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**UNITED STATES OF AMERICA**  
**NUCLEAR REGULATORY COMMISSION**

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## NUCLEAR REGULATORY COMMISSION

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## OFFICE OF THE SECRETARY

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## ALL EMPLOYEES MEETING

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## PM SESSION

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1           VOICE: Good afternoon, everybody. There are  
2 still plenty of seats down front for those of you who are  
3 just coming in. Welcome to the afternoon session of the  
4 annual meeting with the Chairman and Commissioners and the  
5 NRC staff.

6           When you have questions, if you would please come  
7 to one of the microphones. There's one over there, there's  
8 two in the middle, and there's one over here. It would make  
9 it a lot easier for the Commissioners to hear your  
10 questions.

11           We really lucked out, didn't we? This could have  
12 been a monsoon or something. So it's a nice day to be out  
13 here in a tent. I would just mention that we are going to  
14 have -- we have the regions and a number of the resident  
15 sites on line and they will be asking questions and the  
16 people who will be reading the regions' questions will be  
17 coming up and using that microphone over there.

18           So we have with us today Chairman Selin,  
19 Commissioner Rogers and Commissioner DePlanque. Chairman  
20 Selin.

21           CHAIRMAN SELIN: Thank you very much, Pat. The  
22 Commission also welcomes you to our, more or less, annual  
23 meeting. The meeting is basically a Q&A format. I have  
24 some short remarks to make just to give an overview of  
25 what's going on in the Commission. But we look forward to

1 the questions and answers.

2 First, I'd like to give a short report. In 1991,  
3 I stated in my confirmation hearings that I thought that  
4 reactor objectives for the next few years should be looked  
5 at openness plus what I called one-plus four. The one, the  
6 primary requirement is for the safety of operating reactors  
7 and the plus four are solutions to the waste storage and  
8 disposal problem, license renewal, certification of advanced  
9 reactor designs, and the fourth was the single-step or part  
10 52 licensing.

11 New issues that have arisen since then are  
12 whistleblowers, international nuclear safety, issues dealing  
13 with fee and resources, and a whole host of material  
14 management issues. On openness, we work for the general  
15 public. So our position, our policy is to give the public  
16 all the information that they might need without making them  
17 ask. In short, if it's available under the Freedom of  
18 Information Act, then let's give it out ourselves and not  
19 wait to be pushed to give out the information.

20 Examples of progress that's made in openness.  
21 First, we've had numerous workshops in Washington and around  
22 the country on a wide variety of topics. We've had an  
23 enhanced participatory rulemaking on decommissioning  
24 standards, which is the final stages now. We've had the  
25 expanded use of internet electronic bulletin boards and

1 other electronic means to communicate with the public.

2 We have an experiment where a quarter of the  
3 enforcement conferences are open to the public. It's quite  
4 a positive experiment. I'm sure it will be extended after  
5 the two years are up this fall. Regional administrators  
6 hold quarterly press conferences whether or not there are  
7 burning issues to discuss. The resident inspectors have  
8 been encouraged to go out and talk to the public where they  
9 live and a whole lot of other items, large and small.

10 As far as the safety of operating reactors is  
11 concerned, overall safety performance is quite good, as  
12 measured by the performance indicators that AEOD compiles,  
13 by availability figures, by the record high number of plants  
14 on the good performers list. But it also seems to be the  
15 case that safety performance is reaching a plateau. The  
16 conclusion that we've drawn from that is that in the short  
17 run, safety will not be much improved via across-the-board  
18 generic solutions, although there are some exceptions to  
19 this. The challenge in reactor safety is to raise the  
20 weaker performing plants to the level of top performers and  
21 to keep any of the plants from degrading under the  
22 competitive pressures that utilities will be facing in the  
23 next few years.

24 One conclusion we've drawn is that very often  
25 plant-specific problems are caused by poor management and

1 the implication of that is when we review what's going on in  
2 plants that aren't doing very well, we have to look at the  
3 management, as well as more technical issues.

4 We are starting to see a significant generic  
5 problem. Apparently, competitive pressures are leading  
6 managements in some of the plants to focus on cost and  
7 production at the expense of safety. As one example,  
8 there's something called limiting conditions of operation,  
9 which are very non-risk-oriented, non-probablistic. They  
10 say for various items of safety equipment, that a diesel  
11 might be kept out of operation for up to 48 hours to make  
12 repairs without the plant having to close down, and  
13 similarly for other important pieces of safety equipment.

