extensively. At the
8 National Performance Review, where the government
9 performance was being reviewed actually on not the actual
10 mission but the way we perform, NRC was often cited as a
11 mature agency that had applied, relatively speaking, to
12 other regulatory agencies, common sense and judgment in
13 regulations.

14 Do you see that, more of that in the future or
15 less of that, given the problems that we have seen with
16 exemptions being given out --

17 CHAIRMAN JACKSON: Do I see more of what?

18 QUESTION FROM AUDIENCE: Of judgements used in
19 regulatory application, common sense approaches that --

20 CHAIRMAN JACKSON: Well, let me just say the
21 following. Judgment is always the basis of any decision
22 that is made. The question becomes what is the base on
23 which the judgment is made and do we have an infrastructure,
24 standards that we all understand and consistent tools that
25 we all use and understand and do we start from the same base

1 line of fundamental questions or ways of looking at whatever
2 the issue is or how we evaluate the performance of a
3 particular licensee.

4 I think what we are talking about here is ensuring
5 consistency, as much as possible, objectivity and the right
6 tools and common tools are used throughout our regulatory
7 programs and so that when our inspectors are in the field or
8 when we have region-based staff or headquarters staff that
9 everyone is reading from the same page.

10 You have heard me say, I have had it in a number
11 of speeches, that the way to regulate is not by exemption.
12 That if, in fact, one finds that there are circumstances
13 where there is somehow a need to issue blanket exemptions or
14 exemptions across some large base of licensees, that then
15 says that perhaps we need to take a look at why that
16 situation exists so that if, in fact, the regulation needs
17 to be eliminated or if it needs to be modified in a way so
18 that what I call the safety case is clearly there, then we
19 need to do that and that is why, in my opening remarks, I
20 said that it is very important that if we feel, if you feel,
21 if you know that our -- some regulation or regulatory
22 requirement does not have that safety case, then we need to
23 change it. But the solution for the regulator is not to say
24 that it is okay that we have these regulations, that it is
25 okay if they are ignored, because that is how we get

1 ourselves into the Millstone situation.

2 Over here?

3 MS. SMITH: This question comes from Region III
4 and it is for the new commissioners.

5 What are your opinions on the National Academy of
6 Sciences recommendations regarding NRC oversight of medical
7 facilities?

8 CHAIRMAN JACKSON: I am sure that Commissioner
9 Dicus would want to be considered a new commissioner in
10 this.

11 [Laughter.]

12 CHAIRMAN JACKSON: Therefore, I am going to put
13 her on the spot and put her in the group. So, Commissioner
14 Dicus?

15 COMMISSIONER DICUS: I am trying to figure out
16 what I have done here.

17 The -- of course, as you know, one of the DSIs
18 addresses this specific issue and, as we have said and the
19 Chairman has said, we are trying to back away and are
20 backing away.

21 Even in this case, as you will notice, from a
22 preliminary view of the Commission on this, we have heard
23 from the stakeholders and have that broader look at the
24 overall recommendation. I would go on and venture a little
25 bit of a comment toward this, however.

1 If the ultimate determination is that the NRC does
2 stay in the medical use of radioactive materials, that we do
3 need to take a look at the program and see if there are ways
4 that the program would need to be modified to make it a more
5 effective program and to raise some of the concerns that
6 were raised in the IOM report. We clearly did not even
7 reach a preliminary view on it because it is important to
8 hear from stakeholders.

9 CHAIRMAN JACKSON: Commissioner Diaz?

10 COMMISSIONER DIAZ: I, as some of you might know,
11 actually was trained in nuclear medical physics and actually
12 practiced about six years in the field. I decided to go and
13 work with nuclear rockets because it was safer.

14 [Laughter.]

15 COMMISSIONER DIAZ: Having said that, I do believe
16 that there are some issues that were raised that are
17 important but I do believe that the medical area needs to be
18 carefully regulated. And I think I would like to take
19 another look at it.

