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NUCLEAR REGULATORY COMMISSION

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BRIEFING ON REGULATORY IMPACT SURVEY REGULATIONS

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON REGULATORY IMPACT
SURVEY REGULATIONS

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PUBLIC MEETING

Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Monday, October 15, 1990

The Commission met in open session,
pursuant to notice, at 10:00 a.m., Kenneth M. Carr,
Chairman, presiding.

COMMISSIONERS PRESENT:

KENNETH M. CARR, Chairman of the Commission
KENNETH C. ROGERS, Commissioner
JAMES R. CURTISS, Commissioner
FORREST J. REMICK, Commissioner

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STAFF SEATED AT THE COMMISSION TABLE:

SAMUEL J. CHILK, Secretary

WILLIAM C. PARLER, General Counsel

JAMES TAYLOR, Executive Director for Operations

DR. THOMAS MURLEY, Director, NRR

WILLIAM RUSSELL, Deputy Director, NRR

BERT DAVIS, Region III Administrator

FRANK GILLESPIE, Director, PMAS/NRR

CYNTHIA PEDERSON, Chief, Technical Support Staff,
Region III

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P-R-O-C-E-E-D-I-N-G-S

10:00 a.m.

CHAIRMAN CARR: Good morning, ladies and gentlemen.

This morning the NRC staff will brief the Commission on recommendations arising from a three part regulatory impact survey completed over the last year. The survey was an attempt to obtain the views of the industry and the NRC staff with regard to those areas in which NRC requirements and practices might affect the safety of plant operations. We look forward to hearing some of the results of this survey, along with the recommendations of the staff to address those areas which may require a change in NRC's procedures or practices.

I understand that copies of the briefing slides are available at the entrance to the meeting room.

Do my fellow Commissioners have any opening comments?

If not, Mr. Taylor, please proceed.

MR. TAYLOR: Good morning. With me at the table are, from Region III, Cynthia Pederson and the Regional Administrator, Bert Davis. To my right, Doctor Murley from NRR, Mr. Russell and Mr. Gillespie,

1 also from NRR.

2 This effort has been a very useful effort,
3 I believe, for the staff. I think importantly besides
4 what is reported in the paper, we have an increased
5 sensitivity to want to listen to feedback where our
6 actions may, although well intentioned, may be causing
7 difficulties in achieving an appropriate level of safe
8 operation that we think is so important.

9 So, beyond what is in the written paper, I
10 believe that the staff totally is knowledgeable that
11 this has taken place and remains, I believe, open to
12 the important suggestions. While we try to maintain
13 the balance of the necessity to take action, and
14 action for the Commission where appropriate, still
15 many of our requirements, criteria and what we do are
16 an imposition to a degree and achieving the balance is
17 what we're going to try to do.

18 So, there are examples where we continue
19 to receive information. We want to set that process
20 up within the staff.

21 With those thoughts, I'll now ask Doctor
22 Murley to begin the formal briefing.

23 DOCTOR MURLEY: Thank you.

24 Mr. Chairman, Commissioners, as you know,
25 these activities have been underway for a year now and

1 although we've communicated via some papers with the
2 Commission, we haven't actually sat down and briefed
3 you. So, we appreciate your forbearance while we've
4 been doing this in the past year. I think now we've
5 got some clear recommendations and we've got some
6 actions underway which we'll describe.

7 First, though, I'd like to take a few
8 minutes and talk about the background to this study to
9 set the stage. Then I'll turn it over to Bert Davis
10 and Cindy who will discuss how the survey of the
11 utilities was actually carried out and some of the
12 highlights of that. Then we'll quickly move to the
13 recommended actions and some actions that we have
14 underway and Bill Russell and Frank Gillespie from my
15 staff will talk about those.

16 The roots of this study really go back to
17 the aftermath of TMI. There, you recall, there were a
18 large number of lessons learned activities where we
19 improved hardware and instrumentation, we improved
20 operator qualification and training, we improved the
21 emergency operating procedures for operators, among
22 other things, and also off site emergency
23 preparedness. There was a large number of generic
24 requirements that was coming out of headquarters in
25 the 1980 and 1981 time period, to the point where a

1 concern developed that maybe we were overloading the
2 industry.

3 So, there was a task force headed by the
4 Region II administrator, Jim O'Reilly, from April to
5 July of 1981 that lead to a report of the impact that
6 this large number of generic requirements was having
7 on the plants and plant operations and the management
8 of the utilities in terms of the overwhelming
9 workload. That led to some changes that you're
10 familiar with, the backfit rule and CRGR and special
11 deputy executive director for operations.

12 The staff believes that these
13 requirements, although they were difficult and
14 excessive in some cases, nonetheless led to large
15 improvements in safety. But in spite of those
16 improvements, we still saw occasional events that were
17 serious precursors to serious accidents. The most
18 significant of those, I'll take a second to discuss
19 because it had a great impact on our thinking, was the
20 Davis-Besse event of June the 9th, 1985. It was a
21 loss of all feedwater event where both steam
22 generators dried out within about 13 minutes from the
23 onset of the event through quite -- almost heroic
24 action by the operators. They were able to get
25 feedwater back so that the core was not uncovered.

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1 But had they not done that, they were within probably
2 half an hour of uncovering the core.

3 I remember, I was a regional administrator
4 at the time, thinking that, my gosh, this was six
5 years after TMI and it was billions of dollars that we
6 had caused to be spent and all these requirements and
7 yet we came again close to another core damage
8 accident. We went through then that period of
9 introspection, I would say, the staff did, looking at
10 our approach to regulating safety. We decided that we
11 needed to focus more effort on how the plants were
12 being operated and maintained because that was the key
13 to -- we thought, to preventing these kinds of things.

14 Many people closely involved with Davis-
15 Besse, I was not at the time, but many people who were
16 said that we could have predicted not that particular
17 event but all the signs were there, that we knew that
18 this was not a well operated or well maintained plant.
19 SALP scores were poor, the maintenance program was
20 poor. Also, the design of the auxiliary feedwater
21 system we knew was weak. In fact, there had been
22 discussions for years on getting that improved.

23 So, as a result of that, and that
24 introspection that we went through in late 1985 and
25 early '86, we undertook a better integration of all

1 the safety information that was available to the staff
2 and we did this by means of the senior management
3 meetings where all the regional administrators and all
4 the key office directors and the key staff get
5 together and bring together all the information we
6 know about a plant and where we see signs of problems,
7 we analyze those in detail and that has come to be
8 known, as you know, as the NRC watchlist or problem
9 plant list.

10 The inspection program has become more
11 diagnostic in nature. We're out now looking for
12 problems and particularly we're looking for areas
13 where the management of the plant is not up to snuff.
14 The SALP effort, we think, has become more critical.
15 That is, the evaluations themselves have, over the
16 years, become more critical evaluations of the safety
17 management of the plant and not so much a mere rote
18 discussion of statistics and things like that.

19 So, all in all, I'd say the program has
20 become much more diagnostic in the sense of looking at
21 how plants are being operated and managed.

22 We think we're being effective. We had
23 a -- well, the precursor indicators, the industry's
24 own precursor performance indicators show that since
25 1985 or thereabouts, the performance has improved. We

1 briefed the Commission on the precursor -- accident
2 precursor information and they show a steady
3 improvement since 1985.

4 One can't make this a one to one
5 correlation, but I think the staff uniformly believes
6 that our effort, plus INPO's effort, plus the
7 industry's own effort together has succeeded in
8 improving performance and it's no -- I think there's
9 also correlation with the fact that we've had a number
10 of the poorer performing plants shut down. We had, at
11 one time in 1986 and '87, nine plants in this country
12 shut down because we did not believe their performance
13 was up to the level that we thought it should be.

14 Now, we get to this survey because these
15 changes that we've implemented have had some side
16 effects. The team inspections that we do, while
17 they're more diagnostic and we think they're better
18 inspections, they are also more intrusive in the plant
19 operations. It is a bigger impact on the plant
20 manager and his senior staff when an NRC team shows up
21 on site. The SALP reports are more critical, but also
22 we find that they're being used by outside agencies in
23 ways that we had not intended. Therefore, they're
24 gaining much, much more weight in a utility's
25 organization and a utility's staff, and there is the

1 danger than that they're being used by our own staff.
2 The effect of a SALP score, for example, can be and in
3 some cases is being used to influence behavior at the
4 plant.

5 The assessment of the safety management of
6 plants leads us to areas that are beyond what our
7 normal inspection and regulatory effort has been. So,
8 all these side effects in the time period I'd say 1988
9 and 1989 were leading to increased criticism by the
10 industry. It first really became focused, for me at
11 least, was in our first Regulatory Information
12 Conference of 1989 where, as you'll recall, this was
13 our attempt to have a dialogue with the industry on
14 what are the big issues we see in where we're heading
15 and also to hear back from them in a kind of a
16 coordinated way.

17 I was troubled by some of the themes that
18 were coming back from the industry. We'd always heard
19 criticism. We always do. But up until that point, it
20 was largely unfocused and it was largely anecdotal.
21 You don't know really how to deal with those.

22 But that summer then of 1989, I went to
23 the EDO and suggested perhaps it was time to do
24 another survey like the one we had done in 1981. We
25 came to the Commission and got the Commission's

1 guidance and approval for this survey. I think we
2 basically conclude that we're on the right track in
3 terms of the regulatory activities that we're doing.
4 But, as we'll discuss, there are areas of improvement.
5 I think the NRC staff should, from time to time, take
6 a look at its operations like this. I don't know if
7 it's every five years or something like that, and get
8 systematic, in-depth feedback so that we can deal with
9 our operations.

10 Now, with that introduction then, I'll
11 turn it to Bert and he'll describe the survey.

12 MR. DAVIS: Thank you, Tom.

13 Good morning, Mr. Chairman and
14 Commissioners.

15 In my discussion of the regulatory impact
16 survey today, I plan to discuss several topics. First,
17 how we conducted the survey; the principal themes
18 developed from the comments received; and briefly the
19 ten categories into which comments were grouped.

20 We performed the survey at 13 utilities
21 throughout the country, three in Regions I, II and
22 III, and two in Regions IV and V. One day was devoted
23 to each utility. All utilities in a region were
24 visited in the same week.

25 Each team of NRC people consisted of five

1 or six senior managers. Team members varied from week
2 to week, with Cindy Pederson and me being the
3 constants. Cindy attended all of the sessions. I
4 excused myself from the sessions with senior managers
5 in Region III.

6 It was valuable, I think, to vary the team
7 members because it was important to have the NRC folks
8 hear firsthand what the licensees had to say. I don't
9 think you can capture the spirit that they had in the
10 written word in the report.

11 At most licensees, we held discussions
12 with five separate groups, starting with reactor
13 operators, then plant supervisors and engineers, then
14 corporate managers/engineers, then higher level
15 managers and finally top executives. Each session
16 lasted for about an hour and a half, and most groups
17 would have continued beyond that time if the schedule
18 had permitted. Basically, we discussed what the
19 people wanted to discuss, asking questions only for
20 clarification and to get examples. And, I might add,
21 it was pretty hard to get examples of the points that
22 were being made.

23 We did introduce a few topics to make sure
24 that we covered everything that the Commission had
25 given us guidance to cover. We pledged

1 confidentiality to the best of our ability to foster
2 candid discussion. I believe the people expressed
3 their views candidly in all of the discussions we had
4 with all of the groups and all the utilities. I only
5 thought that there was one group that held back. I
6 also would say that all of the people who we talked to
7 were appreciative of the effort.

8 We reported what we heard in the report.
9 We did not eliminate what we may not have agreed with
10 or what we believed to be in error, because I thought
11 it was important to document what the people perceived
12 out there. In my discussion, I will mention how many
13 licensees made a comment. These numbers are certainly
14 not statistically defensible, but they do give a feel
15 for how often the comment was made. Others may have
16 had the same view and it just didn't come up during
17 the discussion with them.

18 We grouped the comments into ten
19 categories shown on the viewgraph, and we developed
20 two principal themes. There is a viewgraph that shows
21 the two principal themes. Those themes are, licensees
22 acquiesce to NRC requests to avoid poor SALP ratings,
23 and the consequent financial and public perception
24 problems that result, even if the requests require the
25 expenditure of significant resources on matters that

1 the licensee believes are of marginal safety
2 significance.

3 The second major theme was that NRC so
4 dominates licensee resources through its existing and
5 changing formal and informal requirements that
6 licensee believe their plants, though not unsafe,
7 would be easier to operate, have better reliability,
8 and may even achieve a higher level of safety if they
9 were freer to manage their own resources.

10 Let me move now to briefly discuss the ten
11 categories.

12 First, requirements and perceived
13 requirements. Many licensees believe that the NRC
14 issues too many requirements. The proliferation of
15 these requirements results in NRC managing rather than
16 regulating licensees. Two licensees stated that the
17 restraint on the issuance of NRC requirements which
18 occurred after the last regulatory impact survey had
19 essentially disappeared. Two licensees commented that
20 the NRC is trying to solve too many problems without
21 determining which problems needed to be solved. Two
22 other licensees perceived that although NRC
23 initiatives may cause the plant to be safer in some
24 theoretical context, they make the plants harder to
25 operate and maintain. The operators felt this way and

1 the managers of the maintenance people felt this way.

2 Regarding quest for excellence, many
3 licensees agree on the need to strive for better
4 performance in all aspects of plant operation and to
5 maintain an ample margin above minimum safety
6 standards. However, they believe that the NRC
7 standards and requirements have moved beyond those
8 needed for safety and into the pursuit of excellence
9 and the prevention of precursor events without the NRC
10 having decided or defined how safe is safe enough.
11 Apparently they didn't either agree with our safety
12 goals or understand them or perhaps they felt they
13 were too complex or esoteric.

14 Generally, licensees were appreciative of
15 the information provided to them in generic letters,
16 bulletins and information notices since these enable
17 them to improve their operations. I sense the real
18 desire out there for them to want to improve their
19 operations. But they don't want to be told they have
20 to do these things, they want to pick and choose and
21 decide what they should do on their own. While
22 recognizing the legal distinction between rules and
23 informal guidance, many consider informal guidance on
24 documents such as generic correspondence, reports, and
25 inspector and reviewer comments to be nearly as

1 binding as formal requirements. This is because
2 licensees do not want to appear unresponsive to any
3 staff or management level at NRC. Several licensees
4 stated that they would prefer to have all requirements
5 imposed by formal rulemaking.