14 These are conditions that are in there to handle  
15 emergency problems or to handle a very small amount of  
16 scheduled maintenance that would otherwise lead to equipment  
17 breaking down before outages were reached. We see more and  
18 more plants using these so-called LCOs as ways of shifting  
19 plant maintenance out of the maintenance outage period and  
20 into the operating period in order to reduce the downtime  
21 during the refueling, without paying enough attention to  
22 what this does to safety of the plants. This is an abuse of  
23 the idea. It's not to be permitted, but I think it is, one,  
24 the result of the economic pressures that the plants are  
25 under and I'm sure that we'll see other results as we look

1 very hard.

2           So we are taking measures for early identification  
3 of declining performance in specific plants. We've added  
4 risk analysis to our traditional deterministic approach and  
5 are adding more. We're looking for more comprehensive  
6 inspections, to look at the whole picture at the same time  
7 before the plants start to degrade in performance. We find  
8 plenty of examples when we go in and we do a diagnostic  
9 evaluation. A team goes in to see what's wrong with a  
10 plant. We do get a very good picture, but then, in  
11 retrospect, we find out that the information was available  
12 to paint that picture before the plant's performance was  
13 breaking down, not afterwards. So we're trying to do debt-  
14 like inspections early in the cycle, not after the problems  
15 have become manifest.

16           We've made changes to the systematic assessment of  
17 licensee performance program to focus on items of relatively  
18 equivalent safety significance and to put more effort on the  
19 poorer performers. We've issued training letters. We've  
20 focused on declining performance and a number of other items  
21 as well, all of which is intended to get an earlier look at  
22 plants before it's obvious that they've gotten into trouble,  
23 when downward trends can be reversed rather than having to  
24 correct the plant after it hits bottom.

25           In license renewal, I think we have a success

1 story. The proposed license renewal rule has been published  
2 for comment. I must emphasize that in license renewal, the  
3 question is not would we build this plant today, but this is  
4 an extension of an existing license. And so the question is  
5 given that the plant is safe today or at the end of 39  
6 years, what else has to be done to make sure it's safe at  
7 the end of 41 years and it continues to remain safe.

8 The focus of license renewal has shifted away from  
9 trying to identify and evaluate all of the aging mechanisms  
10 that would lead to serious deterioration in the extension  
11 period and more to concentrating on procedures to control  
12 aging, to detect and control aging through large use of the  
13 maintenance rule. Instead of doing hundreds of analyses, we  
14 expect that we'll find that the plants' programs that have  
15 gotten them through the first 40 years are likely to get  
16 them through the next 20 years, with some specific  
17 exceptions, particularly passive equipments that will  
18 require specific examinations.

19 As far as advanced reactor certification is  
20 concerned, the staff has issued final design approvals for  
21 the two evolutionary designs, GE's advanced boiling water  
22 reactor and Combustion Engineering's System 80+. We look  
23 forward to the FDA's being converted to a certification via  
24 rulemaking hopefully by the end of 1995.

25 The two passive designs, the Westinghouse AP600



1 and the General Electric simplified boiling water reactor  
2 designs have been delayed because of weaknesses in the  
3 vendors' test programs. Certification, we now realize, is  
4 something that the vendors value for itself, even before or  
5 independently of whether there will be an application in the  
6 near future to build one of these plants in the United  
7 States.

8 As far as building new plants, as far as single-  
9 step licensing is concerned, there the conclusions are  
10 pretty simple. So far, so good, but really the procedure  
11 hasn't been tested yet and it's not likely to be tested for  
12 quite a while. It looks like it will be quite a while  
13 before there's an application for a new plant, primarily  
14 because of economic considerations. The United States just  
15 isn't very badly in need of more baseload electricity.

16 However, the procedures for the single-step  
17 licensing do seem to have held up and public workshops have  
18 been essential in finding issues and finding solutions to  
19 those.