20 CHAIRMAN JACKSON: Commissioner McGaffigan?

21 COMMISSIONER MCGAFFIGAN: I agree with Dr. Diaz
22 that I am -- the bias that I come to this institution with
23 is that medical regulation will probably continue here at
24 the NRC, that it is appropriate. I think we do, based on my
25 conversations with those 40 people, we do a pretty darn good

1 job. There are some things we can change. The staff has
2 looked at that.

3 I think that the fundamental problem the medical
4 community has with us is that we actually do a responsible
5 job and some of their other self-regulation, as you can tell
6 by watching 60 Minutes, doesn't particularly work very well.
7 So the bias that I come to is that we are likely to stay in
8 this business for a while.

9 CHAIRMAN JACKSON: Well, you heard it here first.

10 [Laughter.]

11 CHAIRMAN JACKSON: Yes.

12 QUESTION FROM AUDIENCE: Good morning.

13 We have seen some regulatory issues involving our
14 interactions with the Environmental Protection Agency over
15 the past five to six years as sometimes very frustrating and
16 time consuming, both for the staff and for the Commission.
17 The most recent issue of which was finally resolved by the
18 full Commission, which was the constraint rule which will
19 impose a 10 millirem constraint in Part 24 air emissions for
20 materials and fuel cycle facilities.

21 With the next large hurdle still ahead of us,
22 namely that of decommissioning or the cleanup rule, would
23 you please comment as to how the Commission or the Congress
24 can assist us and the EPA in resolving our differences in a
25 more timely manner, especially with respect to groundwater

1 protection and move ahead in this extremely important area.

2 CHAIRMAN JACKSON: Let me just say the following.

3 We have some decisions before us that, as decisions, you
4 know, the Commission has to formally take up. So I am not
5 going to specifically speak to those in the absence of our
6 having reached a formal decision on that.

7 I think what I would rather do is, in particular,
8 call on the left side, my left side, and see, and ask
9 Commissioner Dicus and Commissioner McGaffigan.

10 We will start with Commissioner McGaffigan.

11 [Laughter.]

12 COMMISSIONER DICUS: Thank you.

13 CHAIRMAN JACKSON: To speak to that issue because
14 it is an issue before us. But to try to stay away from the
15 decisions.

16 COMMISSIONER MCGAFFIGAN: I think it is, again
17 from those 40 wise people who talked to me, the 14s and 15s
18 of the Agency, it is a very fundamental issue that you raise
19 and it is one that we are intending to tackle. I think the
20 Congress can play a role and probably will play a role. You
21 know, coming from the Congress, I can say this. When you
22 get the Congress playing a role, it is a roll of the dice as
23 to how it turns out.

24 There is inconsistency. It is a matter of great
25 frustration. This Agency prides itself on making rules

1 based on the scientific evidence and that is not always the
2 case with our -- with some other agencies, perhaps.

3 So I think it is a fundamental issue, it is one
4 that we intend to tackle in the context of the decisions
5 that the Chairman has referred to. Several of us, maybe all
6 of us, you know, the vote on the constraint rule I think is
7 public now and I think there was great frustration that we
8 had to do what we did and it was only based on the notion
9 that we really weren't adversely affecting our licensees.

10 But everything is a precedent for the next
11 decision and there was reluctance in that case that was
12 uniform. And I think the Chairman now wants to speak so I
13 will get out of the way.

14 [Laughter.]

15 CHAIRMAN JACKSON: I think a fair statement to you
16 is that you will probably see more activism in this regard
17 in the next year, very direct activism.

18 Having said that, let me defer to Commissioner
19 Dicus.

20 COMMISSIONER DICUS: I still can't get off the
21 hook.

22 Having dealt with at least, well, two state
23 legislatures, one in Arkansas and one in Nebraska when I was
24 chair of the Commission there, the last place I like to try
25 to get something resolved is at the political level. So if

1 we can resolve it before we get there, it is probably much,
2 much better. As Commissioner McGaffigan said, it is a roll
3 of the dice.

4 Here recently, we asked that something get on the
5 agenda for a briefing and it really had to do with dual
6 regulation. But rather than spelling "dual" d-u-a-l, we
7 spelled it d-u-e-l and I said, never mind, leave it; it's
8 closer to the truth.