6 Many licensees do not understand or do not
7 agree the NRC process for issuing generic
8 correspondence. Two licensees objected to the NRC
9 practice of using 50.54(f) to impose backfit
10 requirements by requesting licensees' schedules for
11 completion of the items covered in the generic letters
12 or bulletins. Several licensees did not think that
13 NRC did backfit reviews before issuing generic
14 requirements, and those who recognized that backfit
15 reviews were done thought our dose estimates were low
16 and our cost estimates were not complete and they were
17 underestimated, particularly in the implementation of
18 changes.

19 There was a general view that additional
20 guidance, however, from the NRC is needed in some
21 areas to assure that the regulatory position is clear
22 and to avoid requirements being set through
23 inspections and through license reviews. Examples
24 provided by many licensees of areas where such
25 guidance is needed included engineering judgment as

1 opposed to having to perform detailed calculations,
2 ensuring the commercial grade part dedication is done
3 properly and treating radiation levels that are below
4 regulatory concern.

5 Let me move to the second category, NRC
6 licensing activities. A significant number of
7 comments related to the untimely review of plant-
8 specific and generic submittals to the NRC. Many
9 believe that these delays create efficiencies for both
10 the licensees and the NRC, postpone resolution of
11 important issues and can be costly. One licensee
12 acknowledged that although NRC responsiveness has
13 improved, the problem is still so significant that the
14 licensees avoid making submittals because they don't
15 want to bog down the system. Two licensees stated an
16 NRC schedule for review needs to be made predictable
17 and that the NRC priority system works well for the
18 things NRC wants to get done, but not necessarily for
19 what the licensee thinks is important.

20 Regarding technical specifications, there
21 were a number of comments. Several licensees
22 considered them to be so poorly written that they
23 require an extensive volume of interpretations.
24 Several licensees also stated that related items
25 appear in different places in the technical

1 specifications. The operators were very concerned
2 about this because it caused them to make mistakes and
3 they didn't like to make mistakes.

4 Several licensees expressed concern that
5 tech spec surveillance testing is excessive and
6 prematurely wearing out equipment. Diesel generators
7 were discussed, as was excessive surveillance testing
8 that may cause transience or reactor trips. There
9 were also comments that the tech spec requirements
10 were either too restrictive or not restrictive enough.
11 For example, the NRC auditing requirements prescribed
12 in the tech specs were considered to be too elaborate.
13 There was also a licensee who tried to train its staff
14 to avoid transients. One of the technical
15 specifications did not allow sufficient time for an
16 orderly shutdown. They had to trip the plant from
17 about 18 percent power and they didn't like that.

18 On the other hand, one engineer expressed
19 concern that removing equipment from service under an
20 LCO for preventive maintenance was inappropriate in
21 that it increases the unavailability of safety
22 equipment.

23 Let me move on now to the category of NRC
24 inspections. There's a widely shared view among many
25 licensees that the NRC inspection process pushes

1 licenses beyond existing regulatory requirements and
2 forces them to exceed to unnecessary requests. Their
3 perception is that inspectors improperly backfit
4 because of how our inspectors interpret the
5 regulations and because of the accumulative effect of
6 one inspection after another.

7 Other examples of increased standards
8 through inspections include inspectors who use open
9 items as a means of forcing licensees to respond to
10 their wishes. Licensees apparently consider open
11 items to be a connotation of badness on their part and
12 their managers feel that way too. And inspectors also
13 intimidate licensees with the threat of poor SALP
14 ratings if the licensee doesn't do what the inspector
15 wants.

16 Regarding team inspections, there were a
17 number of comments. Many licensees believe that team
18 inspections are more effective than individual
19 inspections, but when we asked them which they would
20 rather have, they were a little uncertain whether
21 they'd like to have a team inspection and get it all
22 at once or spread it out over the year.

23 The team inspections were also considered
24 to be a significant burden. One licensee estimated
25 that salaries alone to support a one week NRC team

1 inspection cost \$100,000.00 and that did not include
2 any post-inspection activities. Two licensees said
3 that they provide approximately three key people to
4 support each inspection team member, which is a
5 tremendous burden, particularly during plant outages.
6 Another licensee said that seven team inspections were
7 performed at its facility in an eight month period and
8 another one said the same number were performed in an
9 11 month period.

10 In commenting on NRC's response to
11 significant events, one licensee stated that after an
12 event its personnel were so involved in supporting an
13 AIT that the licensee's independent evaluation of the
14 event was hampered. This came from middle managers at
15 this licensee. The senior managers didn't agree with
16 that. I personally agreed with or believed what the
17 middle managers were telling me, I think.

18 Another licensee stated that an AIT was on
19 site before the licensee could bring the plant to a
20 stable condition and that's not the purpose of an AIT.
21 And yet another licensee believes that NRC regional
22 offices over react to events and send AITs because
23 they fear how Headquarters will react. Several
24 licensees compared the quality of INPO and NRC teams.
25 In general, they believed INPO teams and team

1 inspections were better managed, better planned and
2 better implemented, and they were more programmatic in
3 nature as opposed to looking at hardware and specific
4 problems.

5 Many licensees at various organization
6 levels consider the resident inspector program to be
7 one of the best things that the NRC has done. Even
8 so, one licensee questioned why three resident
9 inspectors were assigned to its single unit site that
10 had an INPO 1 rating. Other comments indicate that
11 licensees' views of resident inspector activities are
12 dependent on the licensee's perception of the quality
13 of the inspector and the communications that have been
14 established between the inspector and the licensee.

15 Regarding all inspectors, attitudes and
16 techniques, many licensees questioned the attitudes or
17 techniques of them. Among the assertions were two
18 licensees stated the NRC has too many inspectors who
19 were zealots and NRC is not adequately controlling
20 them. One licensee stated that some inspectors appear
21 to be trying to make a reputation for themselves
22 rather than to perform fair and objective assessments.
23 One licensee observed that inspectors are unreasonable
24 in dealing with licensees when it comes to using
25 engineering judgment as opposed to requiring detailed

1 calculations, even when it's obvious that an
2 engineering judgment is sufficient. Many licensees
3 believe that inspectors want things done their way.
4 They're frustrated to just come out and inspect. They
5 like to design, they like to operate, and therefore
6 they want to go beyond just an inspection role.

7 Let me move on now to performance
8 evaluations. First SALP. One licensee stated that
9 SALP reports are generally accurate, identify areas
10 for improvement, and clarify what the NRC considers to
11 be important. Another stated that it learns and
12 improves as a result of the program and incorporates
13 the results into corporate goals to let workers know
14 that management is interested in running a safe
15 facility.

16 However, many licensees believe that the
17 SALP process is too subjective and that the
18 conclusions reached are not supported by the facts.
19 They also believe that NRC regulatory standards are
20 increasing, thus making it unclear to the licensee and
21 to the NRC what it would take to get a SALP 1 rating.
22 Many believe that SALP reports should not contain
23 numerical ratings, although the narrative portions of
24 the reports are useful to them.

25 With respect to improper use of SALP,

1 every licensee expressed a concern that SALP is being
2 used by the NRC to obtain better performance. There
3 is an intense interest by many licensees to avoid poor
4 SALP ratings because of the impact of these ratings on
5 the public, the economic regulators, some states and
6 the financial community. In view of the importance
7 attached to these ratings, licensees at all levels
8 react very quickly to NRC findings and requests to
9 avoid appearing unresponsive to the NRC and for the
10 various levels of the organization to avoid getting
11 criticized by their management for not being
12 responsive.

13 Let me move now to multiple oversight
14 organizations. One senior manager stated that
15 collectively the impact of multiple oversight
16 organizations, including his own quality assurance
17 organization, was almost an impossible burden. At one
18 plant, four to five senior engineers are needed to
19 address NRC, INPO, NUMARC and owners groups questions
20 and concerns. Another licensee has a staff of ten to
21 20 per site, this is a multi-site utility, just to
22 handle regulatory issues.

23 One licensee stated that the effect of
24 multiple oversight on its training staff was
25 staggering. During a six month period, this licensee

1 had an INPO simulator evaluation, an INPO training
2 visit, an NRC training inspection, a requalification
3 training program change, a requalification
4 examination, and an NRC emergency operating procedure
5 inspection. I think we would all agree with the
6 licensee that that was staggering.

7 There were comments regarding duplication
8 and conflicting initiatives among the oversight
9 organizations. Many licensees commented that
10 correspondence on generic issues or problems, for
11 example, come from both INPO and NRC, as well as the
12 NSSS and sometimes owners groups. It would help them
13 a lot if these were coordinated so that they could
14 come up with one response. They also commented on NRC
15 and INPO reviews being redundant in many cases.

16 With respect to state involvement, several
17 licensees stated that the NRC should take a tough
18 stand on state intrusion into areas of NRC
19 jurisdiction since states will not stop at a
20 reasonable point if NRC continues its passive role.
21 This view is prompted by concerns about duplicate
22 regulations since the licensees believe they've got
23 plenty of oversight as it currently exists. Another
24 licensee felt the NRC's policy statement on state
25 involvement may result in states that are currently

1 less active becoming more involved.

2 There were a number of comments on
3 economic regulators. These regulators are
4 scrutinizing operating and maintenance expenditures
5 more closely each year and are tending to make
6 prudence determinations based on whether expenditures
7 are made for specific requirements. As a result,
8 several licensees stated that allowances are more
9 likely to be given to meet specific rules as opposed
10 to meeting generic requirements, and that feeds back
11 to why some of them would like to have everything
12 imposed by rules.

13 Moving on to operator licensing, several
14 licensees feel that the training accreditation program
15 provided by INPO and the NRC's endorsement of the
16 program should be sufficient for the licensing of
17 operators. The NRC should monitor the licensee's
18 training and qualification programs rather than
19 actually being involved in the conduct of
20 examinations.

21 We had a lot of discussion on the
22 requalification examination process and not so much on
23 the initial or replacement exams. Many licensees
24 believe that the requal program is a definite
25 improvement over the previous program in that the

1 previous program required operators to be trained to
2 pass the exam and then trained on how to operate the
3 plant. They feel that one training does both now.

4 However, many licensees stated that the
5 process needs to be stabilized, since the lack of
6 stability is a chronic problem that adds stress to the
7 operators and training personnel and is a major
8 resource burden. The guiding NUREG was continually
9 revised and implemented on short notice without formal
10 control and without formal issuance of the revisions.
11 This practice had a major impact on operators and
12 training staff since these changes might come out very
13 soon before an examination was to have been given.
14 It's a real stress increaser for them.

15 On replacement exams, in spite of
16 everything I've just said about the requals now, there
17 weren't a lot of comments, but licensees I think
18 generally felt that it would be good to pattern the
19 replacement exam after the requal program.

20 Moving on to enforcement and
21 investigations, several licensees stated that regional
22 offices are inconsistent in their application of
23 enforcement policies. One senior manager saw a
24 contradiction in that although everyone recognizes
25 that plants are improving since 1985, enforcement

1 actions have increased over that same period.
2 Responding to enforcement issues causes licensees to
3 expend considerable resources to resolve issues they
4 perceive to be of marginal importance to safety. I
5 think they particularly felt this on severity level 4
6 and severity level 5 violations.

7 Many licensees were particularly critical
8 of enforcement actions taken for violations that were
9 already identified and corrected or that were
10 scheduled to be corrected. Such enforcement actions
11 may be a disincentive to aggressive licensee self-
12 assessment programs and to the alert licensee employee
13 who identifies a problem. Some licensees did
14 recognize the change in the NRC enforcement policy to
15 give credit for licensee's self-identified items, but
16 they believed that more credit should be granted to
17 them particularly for escalated enforcement actions.

18 On enforcement timeliness, this was a
19 concern to them. Late enforcement causes the same
20 infraction to be hit in the press two different times
21 and this was disconcerting to them. Late enforcement
22 actions resulting from OI investigations was also
23 disconcerting to the employees involved. They must
24 wait in uncertainty about the disposition of their
25 cases and they're quite concerned about that.

1 On reporting events, the next category,
2 many licensees believe that the formal reporting
3 threshold is too low. Reporting criteria cover a wide
4 spectrum of safety significance and all take about the
5 same time and effort. For example, one licensee
6 questioned the need to report that a bird on the
7 endangered species list was killed when it flew into a
8 power line. One licensee observed that the unusual
9 event emergency action level requires that items of
10 low safety significance be reported and when they are
11 the reports are interpreted by the public as another
12 emergency at the nuclear power plant.

13 Many licensees also stated that reporting
14 requirements needed to be examined since complying
15 with them may adversely effect the ability to respond
16 to an event. This is because of a requirement to tie
17 up a key licensee individual in the control room to
18 communicate with the NRC. This had never happened,
19 they said, except one licensee indicated that in one
20 of their simulator drills it would have caused a
21 problem.

22 On communications, the next category,
23 positive comments were made regarding visits by
24 Commissioners, also positive with respect to the
25 regulatory information conference, regional meetings

1 with all licensees, and the improved contacts with the
2 Headquarters staff by several licensees. That's
3 improved contact since the reorganization that was
4 made in 1987. However, several other licensees object
5 to being called by the Headquarters staff to explain
6 information that they had previously discussed in full
7 with the resident inspector or with the regional
8 office.

9 With respect to regional management,
10 several licensees stated it was difficult to
11 communicate informally with the region because of
12 their concern of an unpredictable response that they
13 would get on the issue discussed. One licensee vice
14 president who had worked at facilities located in two
15 different regions noted that there was good give and
16 take in one region, but not in the other. He said
17 that his views were corroborated by consultants and
18 contractors who had worked in both regions.

19 Communications with inspectors, the
20 quality of communications was viewed as mixed and
21 depended on the inspector's style, knowledge, and
22 maturity. So, the licensee felt that if it had
23 communications problems, it was inspector dependent,
24 not licensee dependent. On the other hand, two
25 licensees worked very hard to foster good

1 communications with the inspectors because they
2 believed that regulatory issues are kept in better
3 perspective by the NRC if the senior resident and
4 other inspectors are kept fully informed about the
5 problems.

6 One licensee recognized that inspectors
7 are knowledgeable and that they gained important
8 information by visiting different sites that they can
9 share with the licensee. The licensees appreciated
10 this, provided they weren't forced to adopt the things
11 that the inspectors told them about.

12 Several licensees believe that they carry
13 an inordinate burden to communicate with the NRC staff
14 because the staff is unable or unwilling to deal with
15 its own communication problems. One licensee stated
16 that the NRC communications with the public are often
17 done by people who lack the needed communication
18 skills and this was of concern to them because if the
19 NRC goes out and does a poor job in public meetings,
20 it's not only an adverse reflection on the NRC, but
21 it's also an adverse reflection on the licensee in
22 that area as well as on nuclear power.