20 As far a waste disposal and storage is concerned,  
21 high level waste or spent fuel, there is a promising new  
22 Energy Department concept which has been favorably reviewed  
23 by our own Advisory Committee on Nuclear Waste, but the  
24 concept is still very incomplete. We're not sure whether  
25 this concept will lead to a better program for determining

1 the licenseability of Yucca Mountain and we're not sure that  
2 Yucca Mountain will turn into a repository. But we are sure  
3 that this new process will require a host of regulatory  
4 changes and a lot of additional work for the high level  
5 waste people in NMSS.

6 In the area of low level waste, we continue to  
7 work with states and compacts concerning the development of  
8 low level waste disposal facilities. The process has been  
9 slow. It's been inordinately expensive, but victory is in  
10 sight. I think in the next few years, we'll see that sites  
11 are under construction which will be adequate to store all  
12 of the low level waste in this country. The reason I'm so  
13 confident is there isn't that much low level waste, that  
14 really two or three sites would be enough to handle all the  
15 low level waste generating in the country. The only reason  
16 there are more compacts is political, not economic or  
17 technical.

18 As far as interim spent fuel storage is concerned,  
19 the Commission has taken the important step of expressing  
20 preference for dry storage rather than wet storage of old  
21 fuel on-site. There is a lot of public concern regarding  
22 the interim spent fuel storage. Probably the difficulties  
23 that utilities face in finding a way to store this fuel off-  
24 site will be the single biggest contributor to utilities  
25 closing down in the next ten or 15 years prematurely.

1           In the area of whistleblowers, the agency has done  
2 more in the past two years to recognize the importance of  
3 whistleblowers, to try to protect, encourage and reward them  
4 than we have in all of our previous history. We've gotten  
5 to the point that further additional improvements will  
6 require either Department of Labor actions or statutory  
7 changes.

8           There is some preliminary evidence in the kind of  
9 complaints that are coming to the NRC that some of the  
10 whistleblowers' problems are being solved. We are getting  
11 about as many total allegations directly to the NRC as we  
12 did in the last few years, but the number of technical  
13 allegations is about the same. The number of harassment and  
14 intimidation allegations is smaller, which suggests,  
15 although it doesn't prove, that there is less harassment and  
16 intimidation to be reported to the NRC than there had been  
17 in the past.

18           Nevertheless, it's still very tough to be a  
19 whistleblower. The potential for harassment, the potential  
20 for economic hardship and social hardship is very great.  
21 The steps that we've taken are steps in the right direction,  
22 but they don't solve the whistleblowers' problem. And,  
23 therefore, I make a plea to you that when you hear the  
24 complaints of the whistleblowers, when you hear accusations  
25 that the NRC isn't doing enough to protect them or even,

1 ridiculous as this may sound, that the Chairman should  
2 resign for not doing a good enough job, please be patient  
3 and tolerant. They're in a tough position. They're trying  
4 to do good. They're very important to the country and they  
5 really are suffering. The steps we've taken have alleviated  
6 some of the problem, but we certainly haven't solved it.

7 As far as the nuclear materials program is  
8 concerned, there are some success stories in the making. We  
9 have a pilot program to develop common performance  
10 indicators to be as analogous as possible for both the NMSS  
11 programs; in other words, for the licensees that we regulate  
12 directly and for those licensees that are regulated by  
13 agreement states.

14 We have a policy statement out for comment on the  
15 agreement state adequacy and compatibility. In general, we  
16 have a lot more resources and a lot more effort has gone  
17 into managing the agreement states program than was the case  
18 a couple of years ago. We have a medical management plan  
19 and a review by the National Academy of Sciences of our  
20 program and alternatives to our medical program for  
21 regulating the medical use of radionuclides.

22 We have a site decommissioning management plan.  
23 In the last few years, for the first time, we've made real  
24 progress at taking some of these old sites that were used  
25 for manufacturing, using radioactive materials, to get these

1 sites cleaned up and returned to unrestricted use, after  
2 years of lack of progress. We see five or six sites being  
3 returned every year, but it's a large list. It's 50 to 75  
4 sites. So only ten percent of the sites are being cleaned  
5 up each year. There's a lot to go there.

6 And as I mentioned before, we have developed and  
7 put out a proposed rule setting criteria for decommissioning  
8 all kinds of contaminated facilities. We are prepared to  
9 take on responsibilities for safety oversight of the Uranium  
10 Enrichment Corporation.