9 [Laughter.]

10 COMMISSIONER DICUS: It really had to do with
11 the -- and it has to do with competing standards and
12 standards with some of our sister agencies.

13 I am very concerned that we have such a wide range
14 of standards and what those standards are based on and we
15 need to definitely try to find a core idea and stick with
16 it. I think it is going to be easier for our licensees,
17 easier for the public to understand and accept. So the
18 issue with what we have just passed, in part we were trying
19 to get away from dual regulation and it was a way to
20 accomplish that, but we need to study this a little bit
21 more. I am very concerned about the number of standards and
22 how we decide that is the standard we should have.

23 CHAIRMAN JACKSON: Remember, you heard it here
24 first that not only are we going to study it more, we are
25 apt to take a more activist role.

1 Commissioner Diaz?

2 COMMISSIONER DIAZ: Yes, I would like to have the
3 40 wise people that talked to Commissioner McGaffigan to
4 come and talk to me.

5 [Laughter.]

6 CHAIRMAN JACKSON: Commissioner Rogers.

7 COMMISSIONER ROGERS: I think everything has been
8 said that is going to be said.

9 CHAIRMAN JACKSON: Let's hear if there is a
10 question from the regions.

11 MR. HECK: Region IV. Current inspection is to
12 reduce the inspection effort at plants with good self-
13 ratings. In light of the lessons learned from Millstone and
14 others, can the Agency continue to pursue this initiative
15 where, for superior performers, greater emphasis is placed
16 on licensee self-regulation as opposed to NRC oversight.

17 CHAIRMAN JACKSON: That is a good question.

18 I think we are looking at that. There is a review
19 underway of the whole resident inspection program, how
20 people spend their time and how that squares with what we
21 were assuming about what our licensees were doing versus
22 what we feel we have learned in terms of lessons from some
23 of our recent experiences. So my general answer to you is
24 that there will be some -- a relook and possible
25 renormalization.

1 A question here?

2 QUESTION FROM AUDIENCE: Good morning. I have two
3 personnel type questions.

4 I heard a lot of issues being addressed, PRA,
5 Millstone. Does the Commission believe the NRC has the
6 appropriate level of human resources to deal with all the
7 issues we have heard this morning and, if not, are there any
8 thoughts about going to Congress to increase our level of
9 human resources?

10 My second question is, what is the opinion of the
11 Commission as to the current level of morale at the NRC and
12 are there any thoughts about conducting a survey to address
13 the issue?

14 CHAIRMAN JACKSON: Well, I will take your second
15 question as a suggestion which I think we will look at.

16 In terms of going to the Congress to request an
17 increase in our FTE, I think there are two answers to that
18 question. The chances of that, in the absence of major
19 growth in our regulatory program, I mean, are something that
20 is a slim opportunity.

21 However, having said that, I think the more
22 important and intelligent way that we have to do it, and it
23 is actually going to be an outcome, a follow-on of the
24 strategic assessment and rebaselining is that we have to
25 decide ourselves where we think that the regulatory program

1 is going and it hinges on decisions like some of what we
2 have been asked about today in the medical area, what we are
3 going to do in the inspection program, more broadly what we
4 are going to do in terms of our regulatory oversight.

5 We have to ask ourselves then what core
6 competencies does that imply for the agency and at what
7 level and then we have to look at the people we have, look
8 at fungibility of people, et cetera, et cetera, et cetera
9 and until and unless we address those questions, then to
10 talk about going to Congress for an increase or decrease or
11 the status quo is premature.

12 So that is my answer to you.

13 Yes.

14 MS. SMITH: Question from Region IV.

15 NRC recently shifted the agency lead in standby
16 mode for incident response from the region to headquarters.

17 CHAIRMAN JACKSON: Could you repeat the question?
18 She was disturbing me.

19 COMMISSIONER DICUS: That means I am going to have
20 to answer another question.

21 [Laughter.]