23 Finally, the last area was qualification
24 of NRC personnel. Several managers stated that NRC is
25 much more professional, responsive and technically

1 competent than other federal and state agencies.
2 Senior management from one licensee said that industry
3 needs a strong, competent NRC for nuclear plant safety
4 and for public acceptance of nuclear energy. The NRC
5 organization and its people were praised for the
6 ability to address and resolve difficult issues in
7 licensing and operations and they felt as work on
8 SSFIs and design basis reconstitution progressed they
9 would need that to continue, a good responsive NRC.

10 Many licensees at various organization
11 levels believe that NRC people are competent but they
12 lack the knowledge and experience needed to perform
13 inspections in some areas. Primarily the area they
14 mentioned was our ability to analyze management
15 systems and evaluate management. Another manager
16 stated that resident inspector staff lack important
17 technical knowledge, evaluation techniques and
18 communication skills. Many of them believe that
19 although we're pretty good engineers, we don't
20 understand the plants very well and we're not as
21 knowledgeable about the plants as their licensed
22 operators are. Some licensees felt that we should be
23 that knowledgeable.

24 There were a number of views that NRC
25 inspectors require a great deal of education and that

1 that education turns out to be a burden on the
2 licensees because the inspectors are not willing to
3 dig into the drawings and the specifications and so
4 forth to educate themselves.

5 That's a brief discussion of the ten
6 categories. If you've seen the report, there are
7 many, many examples. If you have any questions, Cindy
8 is here to help answer them. That concludes what I
9 have to say.

10 COMMISSIONER REMICK: Bert, I have one
11 question. You indicated that licensees spoke
12 positively about Commissioner visits. I've always
13 felt welcome and made to feel welcome when I went.
14 But I know that it's an expenditure of a large number
15 of high level management resources when I do go. Did
16 you get any comments at all from that standpoint that
17 a Commissioner visit requires too many of their
18 resources?

19 MR. DAVIS: We asked that and the answer
20 was no. It was not a major burden on them and they
21 thought that the payback was much more than any affect
22 that it had on them.

23 COMMISSIONER ROGERS: Bert, did you find
24 any evidence of orchestration of responses? I think
25 the feeling was that, getting into this, that it was a

1 kind of industry-wide complaint building that led us
2 to decide that we ought to do such a survey. Did you
3 find any evidence that the responses that you were
4 getting were canned in some ways --

5 MR. DAVIS: Not a lot.

6 COMMISSIONER ROGERS: -- orchestrated more
7 broadly?

8 MR. DAVIS: I really felt that in most
9 cases the people were being very sincere and they were
10 telling us what they thought. There was one group at
11 one licensee where the operations manager came in with
12 the operators. He dominated the discussion session
13 and he had already planned what he was going to say.
14 That was orchestrated.

15 Do you have any other --

16 MS. PEDERSON: Also, one utility who went
17 to a great extent to prepare what they've documented,
18 approximately an inch thick, their entire
19 presentation. However, I think most of them, it was
20 not that well prepared as far as formally prepared.

21 COMMISSIONER ROGERS: Well, I wasn't
22 thinking so much of that because it seems to me that
23 that still could be very candid. The question of
24 whether you're hearing exactly the same words and
25 exactly the same points at totally different plants.

1 DOCTOR MURLEY: No. Let me comment on
2 that, Commissioner. I was somewhat concerned about
3 this before we started. So, Jim Sniezek and I went
4 down to -- after the Commission had approved going
5 ahead with this survey, Jim and I went down to NUMARC
6 and talked with them and told them generally what we
7 were doing, and asked them not to orchestrate a
8 response because it would defeat the purpose of it.
9 They immediately recognized that that would be the
10 case. So, they talked with their utility members and
11 agreed to be spontaneous. I felt on the five
12 utilities that I went to that it was, that there had
13 not been an orchestration of views.

14 MR. DAVIS: One licensee did indicate that
15 some contractor had called them and offered to come
16 and help -- but they didn't take them up on it.

17 COMMISSIONER ROGERS: Well, we are a free
18 enterprise system. Everybody looks for opportunities.

19 MR. TAYLOR: I believe there was a
20 sufficient spread of types of comments that if it
21 occurred, it was very minimal.

22 COMMISSIONER REMICK: What is the answer
23 to the three residents being at a single unit utility
24 that apparently had high INPO rating? What's the
25 answer to that.

1 MR. TAYLOR: I don't know the specifics on
2 that one. We'll get back to you.

3 COMMISSIONER ROGERS: Probably overlapping
4 tours or something.

5 COMMISSIONER CURTISS: I have, before we
6 go on, just a couple of questions. As you look at the
7 findings that this report uncovered and the comments
8 that the licensees had and compare and contrast them
9 to the findings of the O'Reilly report back in 1981,
10 recognizing that it was a different point in time and
11 different considerations perhaps led to the O'Reilly
12 conclusions, are we hearing a lot of the same comments
13 and concerns or is this just on the spectrum of new
14 comments versus same old complaints? How would you
15 rank this survey in the context of the O'Reilly
16 report?

17 MR. DAVIS: There were a number of
18 similarities between the findings in both reports. I
19 think the imposition of a lot of new requirements was
20 discussed by O'Reilly, inspectors not being
21 controlled.

22 What were some of the other ones, do you
23 remember?

24 MS. PEDERSON: I think the main one Bert
25 already hit on was the requirements and the numbers of

1 them. We did hear some indication during the survey
2 that some people felt there was initial control placed
3 on the Agency after the 1981 survey, but that has
4 somewhat disappeared. I think that was really the
5 main thrust.

6 DOCTOR MURLEY: I'd like to add a comment
7 and then perhaps Jim.

8 There are, to my mind, two differences
9 between the situation now in this survey and the
10 situation in 1981 in that survey. Even though some of
11 the individual comments were the same, in 1981 the
12 problem was viewed strictly, almost totally as a
13 Headquarters problem out of control. The Headquarters
14 staff was out of control at issuing new requirements.
15 This time I think, although there was still some of
16 that, the theme was that the regional inspections are
17 "out of control." So, to me there was that
18 difference.

19 The second thing is I heard from at least
20 a couple utilities and I've heard them in other
21 conversations that in 1981 the industry felt that
22 there was almost a crisis in terms of them being able
23 to stay on top of or even up with the massive
24 requirements that were coming out. Last year, they
25 did not feel it was a crisis. I didn't hear anyone

1 say that. Did you, Bert? But they felt that it was
2 something that needed to be addressed.

3 My own view is that the industry is much,
4 much better prepared now. Their staffs are much
5 larger, they're stronger, they're more capable of
6 dealing with the regulatory situation. That's partly
7 the explanation.

8 But if I had to -- I did kind of just
9 summarize my thoughts and views. Those were the two
10 differences I noticed the most.

11 MR. DAVIS: We did have one senior
12 manager, Tom, who made a statement similar to the
13 major conclusion that was reached in the 1981 report
14 and that is that the amount of requirements was a
15 safety problem of unknown dimension. It was along
16 those lines. That was pretty much the theme that Jim
17 O'Reilly had come up with in the 1981 survey.

18 MR. TAYLOR: That was maybe one manager.
19 I think that was a predominant theme out of that early
20 survey. I think that we in the Agency who were here
21 and working then looked at what had happened in the
22 post-TMI period when many, many requirements were
23 being imposed through the TMI action plan. It became
24 quite clear that that was the predominant message.
25 The inspection program at that time and the resident

1 inspection program was new and in its earliest stages.
2 The inspection program was being adequately revised.
3 So, I think there are differences. It was a much--
4 that was the beginning of the resident program. It
5 really got going after TMI.

6 So, although it was some of that, I agree
7 with Doctor Murley that I don't think we got out of
8 this survey the same crisis sense. There was a broad
9 opinion of the proliferation of requirements back in
10 those early 1980 days.

11 COMMISSIONER CURTISS: One other question.
12 I realize, Bert, that you just recited sort of an
13 objective summary of what you heard without any
14 conscious effort to reflect upon the correctness of
15 the observations. I guess one of the questions that
16 I've always had as I've gone around to the sites and
17 comments have been raised, I find on occasion that the
18 comment or the concern that is raised by a licensee
19 will be in large part because of the lack of the
20 licensee's knowledge or understanding. You touched on
21 a couple of them. The fact that generic letters go
22 through the CRGR process, for instance, you alluded
23 to, wasn't very well understood.

24 If you look at the range of comments that
25 you got in this survey and recognizing that you

1 haven't yet put a spin on them, would you care to
2 comment on maybe where the emphasis was, comments that
3 were, when you get down to it, a legitimate and
4 objective and well considered critiques of the way we
5 do business versus comments that reflected perhaps
6 less of an understanding about the way the process in
7 a particular area worked or what the framework is in a
8 particular area?

9 MR. DAVIS: I guess I believe that the
10 majority of the comments that were made were probably
11 good comments, in spite of the fact that we couldn't
12 in many cases get good examples. If I were to go into
13 the appendix of the report, I think, and go through
14 and say, "Yes, this is right," or, "no, this isn't," I
15 think the majority of them, I would say, were probably
16 right. Therefore, the corrective actions that you'll
17 hear about later are appropriate to take.

18 COMMISSIONER ROGERS: One question I have.
19 You focused your remarks, Bert, on the 13 plant study.
20 Now, have you got anything to say about the more
21 general survey that was done, the Generic Letter 90-01
22 that looked at the licensee management involvement in
23 inspections and audits? It seems to me that some very
24 interesting observations could be made on the data
25 that came out of that little survey. I wonder if you

1 have any -- would add anything to do that.

2 DOCTOR MURLEY: Yes. That was conducted
3 primarily by the Headquarters staff. There were two
4 other surveys besides the one that Bert has mentioned.
5 As you said, Commissioner, there was a written survey
6 of all licensees asking for their views on how much
7 time the senior management -- well, all the management
8 of the utility and the plant spent on responding to
9 NRC and other outside auditors. That survey did come
10 back. It was, I thought, quite interesting. It
11 showed that perhaps 25 percent of their time, from the
12 plant manager to senior managers on site, was spent
13 responding to outside influences. The NRC portion of
14 that, as I recall, was only about perhaps ten percent,
15 not the full 25 percent.

16 COMMISSIONER ROGERS: Well, yes, of the
17 total time, but of the inspections it was less than
18 half senior management time. Of the time devoted to
19 inspections, it was less than half --

20 DOCTOR MURLEY: That's correct.

21 COMMISSIONER ROGERS: -- went to NRC
22 inspections.

23 DOCTOR MURLEY: Right.

24 COMMISSIONER ROGERS: As a matter of fact,
25 supervisors, it was 70 percent was non-NRC involved.

1 So, it seems to me that this very interesting concern,
2 legitimate concern that we have if we're concerned
3 about the impact of inspections, excessive numbers of
4 inspections or excessive time spent on these things,
5 then I think we need to look at all of them, not just
6 NRC, and perhaps try to see if something can be done
7 to alleviate that total burden because less than half
8 of the time spent on top management or middle
9 management on these inspections is related to NRC
10 activities.

11 DOCTOR MURLEY: Yes. That survey, as well
12 as the survey of the staff that the Commission asked
13 us, I think we've taken all of those into
14 consideration here in our thoughts and in our
15 recommendations on where we go. Should I move into
16 that area now of --

17 COMMISSIONER CURTISS: Just one other
18 quick question, Tom, on the survey that you did and
19 that Commissioner Rogers has referred to. As you
20 break down in Table 1 the total impact of the various
21 inspections, EPA, OSHA, the insurers and so forth, and
22 then in more detail -- and I think our interesting
23 attachments talk about what, for example, the average
24 NRC team inspection occurs 4.6 times per year, 6.7
25 people lasts about ten days -- is there anything in

1 the statistics that came out of that that from an
2 inspection perspective surprised you or that indicated
3 that things were significantly different than you
4 thought they were as you during the course of the
5 year, for example, evaluate and assign inspection
6 resources?

7 DOCTOR MURLEY: I personally expected an
8 outcome like this.

9 Let me ask Frank Gillespie if you have any
10 thoughts or insights from this.

11 MR. GILLESPIE: I think the insight we got
12 from the combination of the three surveys was not
13 necessarily that the objection was to the 4.6, but the
14 objection seemed to come at particular sites when, for
15 whatever reasons, we'd pile up three of our
16 inspections a long with an INPO one. Inspections,
17 when I cover that, we focus now very heavily on how we
18 pace these inspections to a SALP period and how do we
19 get early feedback if we're going to collide with some
20 other planned activity from a third party, because we
21 do recognize that the impact from the third party,
22 when it coincides with ours, is a very important
23 consideration.

24 So, it's not the number as much, I think,
25 as the scheduling that we've tried to focus on here.

1 COMMISSIONER CURTISS: Okay.

2 COMMISSIONER REMICK: I'd like to pursue
3 two points before we leave this subject.

4 Tom, I agree in general with your
5 characterization of the difference between the earlier
6 survey and this one except for where you said the
7 earlier one was primarily Headquarters out of control,
8 second region out of control. The area where I --

9 DOCTOR MURLEY: That may have been --

10 COMMISSIONER REMICK: Yes.

11 DOCTOR MURLEY: -- slightly an
12 overstatement.

13 COMMISSIONER REMICK: The point I'd like
14 to make, and the area where I would disagree is in the
15 team inspections. In my going around to the regions
16 and talking to regional staff, as well as some input
17 from licensees, it's a question of the team
18 inspections which are Headquarters types of
19 inspections. I get the sense that once we establish
20 teams, they have to have something to do. So, there's
21 a tendency for them to call the region and say, "We
22 have a team available. Where would you like them to
23 go in the next two weeks? That was one area which
24 came out in the survey where we are really utilizing
25 licensee resources in team inspections.

1 So, when we come to the subject of talking
2 about improvements, where we talk about controlling
3 inspections, I think we also have to consider very
4 carefully the need for some of these team inspections.
5 Once we get them going, do they perpetuate themselves?
6 Do we have people that are dedicated to this and
7 therefore they have to find something to do?

8 One other comment, going back to you,
9 Bert. You mentioned something like maybe licensees
10 don't understand or agree with our safety goals and I
11 can't help but ask the question do we, meaning the
12 Agency, understand and agree with our safety goals?
13 In other words, it isn't just a case, I think, of
14 licensees perhaps not understanding implications of
15 that, but maybe we don't fully understand what that
16 means. Do we put them on a shelf?

17 MR. TAYLOR: We've corresponded in the
18 past six months with the Commission on that. We're
19 trying to cleave closer to the guidance which the
20 Commission agreed to for safety goals, for the CRGR
21 and so forth that were, I think, the measure --

22 COMMISSIONER REMICK: I'd appreciate that
23 if you'd address it.

24 MR. TAYLOR: I don't think we're there,
25 but I think we're trying to take the measure more than

1 we have.