11 Having said all these things, there are a lot of  
12 holes left in the materials program and the challenge is how  
13 to improve the materials management program without raising  
14 the cost of the program significantly. The reason for that  
15 is we are a 100 percent fee recovery agency. All the costs  
16 that we incur have to be returned by the people that we  
17 regulate. And being obligated to recover 100 percent of  
18 expenses is a very tough situation. It leads to some  
19 obviously unfair situations. It leads to higher license  
20 fees than your intuition would say are reasonable for some  
21 of the licensees to pay.

22 So we have sought legislation to reduce this 100  
23 percent recovery base by removing selected activities from  
24 the fee base. The work we do for the Department of Energy,  
25 our international program, where it has to do with

1 international safety, the agreement states' share of the  
2 materials program being the major areas we've asked to be  
3 removed from the fee base. But I don't expect any action on  
4 this anytime soon.

5 Having commented on all the problems of being a  
6 100 percent fee recovery agency, I still would observe that  
7 there is a benefit. Being a 100 percent fee recovery agency  
8 has clearly shielded the agency, the NRC, from arbitrary  
9 wholesale budget cuts, such as those that have been visited  
10 on many other federal programs, which honestly are equally  
11 as worthy as our programs are. We don't contribute to the  
12 deficit, so there's no incentive to hack down our program to  
13 reduce the deficit. Our individual programs still have to  
14 stand the scrutiny of OMB and the Congress, but we're not  
15 under pressure to reduce the overall figure inordinately.

16 One of the ways we keep from getting this pressure  
17 is to take the initiative ourselves to manage our resources,  
18 to control our resources. We've cut our budget in real  
19 terms every year. We have undertaken to meet the  
20 President's goal of a 12 percent reduction in personnel from  
21 fiscal year '93 to fiscal year '99 and I think we'll be able  
22 to do that.

23 We've consolidated some offices. We've improved  
24 the procurement process to reduce costs. One very important  
25 step that we've done, which I think is important and I think

1 is not very well understood, is that at the same time as we  
2 are reducing SES positions and supervisory GG-15 positions  
3 in an attempt to reduce management overhead and lead to a  
4 leaner agency, at the same time, we are expanding positions  
5 in the senior level system, the SLS. We are expanding  
6 technical and professional GG-15 positions. So that the  
7 overall shape of the agency will be the same.

8 In other words, the percent positions in the  
9 senior services, the percent of total positions in the 13 to  
10 15 levels will remain the same, although more of these  
11 senior positions will be occupied by people whose leverage  
12 comes from technical and professional work rather than from  
13 supervising other people.

14 And last but not least, there's a significantly  
15 improved labor-management relationship in the last few  
16 years. The partnership that's been called for in the  
17 reinventing government plan actually seems to have worked,  
18 to my surprise. In places where many of our offices have  
19 been quite radically reorganized and in places where they've  
20 dealt with the union and the labor representatives, we've  
21 ended up with better organizations; not just from the  
22 employees' point of view, but from management's point of  
23 view, as well.

24 As far as international nuclear safety is  
25 concerned, we've worked very hard to improve reactor safety

1 in the former Soviet Union and in eastern Europe. I think  
2 the story in eastern Europe is a great success story. There  
3 have been significant and I think permanent improvements in  
4 nuclear safety in the countries that used to be part of the  
5 Soviet so-called satellites in eastern Europe.

6 But serious problems remain in the former Soviet  
7 Union. We are engaged, as part of the U.S. Government  
8 effort, in a struggle to close Chernobyl, to close the more  
9 unsafe reactors in both Russia and Ukraine, and specifically  
10 to close the Russian production reactors. We have major  
11 projects underway for the control of plutonium and weapons-  
12 grade uranium in the former Soviet Union. We have supported  
13 the creation or expansion or strengthening of former Soviet  
14 Union and eastern European regulatory bodies, helped them  
15 with resources, with the statutory basis for their work,  
16 generally helped to increase their stature.