22 MS. SMITH: Okay. This is from Region IV.

23 NRC recently shifted the agency lead in the
24 standby mode for incident response from the region to
25 headquarters. What additional changes do you foresee

1 regarding the NRC Emergency Response Program?

2 CHAIRMAN JACKSON: I don't think there is an
3 answer I can give you. That is being evaluated as part of a
4 number of relooks at a number of things so there is no
5 specific answer.

6 Any other questions?

7 Is this Region IV again?

8 MR. HECK: No, this is Region III this time.

9 CHAIRMAN JACKSON: I think Mr. Callum made these
10 plants; he wanted us to know he was here.

11 [Laughter.]

12 MR. HECK: Is site experience as a resident
13 inspector a prerequisite for promotion for all reactor
14 program positions, particularly resident inspector
15 positions? Recently, it appears that site experience has
16 become a nonwritten prerequisite for promotions and,
17 unfortunately, highly qualified applicants with in-depth
18 technical knowledge can be passed over for specialized
19 positions in favor of someone with site experience but
20 without the in-depth knowledge required for the position.

21 Was this what the Commission intended?

22 CHAIRMAN JACKSON: Well, first of all, it is not
23 my understanding that there is either an actual or de facto
24 requirement in that regard for promotion, unless these
25 gentlemen sitting here apprise me of something different.

1 So that is something I will take a look at and we
2 will take a look at but it is not my understanding that that
3 linkage is there at all.

4 Yes?

5 MS. SMITH: Three questions from Region III.
6 First question, do you think we need dedicated design basis
7 inspections?

8 CHAIRMAN JACKSON: Probably, yes.

9 MS. SMITH: Question two. Based on the concerns
10 identified at Millstone, what areas of inspection need
11 increased attention?

12 CHAIRMAN JACKSON: Well, in order -- rather than
13 just to give an off-the-top-of-our-head answer, let me just
14 say the following. The design basis area is one, design
15 basis, licensing basis. We will never take our focus off of
16 operational safety.

17 But I think the larger answer to the question is
18 going to come out of the review of the resident inspection
19 program coupled with the lessons learned rolling out of the
20 Millstone and the other reviews that we have underway.

21 MS. SMITH: Finally, our guidance regarding
22 inspections of 10 CFR 5059 safety evaluations is in much
23 need of improvement. Do you share the same view and what is
24 being done about this?

25 CHAIRMAN JACKSON: Yes, and it is being worked as

1 we speak in terms of changing that guidance.

2 Yes?

3 MR. HECK: Okay, this is from Region IV.

4 [Laughter.]

5 MR. HECK: This is a long question, so bear with
6 me.

7 There appears to be a change in attitude as far as
8 how we will deal with the inspection mission post Millstone.
9 Inspectors have been cautioned numerous times that we are
10 expected to be regulators versus inspectors. Many
11 inspectors have expressed concern that aggressive inspection
12 activities will cause complaints from licensees. Regulators
13 are supposed to be able to accomplish this inspection
14 mission and have the licensee thank them for it.

15 No one to date has explained or trained inspectors
16 how to do this. After the Towers-Perrin report, licensees
17 have been more aggressive in complaining to NRC management.
18 This has caused inspectors to be very cautious, less
19 aggressive and less intrusive, thereby increasing the chance
20 of another Millstone.

21 The question is, what should the Agency do to
22 counter this growing apprehensive posture in the inspection
23 program?

24 CHAIRMAN JACKSON: Okay, thank you.

25 Well, I think we have to be very careful about

1 what I call the "versus" scenarios because I heard in there
2 an inspection versus regulation and, first of all,
3 inspection is a critical part of our regulation and our
4 regulatory oversight of our licensees. So that is the first
5 part.

6 The second one is there is this issue of having
7 the inspectors do their jobs and having licensees thank us
8 for it. That is an interesting statement in the following
9 sense in that I guess most of us don't necessarily want
10 people looking over our shoulders and telling us or finding
11 things that we are presumably doing in less than an optimal
12 fashion or doing wrong. So I don't know that we will ever
13 track to a point where one will have the profuse gratitude
14 expressed based on a licensing outcome -- I mean, an
15 inspection outcome.