2 COMMISSIONER ROGERS: Well, it seemed to
3 me from just reviewing these comments and thinking
4 about them just only a little bit that maybe they were
5 asking for something else in how safe is safe enough,
6 rather than --

7 COMMISSIONER REMICK: I think it's
8 something very simple.

9 COMMISSIONER ROGERS: Something simple,
10 less global, more practical that they could turn to in
11 making decisions. And that our clarifying our
12 position with respect to the safety goals, of course,
13 should be something that we do complete, but that
14 that's not exactly what they're looking for.

15 COMMISSIONER REMICK: I would agree with
16 you, Ken.

17 MR. TAYLOR: I believe that the fact that
18 as we've continued the efforts to identify those
19 utilities or plants that are having operational
20 difficulties for whatever the reasons and causes, I'm
21 reminded that we have seen the problem plant list
22 decrease. I look at that as a positive sign and also
23 an attempt by the management to not over react to some
24 what I'll call normal problems, but to try to -- and
25 plants have improved. I think that's the tie. I

1 believe as plants improve their performance and have
2 been removed, that's a sign that we're acknowledging
3 that it's okay in whatever way we're able to do that.

4 CHAIRMAN CARR: All right. Let's proceed.

5 DOCTOR MURLEY: We'll address some of
6 these issues as we get into improvements as well.

7 The staff survey that was done of our own
8 staff in SECY-90-250 I would say generally confirmed
9 the broad findings with a few different examples and a
10 few changes. But by and large, it was, I would say,
11 the same lessons.

12 Some activities to address these areas
13 were ongoing independent of the survey. That is, we'd
14 had SALP program revisions underway. We had backfit
15 training underway. We had team leader training. For
16 example, the maintenance team leaders were trained.
17 All this was being done. So, we have some of the
18 improvements dealing with the problems that we've
19 found on the survey had already been underway.

20 But we felt that more was needed. So,
21 we've collected -- more was needed in three areas.
22 The quantity of NRC requirements is the first one.
23 The second one is the amount of NRC on-site
24 activities. And the third area, broad area, are the
25 interactions between the NRC staff and the licensee

1 personnel.

2 There's a viewgraph entitled number 1,
3 cumulative effect of NRC generic requirements. Here,
4 we're not talking -- and we use loosely "generic
5 requirements," the phrase. We're not talking of
6 rules, license amendments or orders. A better phrase
7 would be probably "NRC requested safety enhancements
8 as developed in bulletins or generic letters," or
9 something like that.

10 Bill Russell and his staff are developing
11 some innovative ideas on how to deal with this and
12 I'll let Bill discuss this one.

13 MR. RUSSELL: With respect to the
14 cumulative effect of generic requirements, I'd like to
15 break this into two broad areas: those things which
16 relate to identification, evaluation, communication
17 and promulgation of a new requirement, the front end
18 of the process; and then those things which relate to
19 the back end of the process, that is the licensee's
20 implementation of these requirements which pass the
21 backfit test.

22 In the area of identification of
23 requirements, we are now, and have been for some time,
24 prioritizing generic issues. We promulgate semi-
25 annually NUREG-0933. We are also coordinating from

1 the standpoint of exchange of information with
2 industry, with biweekly correspondence with the
3 Institute of Nuclear Power Operation. And as Mr.
4 Taylor mentioned, we are incorporating into the CRGR
5 process and the staff review of potential new
6 requirements the safety goal as we relate to our
7 evaluation and review.

8 At the end of that process, we feel it's
9 important to articulate concisely in the new
10 requirement when it's issued the reason. Is this a
11 cost effective backfit? Is it required to achieve
12 adequate protection, or is it required to comply with
13 NRC rules, regulations that already exist? We are
14 clearly articulating that in communications that we
15 issue at this time.

16 Doctor Murley mentioned the backfitting
17 workshops. We actually have an AEOD study that was
18 ongoing that looked into the backfitting process.
19 There is a NUREG-1409 on backfitting guidelines, and
20 the workshops have two audiences. One is internal to
21 staff to make sure the staff understand the process,
22 and the second audience is external, to get the
23 information out to the industry.

24 The third area which relates to the
25 quality of regulatory analyses, Research has

1 activities underway to revise and update the value
2 impact handbooks.

3 All of those address improving the quality
4 of the staff's evaluation leading up to the issuance
5 of a new requirement.

6 The area that has not been handled well,
7 and we've had earlier attempts at handling it, is the
8 back end of the process. That is when it gets down to
9 a specific licensee. We had an integrated safety
10 assessment program which was a follow-on to the SEP
11 which develops new techniques for looking at numerous
12 requirements in a generic way. It had some elements
13 to it which caused it to not be endorsed by a number
14 of utilities. It was a voluntary program, required a
15 plant specific safety analysis, required factoring
16 operating experience in and also it required
17 addressing some of the specific technical issues that
18 were lessons learned from SEP.

19 We had a second effort at trying to
20 control these impacts, the living schedules or the
21 integrated schedule activities. One of the
22 shortcomings with that was that it was a requirement
23 to incorporate licensee initiatives into that and it
24 got some type of a regulatory stamp on it once you
25 were through with it. So, licensees did not, by and

1 large, endorse that.

2 The staff has conceptually developed what
3 we call the regulatory requirements implementation
4 schedules. This would be a voluntary program with
5 licensees. Conceptually, it would be a periodic
6 review on the part of a licensee of those things
7 required by NRC which do not relate to meeting an
8 adequate protection standard or compliance with
9 existing rules and regulations, broadly 51.09 backfits.
10 They would be reviewed and prioritized based upon
11 their safety value and consideration of impacts,
12 scheduling other things going on, lead time, et
13 cetera.

14 Licensees would then propose to the staff,
15 and I'll use the example of a one year cycle, but
16 propose approximately one year before the outage which
17 items would be implemented during that next outage.
18 The staff would then have a period of time for review
19 and absent a negative finding by the staff within say
20 60 to 90 days, that schedule by the licensee would
21 become frozen. It would constitute agreement that
22 those items would be the items to be implemented
23 during the next outage and no others would be added.
24 This would provide stability in planning during the
25 period of time when engineering and other activities

1 of the licensee are focusing on the next outage. The
2 process would then be updated, depending upon the
3 scheduled refueling cycle, every 12 to 18 months.

4 That's essentially the concept. We are
5 looking at a pilot program because clearly the key
6 issue is going to be how you prioritize based upon
7 safety and significance and how we develop guidance
8 back for the staff to conduct those reviews. We would
9 like to keep it in a negative consent context with the
10 licensees proposing and, absent staff objection, that
11 would become the schedule.

12 We're looking at a pilot program that
13 would involve licensees from each of the regions to
14 work over a period of 18 months to two years to
15 develop that guidance by actually using it. That is,
16 develop it, try it on a pilot basis, and then
17 formalize that guidance for project managers such that
18 the program could be implemented more broadly. We
19 feel that this will control the impacts of
20 implementation of new requirements and get those
21 implemented earliest which have the greatest potential
22 safety benefit for that particular licensee.

23 COMMISSIONER CURTISS: Bill, before you go
24 on, just a couple of mechanical questions on what you
25 propose in here. You indicated that the previous

1 programs ISAP and integrated schedule hit the shoals
2 because in the case of ISAP a PRA was required, in the
3 case of integrated schedules it was part of the
4 license -- or was viewed to be part of the operating
5 license. Is this going to require either of those
6 two?

7 MR. RUSSELL: No. Since all licensees are
8 doing PRAs essentially to support the IPE process,
9 with one exception, they would have the tools to do
10 the integration, to judge them. In fact, I've spoken
11 to one licensee to determine whether he felt that this
12 proposal that the staff was looking at would be
13 responsive to the broad concerns that had been
14 described in the regulatory impact survey. The
15 feeling was that it would go a long way to doing that.
16 It would provide stability for planning, would not
17 impact engineering resources at a time when they're
18 critical because you would have reached agreement on
19 those things to be done in the next outage.

20 There is a potential that some items
21 through this process, if you go through it, the items
22 that are on the bottom of the list that are not
23 particularly safety significant on that facility may
24 not be done and that some items may have very extended
25 schedules on some facilities because we'd be

1 prioritizing on a plant-specific basis, not
2 necessarily to complete all of a particular item to
3 get it off of our books.

4 COMMISSIONER CURTISS: Now, conceivably,
5 that would be true for so-called backfits that we
6 impose through regulation. If, as a generic matter, a
7 regulation makes it through the CRGR process and the
8 Commission says, "Go out and require hardened vents
9 for all MARK-1 containments," for instance, this
10 plant-specific evaluation under this program, I
11 gather, could lead to the conclusion that requirements
12 imposed with the regulations might not be of
13 sufficiently high priority toward doing and could
14 therefore be dropped?

15 MR. RUSSELL: No. As I commented earlier,
16 this applies to those things which are not required
17 for compliance with the regulations or for an adequate
18 protection standard. In the instances you've
19 described, that may provide a basis for a licensee to
20 request an exemption to not have to implement that
21 particular regulation. But we would not see this as a
22 part of that process.

23 COMMISSIONER CURTISS: Okay.

24 DOCTOR MURLEY: Yes. The hardened vent,
25 for example, is really a safety enhancement and it's

1 not needed for adequate protection. It would be one
2 of the items we would propose be included in this
3 prioritization kind of scheme. It's conceivable that
4 as we get into this it may fall down further on the
5 list than some other important items.

6 CHAIRMAN CARR: I think that was the
7 intent of Commissioner Curtiss' question. It may get
8 so low on the priority list, it may never get done,
9 even though it is a requirement.

10 DOCTOR MURLEY: That's one area we have to
11 look at. I don't think we have a good answer now as
12 to whether some of these might get delayed so long
13 because they're tied to outages, which only come every
14 year and a half. Could it be delayed so much that you
15 have to ask yourself whether it's worth doing anymore?
16 We haven't really got an answer to that question.

17 COMMISSIONER ROGERS: Well, it's the
18 classic problem that you always have when you
19 prioritize.

20 DOCTOR MURLEY: Yes.

21 COMMISSIONER ROGERS: There's always
22 something at the bottom. How do you ever get at those
23 things? The usual way is that you add another
24 category. You pick a certain number of those and you
25 just do them every now and then, regardless of the

1 fact that they're low priority. Otherwise you'll
2 never get to them. You'll always have this--
3 something at the bottom that never gets tended to.
4 Although everybody agrees it should be done sometime,
5 it just never gets done. It's just the classical
6 problem of prioritization and there are standard ways
7 of doing that.

8 The 18 to 24 month pilot program, when do
9 you expect that to begin, Bill?

10 MR. RUSSELL: We'll get to the point, but
11 I would expect it after we've received public comment
12 back on the paper. I'm getting into Tom's conclusion
13 somewhat. So, if we can defer that until my boss has
14 given you sort of a punchline from the presentation.

15 COMMISSIONER ROGERS: Okay. Fine. I'm
16 happy with that. But this program, is this focusing
17 really on just those items which would be done during
18 an outage? Is that where you're starting? Do you
19 expect it to --

20 MR. RUSSELL: There are things that can be
21 done between outages. It turns out that the impacts
22 of those are quite small. We had the Generic
23 Communications Branch look at items which we had
24 imposed that would be subject to this kind of a
25 prioritization. We looked at whether they could be

1 implemented on-line or during outages and we
2 arbitrarily assumed if it was an outage they would be
3 done at one time. We used May and then we spread the
4 others uniformly.

5 The impacts during outages by far
6 dominated that which could be done and we use the
7 results from our regulatory analyses in supporting of
8 these as to what the impacts were. The impacts, when
9 converted to dollars, were on the order of \$100,000.00
10 per month during operation and they were in the few
11 millions during outages. Again, this is regulatory
12 dollars. We need to improve that process as well, to
13 make sure that we are measuring them the same way.
14 But even by our own analysis, we showed a significant
15 burden during outages and less so during operation.

16 CHAIRMAN CARR: What's really going to
17 happen here is you're going to -- the things that
18 require an appreciable amount of time are going to
19 coincide with those outages that the utility already
20 requires an appreciable amount of time, like a steam
21 generator replacement or something that requires a
22 whole focus and you're going to stuff more into that
23 because it's a longer one. So, it's not going to be
24 easy.

25 MR. RUSSELL: We envision that there may

1 be items that the utility wishes to do or needs to do
2 that would have significant impact that would make the
3 list shorter during a particular outage and that is
4 part of the reason for developing the criteria. If a
5 major item such as a steam generator replacement was
6 planned, then the amount of activity you could conduct
7 inside containment is going to be very limited. That
8 may be the basis for reducing or scheduling other
9 items until later.

10 COMMISSIONER CURTISS: The focus on the
11 outage-related aspect of this seems to suggest that
12 this program, this IRRIS program I guess, is primarily
13 hardware related. Is that a correct conclusion?

14 MR. RUSSELL: Not necessarily. When one
15 implements changes to emergency operating procedures,
16 for example, if you were going to go from one revision
17 to the next revision, the ideal time to do that is to
18 train the people and start up from an outage with
19 that, so you don't have different crews with different
20 levels of understanding about the procedures that are
21 in use. So, procedure, programmatic changes could
22 occur. If it were a change in your work procedure or
23 work controls that we would require, you'd clearly
24 want to do that when you're on-line and not in the
25 middle of an outage to change your mechanism for work

1 control.

2 Each one would have to be looked at, but
3 the emphasis -- the area that we see needs controlled
4 outages.

5 COMMISSIONER CURTISS: Take one that's not
6 so logically related to an outage like Part 20, for
7 instance. I guess you could conceivably do it any
8 time and which would fall under this program because
9 it's not an adequate protection requirement the way
10 we've approached that. I guess what you're saying is
11 that this program wouldn't result in the scheduling of
12 Part 20 changes at a given plant if they fall within
13 the outage, within the scope of things done during an
14 outage?

15 MR. RUSSELL: I'm not able to address the
16 Part 20 example explicitly. But for other examples,
17 for instance what the staff has ongoing now in the
18 area of motor operated valves, with the generic
19 letters that we have, with the programs that are being
20 developed, there may be things that can be done to
21 complete a portion of that program during an outage.
22 There may be other things that are done by way of
23 analysis during the course of a year. Those schedules
24 for how much is done during that review could clearly
25 be incorporated into this program. Some things may be

1 done during the year, others will be deferred to an
2 outage.