17 However, we haven't invested all of our time on  
18 these heritages from mistakes done in the past, on what I  
19 would call the losers as far as a nuclear power program  
20 goes. The big expansion in nuclear power is in the Pacific  
21 Rim, the western side of the Pacific, and we've put a lot of  
22 effort into programs in these countries to make sure that if  
23 there are to be expanded nuclear programs in China, South  
24 Korea, Taiwan, Indonesia, if you are to believe the papers  
25 this morning, and North Korea, that these programs will be



1 safe to begin with, on the theory that an ounce of  
2 prevention is worth a pound of cure.

3 As far as new appointments are concerned, the  
4 President has announced his intention to nominate three  
5 individuals to the two current and anticipated Commission  
6 vacancies. I expect the Commission will be at full  
7 complement in the spring of 1995 and should there be any  
8 question about this, I expect to complete the next two years  
9 of my term as Chairman of the NRC.

10 With those remarks, the Commission is ready to  
11 receive questions. There are microphones around the room.  
12 Please, if you have questions, go up to the microphone and  
13 ask your question. You can address the question to any  
14 Commissioner or to the Commission as a whole. This is the  
15 moment of truth, folks. Mary Lynn.

16 SPEAKER: Mr. Chairman, this is a question from  
17 Region IV. Given the high level of sensitivity surrounding  
18 license fees, has any consideration been given to re-  
19 engineering our efforts in this functional area? For  
20 example, could we not rethink how we do business to improve  
21 our accountability and more directly link the bills with the  
22 services rendered?

23 CHAIRMAN SELIN: That's a very good question. Of  
24 course, the first way, the best way to reduce license fees  
25 is to reduce our costs. So that the total amount of costs

1 that have to be collected through licenses will be kept to a  
2 minimum. And I talked quickly about our steps to keep the  
3 total costs of the agency down, to actually decrease costs  
4 as time goes by.

5 As far as better accounting and better  
6 accountability, one of the reasons for putting costs to the  
7 people who get the services is to reduce the demand for the  
8 services, in general. Well, you know, demand for NRC  
9 services is pretty low to begin with. So I don't think by  
10 raising the costs, the customers will, therefore, ask for  
11 less service than they ask for today from us.

12 So the real question has to do with fairness, not  
13 from having costs control demand. And in some areas,  
14 particularly in the materials area, we do believe that  
15 better accounting and better control will lead to fairer  
16 pricing of the fee services. In our accounting system  
17 today, we have basically only two categories. We have  
18 either overhead or direct license-related costs. And, in  
19 fact, there are a set of costs that support a bunch of  
20 licensees or a class of licensees, but not all licenses. I  
21 mean, work that's done on medical regulation will affect all  
22 of our medical licensees, but none others. So we're  
23 changing accounting systems to have these pools of shared  
24 costs which are less than an agency-wide cost, but more than  
25 an individual's cost.

1           On the reactor side, the controller did a study  
2 last spring which showed that with all the effort that we  
3 put in to capture the costs of inspections and the licensee-  
4 specific costs, that the difference, correcting for the size  
5 of the site and whether it's a one-plant or two-plant site,  
6 the difference is in license. The total cost of the  
7 reactors from the maximum to the minimum is about three  
8 percent. And the conclusion that we drew is it's just not  
9 worth all this accounting problem to try to capture all of  
10 the licensee-specific inspection costs when the differences  
11 are so small, that you'd be better off just having a simple  
12 scale of costs, fixed costs to cover the full expense of our  
13 reactor regulation program and reduce the 500 to 1,000 to a  
14 million-and-a-half dollars a year that it costs us to do  
15 this more detailed accounting.

16           So we are going to try to, on our own, move closer  
17 to more uniform license fees for reactors rather than more  
18 detailed accounting of the inspection and special inspection  
19 process.

20           We're going to stay here till 3:00 anyway. So  
21 somebody might as well get up and ask some questions. Sue.

22           SPEAKER: This question comes from Region III. In  
23 one of your earlier addresses, I believe you indicated that  
24 the agency needed to improve in the affirmative action area.  
25 How do you view the agency's accomplishments in the EEO and

1 affirmative action area over the past three years?

2 CHAIRMAN SELIN: That's a very good question. We  
3 put together some figures from the last EEO report and as  
4 far as women and minorities as a percent of the NRC staff,  
5 there's basically been almost no change over the last three  
6 years. Women were 37 percent of our staff in '92, 37.3  
7 percent in '94. Minorities were 19 percent in '92 and 19.9  
8 percent in '94.