16 But having said that, I think it is important and
17 I think this is the lesson that we have tried to promulgate
18 coming out of Towers-Perrin, it has to do with the
19 professionalism with which our licensees are treated and I
20 think that is the value that our various managers have been
21 trying to inculcate in our inspection staff.

22 Having said that, we still have our jobs to do and
23 we are going to do those jobs. That then may cause
24 discomfort at some level on the part of those who are being
25 regulated/inspected. I think the way we deal with that is

1 that we try to ensure that our inspectors have the right
2 training, the right tools, the right guidance, both in terms
3 of written guidance but guidance from their management
4 because that is why the managers are there, to ensure they
5 are looking at the right things, that they, you know,
6 understand our regulations and regulatory requirements, that
7 that is what they apply in doing their inspections, that
8 they are as objective as possible and when the results are
9 pulled together, that the assessments that are made all the
10 way up the line are objective and build on all of the bases
11 that flow into those judgments.

12 I think what happens is, and this is a big focus
13 of mine, that is someone asked earlier the issue of judgment
14 in regulation and, as I say, there was always an element of
15 judgment. But the important point is, and this is what
16 makes the regulator's job so hard, and that is one of the
17 principles of good regulation is independence and there is
18 kind of an arm's length relationship. It is a hard one to
19 maintain in the right way but it is something that we have
20 to continually strive for.

21 Otherwise, one can track into one of the following
22 two situations. One, where if one leans over too far one
23 way licensees can be very comfortable but we may miss
24 something or we let something go by or the public feels that
25 we are too close to those we regulate. If we lean too far

1 the other way, we run the danger of telling licensees how to
2 run their plants and that is not our job either.

3 So we have to be clear on what the requirements
4 are and what our role is as regulators and it is not just
5 our individual decision that licensee X can ignore a
6 regulation because he is a good guy. You know, we don't do
7 good guy regulation. Or that licensee Y we are going to
8 screw to the wall on a regulation because he's a bad guy.
9 We don't do bad guy regulation.

10 What we do is regulation based on what our
11 regulatory requirements are and we do not tell our people
12 not to expect people to live within those requirements.
13 There are judgments that may get made in terms of the safety
14 or risk significance of what has occurred and that will be
15 handled both in enforcement space and in terms of how the
16 overall nuclear operations are judged through our various
17 evaluation processes, whether it is the plant performance
18 reviews all the way up to the senior management meeting
19 process. But that is the important point.

20 So, again, let us not be confused by "versus".
21 There is no regulation "versus" inspection. The one is
22 inextricably part of the other.

23 One more region and then if there are some more
24 here.

25 MS. SMITH: Actually, we have asked all the

1 questions from the regions but this is from a headquarters
2 employee.

3 CHAIRMAN JACKSON: Okay.

4 MS. SMITH: My husband and I commute from
5 Charlestown, West Virginia. The cost of commuting is not
6 getting any cheaper. Does the Agency have any plans to
7 subsidize employees for commuting costs?

8 CHAIRMAN JACKSON: Not at this time. I commute
9 also.

10 [Laughter.]

11 CHAIRMAN JACKSON: Well, yes, Mrs. Norry?

12 MRS. NORRY: I don't have a microphone anymore but
13 in spite of my facetious comments earlier about the weather,
14 I want to acknowledge the Office of Resources Management
15 without whose help on communications we couldn't do this.

16 [Applause.]

17 MRS. NORRY: My general policy on these things,
18 you should know is when I come to them I ask Ben if he's
19 happy and if he's happy then I'm happy. And also Dennis
20 Tarner in the back there, on my staff.

21 [Applause.]

22 CHAIRMAN JACKSON: And let us give another round
23 of applause to Mrs. Norry and all who helped to put this
24 together.

25 [Applause.]

1 [Whereupon, at 12:15 p.m., the meeting was
2 concluded.]
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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, October 17, 1996

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: Christopher Cutchall

Reporter: Christopher Cutchall