3 CHAIRMAN CARR: Isn't this really a
4 formalization of what's been going on informally
5 anyway?

6 MR. RUSSELL: I hope so, yes, sir.

7 CHAIRMAN CARR: I would assume that we're
8 talking to the utilities about what they're doing
9 during their outages and what --

10 DOCTOR MURLEY: Yes. But this goes a
11 little further than that in the sense that this allows
12 us to take into consideration things that they may
13 find more important and even more safety significant
14 that are their own initiatives. They I think
15 uniformly told us that their own initiatives take back
16 seat to NRC initiatives. One that comes to mind, and
17 I can't remember who told us this, but the recording
18 charts in a control room needed to be really replaced
19 because they were so unreliable, they were out of
20 service a lot. Yet they never were able to get around
21 to it because they were always working on something
22 that NRC required that probably is not as safety
23 significant. When we put those on the same kind of
24 chart, we may agree with them that ours could go
25 further on down the list.

1 CHAIRMAN CARR: Then I'm surprised they
2 haven't been bringing it up before.

3 DOCTOR MURLEY: Well, they acquiesce, as
4 Bert said.

5 MR. RUSSELL: We also have cases where the
6 staff has accepted longer schedules. You've seen that
7 in our recent paper on some of the TMI items where
8 schedules have slipped because of other things going
9 on or licensee's ability to implement the changes.

10 COMMISSIONER REMICK: Before going on to
11 the next improvement, I've always been disappointed
12 that the ISAP and living schedule weren't more
13 successful. So, I really hope that the IRRIS program
14 is successful.

15 One other comment I wanted to make, you
16 were talking about revising the value impact handbook.
17 I think that the Office of Research will be doing
18 that. I hope they're cognizant of a government-wide
19 effort looking at value impact and use of risk
20 assessment.

21 I brought along with me today a very
22 recent OMB report. I'd just like to, if you'd bear
23 with me one minute, read three observations that I
24 think we should carefully consider when we do our
25 value impact.

1 It says, "The continued reliance on
2 conservative or worst case assumption distorts risk
3 assessment, yielding estimates that may overstate
4 likely risks by several orders of magnitude."

5 Another observation, "Conservative biases
6 embedded in risk assessment impart a substantial
7 margin of safety. The choice of an appropriate margin
8 of safety should remain the province of responsible
9 risk management officials and should not be preempted
10 through biased risk assessments."

11 Third, "Conservatism in risk assessment
12 distorts the regulatory priorities of the federal
13 government, directing societal resources to reduce
14 what are often trivial risks while failing to address
15 more substantial threats to life and health."

16 I think it captures some of the things
17 that Bert talked about here and what Ken and I were
18 talking about. It isn't so much understanding the
19 safety goals, it's some of the things we emphasize to
20 cause resources to be utilized and therefore resources
21 aren't available for the more important safety
22 significant type of things.

23 So, I would just ask that Office of
24 Research, if they're not already familiar, be familiar
25 with what has been done and is being done by the

1 Office of Science and Technology Policy in this area
2 government-wide. They're particularly critical of EPA
3 on inconsistencies.

4 COMMISSIONER CURTISS: I just have three
5 other quick questions on this. I gather the first
6 step in this process is for us to go through and list
7 all the requirements other than the adequate
8 protection requirements that are applicable to a given
9 facility. Do we have that list today for plants or is
10 that something that we would have to prepare? Could
11 we go to, say, Plant X in Region III and pull out a
12 list of things that are all considered generic
13 letters, information notices, regulations, resident
14 inspector preferences, that kind of thing, and put
15 together a list of things that we are expecting the
16 licensee to do?

17 MR. RUSSELL: We have pieces of the list,
18 clearly those things which are unimplemented, and we're
19 tracking them through the safety issues management
20 system. We have also the NRR process, the WIF program
21 which includes those things which are requests from
22 licensees that are not yet implemented where you
23 follow implementation of generic letters, bulletins,
24 things like that. So, they are in different places
25 and there may be some that a licensee would propose to

1 be considered that may be a fallout of an inspection
2 activity which may fall into that category.

3 So, we don't have a list consolidated at
4 this point in time, but we believe we can identify
5 such a list --

6 COMMISSIONER CURTISS: That's the first
7 thing we'd need to do.

8 MR. RUSSELL: -- and that would be the
9 first step in the activity.

10 COMMISSIONER CURTISS: Then we send it off
11 to the licensee a year ahead of time and they -- I'm
12 sorry, we send it off to the licensee and they take
13 all the things that they'd like to do and they plug it
14 in and they give it to us a year prior to the
15 refueling outage?

16 MR. RUSSELL: If the licensee proposed to
17 identify some things that they wished to do that were
18 higher priority and that constituted the basis for not
19 doing something that was on the regulatory
20 requirements list, we would accept that. But in
21 general, it would be an activity to prioritize those
22 things which NRC has required only.

23 COMMISSIONER CURTISS: And then during a
24 certain period of time after we get that, unless we
25 object, sort of a negative consent posture, then the

1 requirements to be addressed at the upcoming refueling
2 outage would be set?

3 MR. RUSSELL: That's correct.

4 CHAIRMAN CARR: We keep throwing the word
5 "requirements" around in this. You've got to remember
6 these aren't requirements per se. Some of them are
7 requests for safety enhancements.

8 COMMISSIONER CURTISS: Anything other than
9 adequate protection requirements, I guess, is what I'm
10 using that to refer to.

11 Just a critical path question. The scope
12 of the outage for some of these licensees is set quite
13 a ways ahead of time. Are we on the critical path for
14 setting the scope under this program, or is it going
15 to be far enough ahead of time that we'll be off of
16 that?

17 MR. RUSSELL: We think generically the
18 licensee should have probably on the order of two
19 outages to implement the requirement. If someone
20 chose not to volunteer to participate in this kind of
21 a program, they would generally have a two outage
22 window to implement the regulatory requirement. The
23 prioritization, the consideration of your activities
24 with staff activities would only accrue to a licensee
25 that participated in the IRRIS program.

1 COMMISSIONER CURTISS: Okay. One final
2 question. Do you have a sense yet of what the
3 resource impact of the program will be?

4 DOCTOR MURLEY: We've talked about it. It
5 could be a fairly substantial impact to start up for
6 the staff because, for example, we'd have to give the
7 staff guidance on priorities. We couldn't have one
8 project manager saying, "This is important," and
9 another one saying it's not important. So, the
10 management and the staff is going to have to develop
11 some guidelines on how to implement this program.

12 CHAIRMAN CARR: But it's not inconceivable
13 it could be more important at one plant than another
14 one.

15 DOCTOR MURLEY: That's possible. That's
16 possible, yes.

17 So, that's why, Commissioner, we'd like to
18 do the pilot programs first, so we don't undertake
19 something without fully knowing the impact on us.

20 COMMISSIONER CURTISS: I think it's a--
21 I'm pleased to see that you're recommending something
22 like that. I guess the comment that I've heard most
23 frequently as I've gone from site to site is it's
24 difficult to drink from the regulatory fire hose. You
25 need to have a sense of what's important and what's

1 not. Not just in terms of what we require or request,
2 but in terms of what the licensee also thinks is
3 important, the strip recorder chart example, Tom, that
4 you gave. So, the concept here that you've developed,
5 it seems to me, is a most interesting one and I hope
6 it works.

7 Having said that, I hope we can approach
8 it in a way that addresses the apparent shortcomings
9 of the two previous efforts, ISAP, which I too was
10 disappointed hasn't been pursued, and the integrated
11 schedule program. For those licensees that repeatedly
12 expressed concerns like this, and there are a number
13 of them, that they'll know that they have this program
14 available to them to pursue.

15 DOCTOR MURLEY: Yes.

16 MR. GILLESPIE: Commissioner, let me
17 clarify one. We do have a list for every plant and
18 project manager report. It's all generic letters,
19 bulletins and rule requested actions and their
20 implementation status, as well as a reference to any
21 correspondence that's come in on when they said they'd
22 have it implemented.

23 COMMISSIONER CURTISS: Okay.

24 MR. GILLESPIE: So, we today have the
25 list, but it doesn't include compliance items that are

1 developed in the region. It's strictly the regulatory
2 actions we requested generically.

3 COMMISSIONER CURTISS: Okay.

4 DOCTOR MURLEY: Let me move on then to a
5 second area where we felt improvement was needed.
6 This is scheduling and control of inspections. It
7 gets to, at least partly, the comment that
8 Commissioner Remick had on team inspections.

9 The view that we got uniformly, I believe,
10 and Bert can help me, was that the licensees feel that
11 team inspections are better quality inspections than
12 individuals coming out one at a time. They were most
13 concerned about the impact that the team was having on
14 utilities management and this is perhaps the most
15 straightforward one to deal with. We have taken steps
16 in the past year to deal with the problem that you
17 mentioned, of Headquarter's teams looking for work out
18 in the regions. I don't think that is going on now.
19 Still, if it is, we'll take steps to fix it again.

20 Frank Gillespie's going to talk about this
21 issue.

22 MR. GILLESPIE: To give you a background,
23 following the reorganization and folding-in of I&E
24 into NRR, we looked at the program and did somewhat of
25 a restructuring, and the restructuring along the

1 philosophical of those plants which presented the
2 biggest safety problems should have the most
3 inspection. And that was kind of our in-going
4 assumption.

5 Since then, our most current list of
6 inspection hours per plant shows that we're spending
7 in a range of from 2,500 hours in a 12 month period at
8 our least inspected plant or unit to about 10,000
9 hours at our most inspected unit, which is a
10 significant change from three years ago. So, we now
11 do have a spectrum and it's not a step function. If
12 you sort these by least to most, you'll see a fairly
13 smooth curve, so it's not dominated by the high end or
14 the low end. There is a definite transition. So, I
15 think the regions and Headquarters working together
16 have made some significant progress as far as the
17 distribution of effort relative to safety.

18 This last year we made a major change in
19 the programmatic operating plans the regions have that
20 NRR concurs in, which has these same elements as a
21 higher level objective for the regions to reach in our
22 program. So, we are now going with some success,
23 which means when you do go up to some facilities and
24 they say that we're getting all this inspection, they
25 may in fact be very, very right. Introspectively,

1 they should ask why are we getting all this
2 inspection, because there are some facilities which
3 basically have only the resident at the facility.

4 In doing this restructuring we came up
5 with the master inspection program, which was merely a
6 tool. It's a computer database, but it has the
7 regions and Headquarters all working together to keep
8 track of in the end what is a site-specific activity
9 schedule for each site of all NRC activities in
10 addition to NRC activities. the regions do put on them,
11 when they expect to have major INPO visits. we happen
12 to know about, major refueling outages, Commissioner
13 visits. So we're starting to get a very, very good
14 handle collectively on what our activities are and how
15 we're planning them.

16 The next extension to this internally is a
17 speed limit, I'll call it, and this is being developed
18 right now between the EDO's office and NRR and the
19 regions, starting with the EDO's field policy manual,
20 words to the effect that we would foresee no more than
21 four major team inspections at any facility during a
22 SALP cycle unless the deputy regional administrator and
23 our associate director for projects confer on it and
24 decide that, yes, this is a plant that falls into that
25 higher end, that bigger safety problem.

1 CHAIRMAN CARR: What do you define as a
2 major inspection?

3 MR. GILLESPIE: We haven't really put a
4 definition on it. We've generally viewed it as
5 something that has more than three people, but we see
6 the program changing in that we're doing more multi-
7 discipline inspections as we have more junior people
8 coming into the program. In some regions, we have
9 team leaders being assigned and multi-discipline
10 inspections being done in lieu of individual separate
11 inspections, and team leader training is one thing
12 I'll cover in another section to help provide more
13 supervision for those types of inspections with the
14 senior person.

15 CHAIRMAN CARR: But there's no doubt a
16 maintenance inspection or a diagnostic is a major
17 inspection.

18 MR. GILLESPIE: Oh, that's major. That
19 fits the four. That fits the four, yes.

20 CHAIRMAN CARR: Well, my personal opinion,
21 four is too many. Seems to me there's a great degree
22 of overlap in the major inspections, and in my opinion
23 you can do -- I don't know what you want to call it,
24 but you can do one of those major inspections that's
25 nearly across the board. And you really do do that.

1 From my viewpoint, anyway, the diagnostic and the
2 maintenance have got a lot of overlap, and I think the
3 thoroughness of those major inspections and the
4 follow-up thereafter get most of the work done.

5 So, I just throw that out, that four
6 inspections in a SALP cycle, having been on the
7 inspected end and been an inspector, you can just go
8 from one to another. I mean, you know, and it keeps
9 you from getting your work done. I sympathize with
10 those people who have a good number of inspections.
11 And this ignores those little AITs you may drop in on
12 them because of an incident. It ignores quite a few
13 things that we -- as you say, if it's less than three
14 guys, we don't really count it. We better give it
15 some consideration.

16 MR. GILLESPIE: Well, the specifics in how
17 to implement this, we have a list of team inspections
18 which, by definition within the program had been
19 developed as teams, which are the ones we're going to
20 focus on the four. They include such things as
21 SSOMIs, SSFIs, the maintenance team inspections, EOPs.
22 All of those would be considered major. You are
23 right. It does --

24 CHAIRMAN CARR: That's one every four
25 months or five.

1 DOCTOR MURLEY: This is a ceiling, not a
2 floor.

3 MR. GILLESPIE: It's a ceiling.

4 DOCTOR MURLEY: So, it may not get to
5 four, but we are dealing with the problem where --

6 CHAIRMAN CARR: Say it's three. It's one
7 every five months. I mean, by the time you get the
8 report written, the next inspection is going on.

9 DOCTOR MURLEY: But in terms of impact on
10 the plant, though, generally it's only the weeks that
11 the team is there, and that's what we wanted to deal
12 with first.

13 CHAIRMAN CARR: But that extends over as
14 much as four weeks.

15 DOCTOR MURLEY: It can be four weeks, yes.
16 And we were seeing cases of six to 18 inspections in a
17 year and that's what we wanted to deal with right
18 away. I think we'll clearly take your guidance. Four
19 may be too many, but we wanted to put a ceiling on it.

20 CHAIRMAN CARR: Well, I think the
21 thoroughness and the overlap, I guess, is what I think
22 are important to take a look at.

23 MR. GILLESPIE: And I think we're doing
24 that. I need to emphasize, four, as Tom said, is a
25 ceiling. We don't have enough resources to do four at

1 every plant in the country. It's truly a ceiling. If
2 someone gets four, someone else only gets one. So
3 averages can be deceiving.

4 COMMISSIONER CURTISS: Your average today
5 for, let's say, an 18 month SALP cycle, if I
6 understand the materials in the SECY paper 205, was
7 about seven per SALP cycle, an 18 month cycle, 4.6 a
8 year, seven major team inspections.