9 There's been some improvement in women as a  
10 percent of the SES. It's gone up from 4.7 to 6.3 percent.  
11 Essentially no change in minorities as a percent of the SES.  
12 There have been increases in both women and minorities in  
13 the 13 to 15 area, which is the pool from which the  
14 promotions to the senior levels will be drawn.

15 We essentially have two major problems to solve in  
16 this area. The first is that the agency, as a whole, be  
17 more representative and the question is what is  
18 representative. I mean, 20 percent minorities is above the  
19 nationwide -- is about the nationwide figure, but it's not  
20 up to the figure for the greater Washington area. Thirty-  
21 seven percent women is within handling distance of  
22 reasonable representation of women.

23 But at the lower levels, there's been a lot of  
24 dissatisfaction with the opportunities for advancement; not  
25 so much by women, per se, but by people in jobs that are

1 traditionally filled by women, primarily secretarial jobs,  
2 and that's a hard problem to fix. So we're trying to do  
3 this large office by large office to make sure that, for  
4 instance, secretaries that have qualifications for  
5 advancement get a chance to bid on the advanced jobs, that  
6 they be informed of these jobs, that they not be looked down  
7 on when they bid on these jobs. And that's true across the  
8 board at promotions from the lower levels to the mid levels.

9 At the higher levels, what we clearly have to do  
10 is increase the number of people that are in the pool, in  
11 the 13 to 15 pool, really the 13 and 14 pool. We've done  
12 pretty well there, but there's a lot more to be done, partly  
13 through counseling, partly through making sure that  
14 opportunities are made known to a wide number of people.

15 There are two benefits that we have that we  
16 haven't had before. One is there's a change in the law that  
17 allows us to use training money to train people for jobs  
18 which involve promotions or advancements, whereas before  
19 training could only be used to help people do their current  
20 jobs better. And the second is not a change in the law, but  
21 a change in our practice, which is to open up more non-  
22 supervisory positions in the 15 and in the senior levels.  
23 We do not intend to make the SLS a kind of a ghetto for  
24 women and minorities. I don't mean to be saying this.

25 But a lot of the problems with advancement of

1 women and minorities today come from lack of reasonable  
2 opportunities to gain the appropriate kind of experience  
3 five years, six years, seven years ago. Well, people who  
4 are at the 12 and the 13 level certainly can immediately  
5 qualify for the non-managerial positions if they have strong  
6 technical experience and we expect, on the one hand, to be  
7 making sure that people in the feeder level, that women and  
8 minorities in the feeder level get more exposure, through  
9 rotational jobs, through education, through training, to  
10 supervisory positions.

11 And on the other hand, those who are now qualified  
12 for the senior positions, in spite of not having been  
13 afforded reasonable opportunity for supervision, in fact,  
14 get quick promotions into these senior positions. We have a  
15 lot of process underway. We're doing a lot of things that  
16 make a lot of sense. The numbers don't show a lot of  
17 progress yet. It's clearly going to take time to see these  
18 programs reflected in more representative numbers, both in  
19 the agency as a whole and especially in the senior positions  
20 within the agency.

21 SPEAKER: Could you explain a little bit about the  
22 activities that the agency interacts with the Uranium  
23 Enrichment Corporation on?

24 CHAIRMAN SELIN: Yes, with pleasure. The law, the  
25 Energy Policy Act of 1992, I think it was, required that the

1 NRC certify the safety, the health and safety of the two  
2 Uranium Enrichment facilities by October of 1994, by the  
3 beginning of fiscal year 1995. And the law didn't say what  
4 certification was, but we took that to mean that we needed a  
5 set of rules that would allow the current plants to be  
6 operated to a level of health and safety that would be  
7 consistent with what the NRC requires elsewhere.

8 As an enormous achievement of the team that worked  
9 on this and much to my surprise, I thought that all we would  
10 be able to do would be to say whatever you're doing today  
11 seems to be pretty safe, because there haven't been a lot of  
12 accidents and incidents, and, therefore, we should have an  
13 oversight procedure to make sure that the plants stay safe.

14 To my very pleasant surprise, the staff was able  
15 to come up with a set of regulations, part 73, I believe it  
16 is, that would, in fact, start from a zero-base and have the  
17 two characteristics. On the one hand, they would cover all  
18 reasonable health and safety questions so that we didn't  
19 have to refer to an unknown base, but we could say here are  
20 the rules with which the plants are complying or the  
21 facilities are complying, and, at the same time, that not  
22 require major changes in the current operation unless we  
23 could show that there was a clear health and safety  
24 deficiency in the current operation that had to be  
25 corrected. And we have found very few such health and

1 safety deficiencies.

2 So we have a full set of rules in place and  
3 instructions to the United States Enrichment Corporation on  
4 how to carry out their application for certification of  
5 health and safety. The application is expected during  
6 fiscal year '95 and we are supposed to be able to make the  
7 certification in about a year from now. We are currently  
8 performing the inspections. We are the day-to-day  
9 inspectors for health and safety.

10 The Department of Energy is essentially not a part  
11 of this, except for two things. One is they handle the  
12 security clearances and, two, they handle the direct  
13 supervision of the part of the plants that deal with special  
14 nuclear material, the highly enriched -- the materials that,  
15 in principal, are intended for the weapons program.

16 So we aren't licensing the plants, but we are  
17 inspecting them against a set of regulations, which I  
18 believe is as full and as complete as the set of regulations  
19 against which we normally do inspections of other types of  
20 facilities. So far, I think it's an enormous success story,  
21 but then we have to see how well we do when the USEC sends  
22 in their application for the certification itself, which  
23 will be a lot of work and a major challenge.

24 SPEAKER: You mentioned in your opening remarks  
25 that a lot of the problems that were seen with the poor



1 performing utilities are due to management. Do you foresee  
2 us doing more in the way of proactively inspecting  
3 management type of organizations or is it more that we're  
4 just going to continue with our more technical inspections  
5 and kind of infer, like we do now, that a lot of the  
6 problems are caused by poor management?

7 CHAIRMAN SELIN: I think the inspections, bearing  
8 in mind that we're running a number of pilot inspections  
9 which look at -- well, let me go back a step. We are  
10 starting to do some pilot inspections which look at the  
11 plant across the board simultaneously. These are still  
12 technical inspections, but it's inevitable that if we take a  
13 cross-section of a plant and put a lot of effort into  
14 looking at all aspects of the operations, that we're going  
15 to start drawing conclusions about the management, about the  
16 coordination of engineering with maintenance, for instance,  
17 about the efficiency with which problems are identified and  
18 solved, which are basically management issues.

19 Having said that, I don't think the inspection  
20 procedures are going to change drastically. I don't think  
21 we're going to have a handbook of appropriate tables of  
22 organization or how managers should communicate with staff,  
23 et cetera. I think the inspections will be relatively  
24 similar in the future to what they've been in the recent  
25 past. But when we come to root cause analysis, we have to

1 look beyond just engineering and training and maintenance  
2 questions. We have to take a look at safety culture,  
3 whether people seem to be motivated and encouraged to really  
4 find problems and fix problems or to work around problems,  
5 et cetera, et cetera, all of which are symptoms of either  
6 good management or bad management.

7 So in those plants that are having troubles, I  
8 expect we will be looking at issues which are considered to  
9 be symptomatic of whether the plant has good management or  
10 not. I don't expect to be running organizational consultant  
11 kind of reviews of the organization itself. We don't know  
12 ourselves what's the right way to organize a utility, but we  
13 sure do know when we see signs that the organization or the  
14 management they have isn't working. Our job is to call  
15 these to the licensee's attention and demand correction, but  
16 not to prescribe what the correction should be.

17 Conversely, if the plant is running well, even if  
18 the organization looks pretty crazy to us, we're not going  
19 to get into say this is a nutty organization. I mean, the  
20 NRC doesn't have exactly enormous moral authority to tell  
21 other people that their organizations don't make sense. So  
22 we will look at what we see in the way of symptoms, much  
23 more than whether the organization complies with our view of  
24 how a utility should be organized. Sue.

25 SPEAKER: Mr. Chairman, this is a question from

1     Region IV. Is there any increase foreseen in the level of  
2     exchange of resident inspection personnel between the U.S.  
3     and other countries that are developing expanded nuclear  
4     programs?