9 DOCTOR MURLEY: That's the historical
10 record.

11 MR. GILLESPIE: That's the historic
12 record.

13 CHAIRMAN CARR: That's average.

14 COMMISSIONER CURTISS: That's average, and
15 what you're proposing here is no more than half that.

16 CHAIRMAN CARR: No. They should average--
17 if four is the max, the average ought to be somewhere
18 around two, I'd hope.

19 COMMISSIONER CURTISS: Yes. You're
20 talking about going down from an average of seven to
21 an average of two.

22 MR. GILLESPIE: The speed limit of four is
23 a significant change from the historic data.

24 CHAIRMAN CARR: Okay. Let's go on.

25 MR. TAYLOR: I think we'll take this into

1 account.

2 DOCTOR MURLEY: I should say, before we
3 leave that, those statistics in SECY 205,
4 Commissioner, may include AITs and some diagnostic
5 types. I'm not sure.

6 Frank?

7 CHAIRMAN CARR: Okay. Let's proceed.

8 MR. GILLESPIE: The last part of this was
9 that we would take this site-specific activity
10 schedule as it relates to what we perceive to be the
11 major activities of the licensee and what we perceive
12 as our significant activities and publish it on some
13 periodic basis, potentially publishing it to cover six
14 months, but publish it quarterly. Because, our plans
15 within the regions actually get re-reviewed about
16 quarterly to make sure how the regions want to focus
17 their resources and where it's at in order to allow
18 the licensee time to communicate back to the region if
19 they see something that's going to be a major
20 impediment that we don't know about, in particular the
21 third party type inspections which we may not have.
22 Although the major INPO visits we do have some idea
23 on, insurance visits, state, other things we wouldn't.
24 And that's the end of this area.

25 DOCTOR MURLEY: Did you mention the notion

1 of publishing periodically?

2 MR. GILLESPIE: That's what I just said.

3 DOCTOR MURLEY: Oh, excuse me.

4 MR. GILLESPIE: We'd publish it
5 periodically.

6 DOCTOR MURLEY: Good.

7 CHAIRMAN CARR: I've got one question. In
8 your enclosure 4, there, you talk about a proposed
9 process through which an assigned resident inspector
10 staff at a plant with exceptional performance would be
11 reduced to less than N plus 1, and of course that
12 caught my attention immediately.

13 MR. GILLESPIE: What we're proposing in
14 enclosure 4 on that is that much like the staff's
15 proposal on extending the SALP period from 18 to 24
16 months for exceptional performers, that the regional
17 administrator at a similar type exceptional performer
18 that goes through the same process would have the
19 flexibility of using the plus 1 that's assigned for
20 other regional purposes, for engineering inspections
21 or at other plants for the time that that plant is
22 considered to be that exceptional performer.

23 CHAIRMAN CARR: But you'd leave them
24 there?

25 MR. TAYLOR: Yes.

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1 CHAIRMAN CARR: I mean, you know, if
2 there's only one guy there, he can't go on leave. He
3 can't train. He can't do anything.

4 MR. GILLESPIE: Well, yes. The N plus 1
5 we're focusing on is not the N plus 1 at a single unit
6 facility, which we had in place before we went to go
7 into a plus 1 at multiple units.

8 CHAIRMAN CARR: Doesn't say that.

9 MR. GILLESPIE: We've incorrectly
10 articulated our concept. Our concept was the N plus 1
11 at two and three unit sites where we already have
12 multiple people with coverage.

13 CHAIRMAN CARR: All right. Let's go
14 ahead.

15 DOCTOR MURLEY: Okay. The last major
16 broad area for improvement, and in some ways the
17 toughest, I think, is getting to the question of
18 giving guidance and expectations and training and
19 stuff to our inspectors who, after all, are the ones
20 that are out there everyday interfacing with the
21 licensees. We have some programs underway. We've had
22 some underway and Frank Gillespie is going to talk
23 about this item.

24 MR. GILLESPIE: I think what we're seeing
25 here is a growth. In the paper itself, it references

1 a number of courses dealing with interview techniques,
2 how to conduct an exit meeting, which are offered now
3 as optional courses, many of them on a one time basis.
4 The only thing right now that is absolutely mandatory
5 is the fundamentals of inspection course that touches
6 upon how we expect an inspector to conduct himself
7 relative to things like informal backfits, what he
8 includes and how he phrases things in his inspection
9 reports.

10 What we're proposing here is to take these
11 various courses and training elements that have been
12 developed and factor them into a more systematic and
13 mandatory and continuing program. It would go that
14 first it would be fundamentals of inspection where we
15 do touch upon what's included in inspection report.
16 This would come normally six to eight months into
17 someone's employment with the NRC. They're fairly
18 junior who generally go out and accompany someone on
19 an inspection.

20 After about two years into his career, the
21 inspector is more senior, will tend to go out more on
22 his own now. We think we need something more
23 advanced, more analytical, more dealing with how he
24 should be conducting himself with major findings and
25 how he would present things, what our expectations of

1 him are and how he would supervise someone else who is
2 junior with him. In particular, this would also
3 reinforce the points of the fundamentals inspection
4 because it did come out of the survey that many
5 licensees view an open item as just as severe as an
6 item of non-compliance. So, how we tone, how we
7 articulate and communicate becomes very, very
8 important, particularly as someone gets more senior.

9 Then sometime after that, possibly another
10 year, we'd view doing something equivalent to what we
11 now have for IIT team leader training, which includes
12 videotaping, how to conduct a meeting, how to deal in
13 an adversarial condition, what's acceptable, what's
14 not acceptable relative to conduct and professional
15 conduct.

16 So, we feel comfortable with the technical
17 competence of our inspectors. A lot has been done by
18 AEOD in this area for us and for the program over the
19 last several years. There's been major revisions to
20 our inspection manual chapter covering this to make it
21 more consistent. Based on the comments received, we
22 feel comfortable that our inspectors at a system and
23 plant level are very knowledgeable and very qualified.
24 With more junior inspectors coming in, with more
25 junior people coming in, the need to emphasize and

1 focus on the professional, the conduct, the attitude
2 side of things, how do conduct an adversarial meeting,
3 is very important.

4 The second element to this section is an
5 introspective look that we've taken at what do we
6 expect of a regional section chief? What do we expect
7 of the managers in the regions? Are what they're
8 doing what we expect them to do?

9 An example of this which -- and we focused
10 a lot on this in discussions -- is at the section
11 chief level, the first line supervisor. As he's grown
12 in the type of job he has over the last ten years, he
13 now has a diverse number of people in resident
14 inspectors. He's supervising now from a distance.
15 How does he supervise? When goes to a plant, does he
16 spend his time working with the licensee on technical
17 issues or does he spend time supervising his staff?

18 The first wave of residents that we had go
19 out, and I was in Region II at the time, were very
20 senior people. We're now introducing many, many
21 people, and I've been to several plants this year,
22 with people with less than one year experience.

23 CHAIRMAN CARR: As the senior resident?

24 MR. GILLESPIE: No, as a resident. Our
25 experience level is now going down. So, we want to

1 focus on what do we expect as a section chief and then
2 what do we expect of his manager and how do they
3 supervise their people? Are we giving them enough
4 time to supervise their people or are our technical
5 expectations of them and what they're doing so all
6 time consuming that they're not having enough time to
7 be out there and making sure that there aren't
8 informal backfits taking place, that the types of
9 communications they're having with the licensees or
10 subordinates are having are the correct types.

11 In addition, we'd have an expectation
12 possibly that when a supervisor goes out, he should be
13 meeting with his peer at the licensee, asking them,
14 "How is it going," giving them an opportunity to
15 communicate back and at the same time dispelling the
16 idea that the supervisor will also carry on the
17 attitude that was seen of retribution. So, we have to
18 also be responsive. Even if we disagree with what the
19 licensee says, I think we owe it to him to at least
20 think about it and get back to him and say, "I've
21 thought about that and no, I think my inspector was
22 really on firm ground," in each way, up through the
23 whole level, within the regions and within each
24 licensee to promote that kind of communication.

25 It should be interesting to note that

1 regional administrators and residents were discussed
2 in detail in Bert's survey and there was a relative
3 absence of discussion of the roles of the various peer
4 levels in between. So, we really would like to focus
5 on promoting the communications at those peer levels
6 so that every issue does not have to rise to the
7 regional administrator. When you take care of
8 problems, communication is at the lowest level
9 possible. This means looking at elements and
10 standards, it means looking at position descriptions
11 and going in and saying, "What do we expect of our
12 people out there?" This kind of look hasn't been done
13 in a long time.

14 CHAIRMAN CARR: When we take those
15 "junior" inspectors along, is there a conscious effort
16 to decide who's going to be a good inspector and who
17 isn't just by virtue of -- some people have a knack
18 for inspecting and do a better job of it than others,
19 given equal technical skills. I guess what I'm saying
20 is are we grooming people to be good inspectors?

21 MR. GILLESPIE: We believe we are.

22 CHAIRMAN CARR: Or do we just assign an
23 inspector because he's got a job code that says he's
24 here and therefore he can be a chief inspector on a
25 team or are we carefully --

1 MR. GILLESPIE: No, no, no. There's many,
2 many details in the paper. There's a chart in there
3 which has lists of things that we're doing. The new
4 inspector that comes into a region, every region and
5 Headquarter's new inspectors has a very, very formal
6 qualification program to go through.

7 CHAIRMAN CARR: That's not what I'm
8 talking about. I'm talking about his evaluation.

9 MR. GILLESPIE: Well, he has a supervisor
10 and he gets evaluated.

11 CHAIRMAN CARR: Okay. But --

12 MR. GILLESPIE: Now --

13 CHAIRMAN CARR: I mean if their
14 recommendation -- his evaluation says, "This guy
15 should be groomed. He's an outstanding inspector and
16 some day he should be the best inspector in the
17 agency."

18 MR. GILLESPIE: There's no deliberate
19 effort to --

20 CHAIRMAN CARR: Okay.

21 MR. GILLESPIE: -- do that outside the
22 normal evaluation process.

23 CHAIRMAN CARR: One thing I think we've
24 got to make sure across the board is objectivity and
25 lack of bias in the inspectors. You can't teach that.

1 Some have it and some don't have it. Judgment, of
2 course, is always important. But I'm not sure we're
3 achieving regional consistency. I guess that's what
4 worries me more than anything else is that the guy who
5 inspects a plant in Region I and the guy who inspects
6 a plant in Region IV have got the same kind of
7 objective look, they're looking for the same kinds of
8 things and they -- we're requiring the same kind of
9 things out of them.

10 MR. GILLESPIE: Well, programmatically we
11 try that. We very, very much try to do that. Any
12 time something new gets promulgated programmatically,
13 it has guidance that goes with it as well as the
14 requirements. I think we're forever going to have
15 some inconsistencies. In major elements, such as
16 maintenance team inspections and EOPs, we have
17 specific training for those which are centrally
18 controlled to try to bring that consistently. The
19 team leaders are specifically trained.

20 MR. TAYLOR: I'd like to add that I
21 frequently talk with regional administrators about
22 individual inspectors, to try to get an assessment of
23 their performance.

24 Bert, would you like to add to that? I
25 think you keep a sort of running tally in your own

1 head about your view from your managers of how
2 individual inspectors are performing. That's part of
3 the process.

4 MR. DAVIS: And when we make a selection,
5 we post the job and we get a lot of people apply. Of
6 course, we pick the person we think is going to be the
7 best inspector. Now, sometimes you'd maybe not like
8 to pick any of them, but that's rare, I would say.

9 DOCTOR MURLEY: Other ways of dealing with
10 this, Mr. Chairman, is the policy of rotation that we
11 have. I think that is -- I view that as probably the
12 best way of -- by rotating managers --

13 CHAIRMAN CARR: It's healthy.

14 DOCTOR MURLEY: Yes.

15 CHAIRMAN CARR: Too long current, but
16 that's all right. There's nothing like having a broad
17 background. I mean a guy who has seen 15 plants is
18 going to be a better guy than one who has only seen
19 two or three.

20 Okay. Let's go on. I've hammered that
21 enough.

22 COMMISSIONER REMICK: Just picking up on
23 that point, I'd like to add that UC&S about a year and
24 a half, two years ago, made a recommendation that we
25 need to know more what it takes to be a good inspector

1 and suggested perhaps some research be done. There
2 are things other than technical competence that was
3 being referred to, personality traits and so forth,
4 which are very difficult to evaluate. But the
5 question was do we know enough to know what makes a
6 good resident inspector.

7 MR. DAVIS: We're doing a fair amount. I
8 can only speak for my region, but we try to make sure
9 that the inspectors are pretty good, the selection
10 that I mentioned. But what we also have is that
11 periodically the inspectors in a branch will have a
12 meeting at a location adjacent to another facility and
13 then all those inspectors will go out to that facility
14 together and walk through some inspections saying,
15 "Well, now here's how I do this. How do you do it?"
16 We're getting some pretty good cross fertilization, I
17 think, among our inspectors in trying to get some
18 uniformity.

19 We also, of course, have the oral boards
20 that the inspectors have to go through and that sort
21 of thing. As Frank said, each inspection procedure
22 that comes out has in it a section on guidance,
23 "Here's how you ought to go about looking at this
24 thing." So, all that helps.

25 COMMISSIONER ROGERS: Well, at the risk of

1 prolonging this business unnecessarily, I think there
2 is an important point here that the Chairman brought
3 out about the personal characteristics of the
4 individuals. One of the things that struck me in my
5 visiting plants is the enormous spectrum of
6 educational backgrounds of our inspectors, experience
7 and education, enormous spectrum. I don't know if we
8 have any that have doctorates, but I wouldn't be
9 surprised, and we have some that are just high school
10 graduates. Yet somehow there's a commonality in that
11 very diverse group of what it takes to be a good
12 inspector.

13 I would think it would pay us to try to
14 look at this from a human factors point of view and a
15 personality profile point of view, to try to pick out
16 in some way at the beginning those people that seem to
17 have those common features that our best inspectors
18 share, if that's possible. I don't know. I don't
19 know if one can identify that.

20 But I would think it would pay for us to
21 try to do that because you just don't know when you
22 put somebody in the program how they're going to
23 function. They may be intelligent. They may be
24 technically knowledgeable, but some of these more
25 subtle aspects of the job, diplomacy, firmness,

1 ability to function when you're out in the sticks
2 someplace all by yourself, it seems to me those are
3 things you're not going to train for. They're people
4 who either have those qualities or not.

5 CHAIRMAN CARR: There's no doubt the
6 senior resident is going to have a major impact on
7 those juniors where they start. Similarly, the team
8 leader is going to have a major impact on the junior
9 people in those inspections. Those positions are
10 critical in how we do our business.

11 MR. TAYLOR: Why don't we take your
12 suggestion, take a look at it beyond what we're trying
13 to improve in the training. You go to the heart of
14 selection and the factors and what make an individual
15 perform and we'll take a look at that.

16 CHAIRMAN CARR: Okay. Let's proceed.

17 DOCTOR MURLEY: Those are the three major
18 areas for improvement that we've talked about. The
19 paper, of course, lists some other actions which are
20 largely ongoing.

21 CHAIRMAN CARR: Before we leave that a
22 minute, I heard all those words about our
23 professionalism and we are happy with our technical
24 performance, but we still see those comments that came
25 in that said, "Hey, we spend all our time teaching

1 those guys our systems and how our plant works when
2 they get there and we spend too much time doing that."

3 MR. GILLESPIE: In addition, there was
4 some more comments in there which said, "If they went
5 through our SRO training, they wouldn't ask all these
6 questions." I think our comfort feeling is that the
7 training that our people get on systems, granted on
8 the generic plant at TTC and on the simulator, is good
9 systems training, and that there is some advantage
10 that every three to five years when a resident rotates
11 that the atypicalities of a plant be questioned.

12 On those comments, we do see some
13 advantages on challenging those things where that
14 plant is so atypical that it's got uniquenesses --

15 CHAIRMAN CARR: I didn't read it as a
16 challenge. I read it as, "Hey, the guy can't even
17 come out and inspect until we educate him on our
18 plant." I got it as kind of the arrival position was
19 he didn't know enough when he got there to be able to
20 do the inspection. Is that -- maybe I read it wrong,
21 but that's the way it came through.

22 DOCTOR MURLEY: Insofar as we send people
23 out to inspect to BWR and they've only had PWR
24 training, then I think we do need and we are planning
25 to improve our training programs. But some of it I

1 heard I didn't think was really much we could do
2 about. We have 81 different designs out there that
3 we've got to inspect and there's no way we can train
4 our people on that. They have to take some time to
5 understand the nuances and idiosyncracies of the
6 plant.

7 CHAIRMAN CARR: Well, I don't have any
8 problem, for instance, with our junior residents out
9 there. I think one of the responsibilities of that
10 plant is to make sure that they train that junior
11 resident in how that plant is different from what they
12 started with.

13 DOCTOR MURLEY: Yes.

14 COMMISSIONER REMICK: Before we leave the
15 training, one question that I would have, you know the
16 Commission has a policy statement espousing systematic
17 approach to performance-based training. I look at
18 Bill because of his past background. I assume when we
19 do our training or consider it, we consider the
20 positive aspects of systematic approach to training?

21 MR. RUSSELL: In fact, I think it's back
22 on an earlier slide. The training advisory group and
23 the senior level oversight that we're having, some of
24 those elements of review are there. We are not using
25 specific job and task analysis, the other

1 techniques --

2 COMMISSIONER REMICK: How about needs
3 analysis?

4 MR. TAYLOR: Ed Jordan is here.

5 COMMISSIONER REMICK: Okay.

6 MR. JORDAN: Ed Jordan, AEOD.

7 As you're aware, we have recently gone
8 through with the program offices and identified
9 training needs against particular positions and then
10 structured our courses to support fulfilling those
11 needs. So, for instance, for NRR for licensing
12 project manager, there is a set of training needs and
13 then courses that will satisfy those needs with
14 respect to that technical position.

15 Is that what you're trying to --

16 COMMISSIONER REMICK: Yes. To be more
17 specific in the needs, are those needs established by
18 people who are performing the job currently or they're
19 immediate supervisors so they know what they actually
20 have to do on a day to day basis and therefore the
21 training is directed toward providing that information
22 in whatever format?

23 MR. JORDAN: The needs were established by
24 the program offices. NMSS did it by a job and task
25 analysis principally and NRR did it by expert opinion

1 and job and task analysis. So, it was a combination
2 and it's a continually evolving process. Now that
3 we've done it with the program offices, we're going
4 back to the regional offices and upgrading those
5 training programs.

6 COMMISSIONER REMICK: I'm glad to hear it.

7 DOCTOR MURLEY: Okay. That concludes then
8 the discussion of the three major areas where we're
9 proposing staff actions to improve. The paper lists
10 other actions which are largely ongoing that we don't
11 plan to discuss today. The Commission is generally
12 aware of those.

13 This has been an important initiative for
14 the staff, I believe. Senior staff, both regional
15 staff and Headquarters staff, has devoted a lot of
16 time to this activity. The reason is that it's going
17 to affect how the staff carries out the Commission's
18 mission in the coming years regarding regulation of
19 operating reactors.

20 We have recommendations for the Commission
21 and that is that we issue a *Federal Register* notice on
22 this paper which requests -- seeks public comment,
23 that we evaluate those comments, make changes if
24 they're appropriate in our plans and then return to
25 the Commission once those changes are made for a final

1 publication of all of these reports with the final
2 actions.

3 MR. TAYLOR: Mr. Chairman, before we
4 conclude from the staff, I'd like to acknowledge the
5 contribution of Cindy Pederson and Bert Davis, who in
6 addition to their normal duties took on a great deal
7 of the work for the field work in the regulatory
8 impact survey. That was deeply appreciated by the
9 staff.

10 That concludes our presentation.

11 CHAIRMAN CARR: Questions? Commissioner
12 Remick?

13 COMMISSIONER REMICK: One, I'd like to
14 applaud those who conceived the idea of these surveys
15 and for those who conducted it and reported it and as
16 you heard it because I think that clear on the report.
17 And also for the staff, for making a sincere effort to
18 suggest improvements. I personally favor going out
19 for public comment on that, to gain from that.

20 One question I would have, and I raised it
21 somewhere in the past, this was so successful, I can't
22 help but wonder if we should not consider it in the
23 other areas of our licensing activity, perhaps major
24 fuel facilities or large irradiators or something like
25 that or maybe a questionnaire to some of our byproduct

1 material people using statistical approach, since
2 they're so large a number. But I wonder what we would
3 find if we went into those materials areas, if we
4 wouldn't get some helpful suggestions about our
5 regulatory process there.

6 So, I just throw that out as a thought
7 anyhow.

8 CHAIRMAN CARR: Commissioner Rogers?

9 COMMISSIONER ROGERS: Oh, thank you. Yes,
10 a couple of questions.

11 I don't think I heard, or maybe I missed
12 it, about what you're doing about these complaints of
13 untimely responses to licensing submittals. I keep
14 hearing them as I go around, long delays in our acting
15 on a submittal for a license amendment. I know it's
16 been a longstanding question and there are problems
17 that aren't always so obvious about it, but I still
18 hear rather long delays and kind of exasperated point
19 of view from many licensees.

20 CHAIRMAN CARR: You don't think we could
21 stand up to an inspection of our backlog?

22 COMMISSIONER ROGERS: No, I don't think
23 so.

24 DOCTOR MURLEY: I think we're going to get
25 one and I think we can stand up to it in terms of what

1 we know is in there. Now, some of the actions are
2 probably 17 and 18 years old. So, we can't excuse
3 that. But this is an old issue, Commissioner, and
4 we've dealt with it. Perhaps we can inform the
5 Commission separately of where we're at because we are
6 making strides. But there's some of these old ones
7 that are pretty tough.

8 COMMISSIONER ROGERS: Okay. I just didn't
9 hear anything about it and I know that was in there
10 very clearly.

11 Another comment that I didn't hear
12 anything about was the lack of clarity of NRC
13 communications. It seems to me that we do have a
14 problem there. There are times when communications,
15 because of the constraints that they have to be
16 technically correct and legally correct create a
17 situation in which they tend not to be very
18 comprehensible when you're finished, trying to
19 understand what they say. It's a problem that's as
20 old as the hills, but there it is. Specialists very
21 often are not very good writers for the uninformed. We
22 always assume that people know what we're writing
23 about when we write, but it's not always so clear.

24 I wonder if you're trying to do anything
25 to address this problem of whether a communication is

1 really understandable and intelligible to whoever is
2 going to get it. I'm not necessarily talking about
3 the lay public. That was another complaint. I'm
4 talking about communications to our licensees that may
5 not be as clear as we think they are and whether we
6 have any way of checking on those. If someone reads
7 them, and I'm not suggesting another long delay
8 process, but someone who doesn't know anything about
9 it reads them and understands them, then they're
10 probably clear. But it is a problem and technical
11 people are well known not to be good writers in
12 general, even though they may have all the technical
13 content correct.

14 So, this problem of clear writing is a
15 problem every agency has for all kinds of different
16 reasons. But can we try to do a little something here
17 to improve on that problem?

18 MR. RUSSELL: One of the objectives at the
19 time of the reorganization, when we created the
20 Generic Communications Branch in NRR was to have all
21 of the communications go through that branch,
22 information notices, generic letters, et cetera. We
23 are not presently using technical editors or applying
24 that kind of a standard to those communications. We
25 have a central place that they go through and we would

1 consider that.

2 COMMISSIONER ROGERS: Well, I'm kind of
3 unhappy with that approach. It really ought to be cut
4 off at the source. They ought to be clear where they
5 originate. Rather than having another office that
6 things have to circulate through and another place
7 where they can be delayed, I wonder if there's just
8 some simple things that can be done within individual
9 offices to try to make sure that things are clear,
10 just by other people in the office taking a look at it
11 or something.

12 MR. GILLESPIE: I think there's two
13 elements to the communications, the written products
14 we put out. One is the Headquarters and the other is
15 the regions. We've been working diligently with the
16 regions trying to do those little things to clear up
17 the manual -- chapter that we have in the inspection
18 manual, what should be and how an inspection report is
19 written. We've sent out examples of well written
20 inspection reports, examples of poorly written
21 inspection reports. We've probably reached the point
22 of saying, "We'll continue to keep trying," and that's
23 about what we can do.

24 I think the regions have a lot of people
25 already reading it. I'd be very hesitant to say the

1 regions would want more people to read every report.
2 It's a continuing problem. We continue to change it,
3 put more guidance out, and we're going to have to do
4 it possibly somewhat more formally as we get into what
5 do we expect of an inspector. It may mean a writing
6 course.

7 MR. DAVIS: We tried a number of things,
8 including a clear writing course for our people. I'm
9 appalled at how somebody can graduate from college and
10 not know how to speak or write, but there are sure a
11 lot of them.

12 COMMISSIONER ROGERS: You can graduate
13 from graduate school with a Ph.D. and not be able to
14 speak or write.

15 MR. DAVIS: But we are doing a couple of
16 things in Region III. We have our SALP reports sent
17 in to be looked at by a technical writer. This NUREG
18 was reviewed by a technical writer and I was amazed at
19 how many good changes we got on that. I also have my
20 deputy looking at three inspection reports a month,
21 and we pick them at random, to determine whether or
22 not they are technically sound. Probably we're
23 looking more technically than we are at the grammar
24 and that sort of thing. But that's had an impact on
25 the staff. When they don't know if their inspection

1 report is going to be picked and looked at, I think
2 that's raised the quality a little bit.

3 DOCTOR MURLEY: The ones I'm most
4 concerned about are the generic communications to
5 licensees. I think it's very important that they be
6 clear, that we don't have to go back with --

7 CHAIRMAN CARR: Well, then you eliminate
8 this inspector's interpretation out there who is
9 leaning on the licensee to do it the way he thought it
10 meant.

11 DOCTOR MURLEY: Well, let's pick that up
12 and then continue to work on it. I might add, if I
13 could, I was reading this weekend a Civil War book of
14 a general in the Union Army who had -- he put the
15 dumbest colonel that he knew on his staff so that--
16 he made the colonel read every order that went out and
17 he wouldn't send it out until that colonel understood
18 exactly -- I'm not proposing that.

19 CHAIRMAN CARR: I'll volunteer for that
20 job.

21 COMMISSIONER ROGERS: Just one other point
22 before I leave it, and that is what are we doing as
23 some kind of a follow-up on how well we've addressed
24 these problems. After we put these changes in place,
25 are we going to take a look another two years from now

1 and see whether they've been effective or not? I'm
2 not suggesting we redo the survey. This was too big
3 an effort. But what are we doing to check to see how
4 well we are succeeding with whatever steps we're
5 taking to alleviate some of these problems?

6 Secondly, whether we can put something in
7 place that is on a more regular basis to get this kind
8 of feedback without having to conduct a great big
9 survey.

10 MR. TAYLOR: Well, we are going out for
11 public comment and in his introduction Tom talked
12 about looking at periodically. This is a big resource
13 expenditure. I don't want to overdo it. I think
14 that's a course we're going to have to come back to
15 the Commission on over the long period. This was a
16 big time consumer. I think it's worth doing. But how
17 often is the question.

18 CHAIRMAN CARR: Well, that's the same
19 problem I hammered at the utilities on. If you don't
20 tell us what the problems are, we can't fix them. We
21 have to go out and survey to find them out.

22 MR. TAYLOR: We started this because
23 people -- we began getting that drift.

24 CHAIRMAN CARR: We need those guys to be
25 frank with us when they come in and talk to us,

1 instead of saying, "Everything's rosy at my plant."

2 MR. TAYLOR: It's not an answer, but I
3 think we're mindful of the benefit.

4 COMMISSIONER ROGERS: Yes. Okay. Fine.
5 Thank you.

6 CHAIRMAN CARR: Commissioner Curtiss?

7 COMMISSIONER CURTISS: I just have really
8 one comment and one question. First, I thought the
9 work that was represented in the three SECY papers was
10 very thorough and comprehensive and I do think it's
11 healthy to do this every so often. I don't know if
12 nine years is the right period of time or five or two
13 or what have you. But it does seem to me as painful
14 as some of the observations must be when we get them,
15 and they do strike me as very frank, that the three
16 SECY papers really did lay out some consistent themes
17 and trends that you've identified here and focused on
18 in the initiatives that you've laid out.

19 On the initiatives, I think -- with one
20 exception I thought they seemed to get at the same
21 kinds of problems that as I go around from the plants
22 and talk to people you hear repeatedly at the
23 individual plants, from the CEO right on down to the
24 fellow who is out there in the plant trying to
25 understand a generic letter.

1 One area that the Chairman raised that I
2 hear more often than others has to do with the
3 consistency of requirements from region to region and
4 inspector to inspector and team leader to team leader.
5 It's a rare case when I come back from a site visit
6 that somebody hasn't commented on how they did X at
7 their site, thought they could do Y or they had talked
8 to somebody else in another region or another plant.
9 It seems to suggest a need in that area to take a
10 hard, critical look at what we can do to, in addition
11 to the training initiatives, Frank, that you outlined
12 and, Bert, maybe some of the things that you talked
13 about that you're doing in Region III, that's a
14 particular area that you continue to hear about.

15 By far and away the most predominant
16 comment that I get is in the requal area where the
17 teams are going around and perhaps because the
18 evolution in the revisions to the guidelines on
19 conducting requal. But you also hear in the
20 enforcement area increasingly recently design basis
21 documentation, questions about reportability and
22 operability, to take two examples that I've heard
23 about at sites frequently.

24 If there is something that we can do, and
25 I'll reflect upon this when we consider and vote on

1 the SECY paper, but if there are thoughts that the
2 staff has that are specifically focused beyond the
3 general training initiatives at getting after that
4 problem, consistency from region to region on SALPs
5 and consistency from inspector to inspector on DBD
6 inspections and requals and so forth, that's an area
7 that I still have a sense -- maybe I'm missing it in
8 what you've presented, but I still have a sense that
9 we're coming up short on in terms of really driving
10 home the point that we need to be consistent region to
11 region and inspector to inspector.

12 COMMISSIONER ROGERS: Could I just say
13 something? It relates to -- whenever I hear these
14 complaints, I try to track them down and find out what
15 the incident was and what really did happen. I have
16 to say that so far I find very frequently that the
17 allegation that a particular situation was dealt with
18 in totally different ways in two different regions, it
19 turns out to be much more complicated than the
20 licensee's perception of the situation, that they were
21 not identical at all, and that there were very good
22 reasons why there were differences and significant
23 differences in how the staff dealt with the two
24 situations in the two regions.

25 I'm not just saying that we don't ever

1 make a mistake on this, but I'm saying that very often
2 when I hear about it and try to track it down, the
3 problem is a misperception of the actuality of the
4 situation. Therefore, the way you're going to correct
5 that is by better communication on these things. The
6 licensee has to communicate to us their unhappiness
7 with what they thought was an inconsistency and then
8 we have to correct that misconception of what or
9 misperception of what the actuality was. Sometimes
10 these things are separated in time by year or so. So,
11 it's not obvious that you put out something
12 immediately to correct the situation. They fester a
13 little bit and then there it is. It comes up.

14 So, I would say that this is a little more
15 complex than just our being inconsistent. I'm sure
16 there are times when we are. It's also trying to
17 correct and get the information out to licensees of
18 how we are dealing with situations and that something
19 that looks to be identical is not an identical
20 situation at all.

21 CHAIRMAN CARR: Let me give you the other
22 side of that. I was just at the --

23 COMMISSIONER CURTISS: I was going to just
24 jump in, but go ahead.

25 CHAIRMAN CARR: -- systems ecology group

1 meeting down in Knoxville and talked to a guy who does
2 laundry in all the regions of the country, and he
3 says, "If you think licensing a laundry is the same in
4 all regions, you can come and talk to me." He says,
5 "I've got a laundry list of differences." So, there's
6 no doubt they're out there.

7 COMMISSIONER CURTISS: Yes. I'll give you
8 a couple of examples, because there are instances that
9 I've come across that I have in fact followed up on
10 and even understanding the important points that I
11 think Commissioner Rogers raises that do seem to me to
12 fall into this category.

13 I was at one plant recently that, on the
14 requal exam, for instance, was told that they have to
15 test on exam the tech spec minimum crew that they
16 have. So it it's two SROs and two ROs, that's what
17 was required, even though they may run an additional
18 SRO and an additional RO on the crew. And in checking
19 with other regions, it's clear they found out and we
20 determined that there are other regions or other crews
21 out inspecting where tech spec minimum is not the
22 limitation, that you can test with the crew as you run
23 your crew normally at the site.

24 I'll give you another example. I was at a
25 plant recently where a fitness for duty inspection was

1 undertaken and to the great consternation of the
2 licensee they were told that they ought to take a look
3 at having drug dogs for fitness for duty with the
4 particular inspection.

5 CHAIRMAN CARR: I visited that plant to.

6 MR. TAYLOR: We've worked on that one.

7 COMMISSIONER CURTISS: That one has been
8 resolved, but it comes up and it's been raised because
9 of visits like the one that I've identified.

10 I'll just give you another interesting
11 observation in an area that I know ACRS and others
12 have commented on, and that's SALP consistency region
13 to region. The staff NUREG that comes out most
14 recently that gives the summary of SALP scores over a
15 period of time came out just recently and I've gone
16 through and actually taken a look at the SALP scores
17 region to region to be able to try to determine
18 whether there is any merit to the argument that there
19 is inconsistency: a SALP 1 in one region is different
20 from a SALP 1 in another region. Of the seven
21 categories that we rate in the SALP category, one
22 region is the toughest rater in five of the seven
23 categories. I don't know if that's statistically
24 significant or the variation that you see --

25 CHAIRMAN CARR: Got the lousiest plants,

1 maybe.

2 COMMISSIONER CURTISS: -- is statistically
3 significant. I'm not sure it's that they have the
4 lousiest plants either. But those kinds of questions
5 are, I think, in some cases attributable to the need
6 for clarification that Commissioner Rogers has
7 emphasized. In fact, there have been instances where
8 we've gone out and there is a complaint or a concern
9 about a particular issue and when you dig into it with
10 the resident there on site or come back and ask the
11 project management here at NRR what the situation is,
12 in many cases those issues get resolved because they
13 don't fully understand the situation or, as
14 Commissioner Rogers emphasized, it's more complex than
15 might appear at first blush.

16 But I must say that -- and maybe it's
17 because of the equal process skewing what we're
18 hearing right now -- there does seem to me to be a
19 greater number of instances where a consistency from
20 site to site or resident to resident or region to
21 region would be deserving of greater attention.

22 DOCTOR MURLEY: Yes. Let me comment on
23 that. That's a very good observation, because the
24 survey, the way we did it, probably would not have
25 picked up, certainly not focused on regional kinds of

1 differences because they were focusing on their own
2 problems. And we do -- we're certainly aware that we
3 need to do this. It's NRR's job, quite frankly, to
4 make sure there is consistency on requal programs and
5 we'll just have to -- we know it. We'll just have to
6 make sure we redouble our efforts. I'm glad to hear
7 of these cases and --

8 CHAIRMAN CARR: You can't do it without
9 feed-back.

10 DOCTOR MURLEY: Yes.

11 CHAIRMAN CARR: My problem is we've got to
12 go out and dig out the feed-back instead of getting it
13 gratuitously, if you will.

14 DOCTOR MURLEY: Yes.

15 CHAIRMAN CARR: And the implication is,
16 "if we grouch about it, why, you guys take it out on
17 us," and that's the implication I'm trying to destroy,
18 you know.

19 DOCTOR MURLEY: Yes.

20 COMMISSIONER CURTISS: I'll give you
21 another good example. I do think this runs the risk
22 of being the kind of anecdotal thing, Tom and Bert,
23 that you'd referred to earlier. It's difficult to
24 rely on.

25 But, the idea of LCO maintenance, for

1 example, is one where I've gone around from region to
2 region and talked to, not just the plants who had
3 different philosophies, but to the residents in the
4 regions who have different philosophies on a topic
5 like that. I don't want to go through all the
6 examples that I've heard of as I've gone from site to
7 site, but there are instances out there that, when you
8 get down to it, it's more than just a problem of this
9 case being different from that case. It's an issue
10 that, it seems to me, goes to the consistency of the
11 way we approach and interpret and apply requirements
12 from the site on up here to Headquarters.

13 MR. TAYLOR: That's an important --

14 DOCTOR MURLEY: As you pointed out in your
15 trips, one utility does it one way on one site and
16 another way on another site, so one sees a lot of
17 variations like that too. But we'll look into that as
18 well, and I accept the comments because I think that
19 is something we have to always pay attention to,
20 consistency.

21 CHAIRMAN CARR: Any other comments?

22 Well, I'd like to thank the staff for this
23 informative briefing.

24 The Commission currently has before it a
25 more detailed discussion of the regulatory impact

1 survey recommendations. I strongly support the
2 proposal of publishing these recommendations for
3 public comment before a final set of recommendations
4 is sent to the Commission. I also believe the views
5 of the Advisory Committee on Reactor Safeguards would
6 be valuable to the Commission.

7 I would urge my fellow Commissioners to
8 promptly consider and vote on SECY-90-347.

9 Any other comments?

10 If not, we stand adjourned.

11 (Whereupon, at 12:20 p.m., the above-
12 entitled matter was adjourned.)
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CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting
of the United States Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON REGULATORY IMPACT SURVEY REGULATIONS

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: OCTOBER 15, 1990

were transcribed by me. I further certify that said transcription
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REGULATORY IMPACT SURVEY
OCTOBER 15, 1990

REGULATORY IMPACT

MILESTONES

- | | |
|---------------------------|-------------------------|
| - LICENSEE SURVEYS | FALL 1989 |
| - GL 90-01 | JANUARY 12, 1990 |
| - STAFF SURVEYS | SPRING 1990 |
| - SECY 90-080 | MARCH 9, 1990 |
| - SECY 90-205 | JUNE 7, 1990 |
| - SECY 90-250 | JULY 16, 1990 |

REGULATORY IMPACT

LICENSEE SURVEYS

- **CONDUCTED SEPTEMBER 25 - DECEMBER 1, 1989
BY SENIOR NRC MANAGEMENT TEAMS**

- * 5 TO 6 MEMBERS PER TEAM**

- **13 LICENSEES VISITED**

- * AT LEAST 2 LICENSEES PER REGION**

- **APPROX. 5 DISCUSSION GROUP SESSIONS PER
VISIT**

- * OPERATORS * CORPORATE PERSONNEL**
 - * ENGINEERS * MANAGERS**
 - * SENIOR MANAGEMENT**

REGULATORY IMPACT SURVEY

- 1. Principal Themes**
- 2. Requirements and Perceived
Requirements**
- 3. NRC Licensing Activities**
- 4. NRC Inspection Activities**
- 5. Performance Evaluations**

REGULATORY IMPACT SURVEY (cont)

- 6. Multiple Oversight Organizations**
- 7. Operator Licensing**
- 8. Enforcement and Investigations**
- 9. Reporting Events**
- 10. Communications**
- 11. Qualification of NRC Personnel**

PRINCIPAL THEMES

- * Licensees Acquiesce to
NRC Requests**
- * NRC Dominates Licensee
Resources**

REGULATORY IMPACT

MAJOR AREAS FOR IMPROVEMENT

- 1. CONSIDERATION OF THE CUMULATIVE EFFECT OF NRC GENERIC REQUIREMENTS**
- 2. SCHEDULING AND CONTROL OF INSPECTIONS, ESPECIALLY TEAM INSPECTIONS**
- 3. MANAGEMENT EXPECTATIONS, TRAINING AND OVERSIGHT OF INSPECTORS**

REGULATORY IMPACT

1. CUMULATIVE EFFECTS OF NRC GENERIC REQUIREMENTS

- ADDED BACKFIT DISCUSSION TO GENERIC CORRESPONDENCE**
- NUREG 1409 BACKFITTING GUIDELINES**
- REVISING VALUE IMPACT HANDBOOK**
- INTEGRATED REGULATORY REQUIREMENT IMPLEMENTATION SCHEDULE (IRRIS)**

REGULATORY IMPACT

IRRIS

- _ VOLUNTARY LICENSEE PARTICIPATION**
- APPLIES TO UNIMPLEMENTED SAFETY ENHANCEMENTS, NOT
TO ADEQUATE PROTECTION OR COMPLIANCE REQUIREMENTS**
- PRIORITIZED AND SCHEDULED BASED ON SAFETY AND IMPACT**
- FROZEN IN ADVANCE OF OUTAGE**

REGUALTORY IMPACT

2. SCHEDULING AND CONTROL OF INSPECTIONS

- RESTRUCTURING OF INSPECTION PROGRAM**
- EMPHASIS ON INSPECTION PLANNING (MIPS)**
- POLICY FOR COORDINATING SITE VISITS**
- ADDITIONAL PROGRAMMATIC IMPROVEMENTS**

REGULATORY IMPACT

PROGRAMMATIC IMPROVEMENTS

- FOSTER BETTER TEAM AND ROUTINE INSPECTION PLANNING**
- NEED ESTABLISHED BASED ON LICENSEE PERFORMANCE OR GENERIC SAFETY**
- ANNOUNCE TEAM INSPECTIONS**
- CONTROLS ON NUMBER OF TEAM INSPECTIONS (< 4 PER SALP CYCLE)**

REGULATORY IMPACT

PROGRAMMATIC IMPROVEMENTS

- BETTER SCHEDULING OF NRC SITE ACTIVITIES**
 - UNIT SPECIFIC PLANS MAINTAINED BY REGIONS**
 - UPDATED QUARTERLY**
 - CONSIDER ALL MAJOR SITE ACTIVITIES**
 - TO BE PUBLISHED PERIODICALLY**

REGULATORY IMPACT

3. MANAGEMENT EXPECTATIONS, TRAINING AND OVERSIGHT

- EMPHASIS ON PROFESSIONALISM**
- SPECIALIZED TRAINING FOR STAFF**
- TRAINING ADVISORY GROUP**
- TEAM LEADER POSITIONS**
- ENHANCE TRAINING**

REGULATORY IMPACT

ENHANCED TRAINING

- REFINE FUNDAMENTALS & ADD REFRESHER**

- * ROLE / CONDUCT OF INSPECTOR**

- INTERPERSONAL SKILLS TRAINING**

- * COMMUNICATIONS, INTERVIEWING,
MEETINGS**

- PROBLEM SOLVING AND DECISION MAKING**

REGULATORY IMPACT

PROFESSIONALISM

– MANAGERS AND SUPERVISORS

- * COMMUNICATE EXPECTATIONS**

- * SOLICIT FEEDBACK**

- * OVERSIGHT / ACTION**

– INSPECTORS

- * PROFESSIONALISM IN ALL ACTIVITIES**

REGULATORY IMPACT

OTHER ACTIONS

- NRC LICENSING ACTIVITIES**
- NRC INSPECTION ACTIVITIES**
- PERFORMANCE EVALUATIONS**
- MULTIPLE OVERSIGHT ORGANIZATIONS**
- OPERATOR LICENSING**
- ENFORCEMENT**
- EVENT REPORTING**

REGULATORY IMPACT

CONCLUSIONS

- RECOGNIZED AREAS FOR IMPROVEMENT**
- INITIATED CORRECTIVE ACTIONS**
- SOLICIT & EVALUATE PUBLIC COMMENTS**
- ADJUST ACTION PLANS**
- FINALIZE NUREG 1395**