5             CHAIRMAN SELIN: That's a very good question. We  
6     have working relationships, what we call technical  
7     information arrangements. If it's an arrangement, it  
8     doesn't have to be confirmed by the Congress. If it's an  
9     agreement, it does. We have such arrangements with  
10    regulatory agencies in 28 countries. We have always taken  
11    in inspectors from these countries for training and  
12    occasionally for on-site work in the regions, with some  
13    exposure to the power plants in the United States, as part  
14    of the training of the foreign organization.

15            We're trying to do two things. One of them is to  
16    upgrade the level of people that come to the United States.  
17    Not so much work with junior people who will be inspectors,  
18    but to work with senior people who then can go back and put  
19    in a good regulatory program on their own; to train the  
20    trainers, so to speak, rather than to train the ultimate  
21    trainees.

22            The second is that in very specific cases, we  
23    would like to see our folks posted overseas, but it's not  
24    for general accountants of how somebody else does a  
25    regulatory program. It's to learn someplace something where

1 we think there are specific things to be learned.

2 For instance, in Japan, the power plants being  
3 constructed now are being constructed under very modern  
4 construction techniques. NRR doesn't believe that our  
5 current protocols for inspecting construction really are  
6 appropriate for the kind of construction techniques that are  
7 being used in Japan. We would like to have an inspector  
8 spend some time at one of the sites under construction to  
9 both get to understand the construction techniques better  
10 and to get to understand how the Japanese are inspecting  
11 such construction.

12 I don't see wholesale exchanges. Maybe if we were  
13 a little less arrogant, we might do this, but right now, we  
14 don't see the need to get that deeply into a range of  
15 programs just to see a different way of inspecting, unless  
16 we find an area like instrumentation and control, the  
17 British have more experience in that than we do, or like  
18 modern construction in Japan, where there's a specific area  
19 where we feel that our inspection techniques would benefit  
20 from watching how somebody else inspects more modern  
21 technology at that place.

22 SPEAKER: Maybe your two fellow Commissioners  
23 could tell us a little bit about what topics they're  
24 interested in and what things they'll be focusing on next  
25 year and then maybe you, Chairman Selin, could tell us a

1 little bit about these people that have been appointed, what  
2 they might be interested in.

3 CHAIRMAN SELIN: Actually, I have not met either  
4 of the first two nominees until the White House was  
5 discussing a point with them. I talked to both of them on  
6 the phone at some length. We do know Mr. Berkowitz quite  
7 well from his work on the committee. I can tell you it's  
8 very hard to know what people will be like when they're  
9 Commissioners, even if you know the people pretty well  
10 before they're Commissioners.

11 So it's sort of hard to speculate on that.  
12 Commissioner Rogers does know Dr. Jackson well and he can  
13 tell you a couple of things about her.

14 As far as the Commission itself goes, there's a  
15 great deal of continuity built into the Commission. One  
16 might say inertia if one didn't like the direction in which  
17 it's going. Usually one Commissioner comes on a year. Even  
18 two coming on at the same time aren't going to change the  
19 views of the Commission very much just because it's two out  
20 of five positions.

21 More than that, most -- you know, we're not like  
22 an economic regulatory commission, which is driven very much  
23 by theories about what pricing ought to be or what  
24 competition should be. We're a safety commission and even  
25 though we come from different backgrounds, we're driven by

1 what seems to be good safety practice and that's pretty much  
2 -- we're going to see things pretty similarly given a given  
3 set of objectives, regardless of what our backgrounds are.

4 So most of the Commission's positions are really  
5 driven by outside facts, by the work of the staff, by  
6 physics and engineering, and a little bit by chemistry in  
7 the sense of how the Commission works. So given that there  
8 are two Commissioners coming on to three, who between us  
9 have about 11 or 12 years, Commissioner years of experience,  
10 given that we'll all be responding to the same stimuli, I  
11 don't see major changes in the Commission from new  
12 Commissioners coming on, regardless of who they are and what  
13 they think.

14 There haven't been such big policy changes from  
15 Commission to Commission. There have been big differences  
16 between this Commission and recent Commissions versus  
17 Commissions of about a decade ago in collegiality, so many  
18 of us having seen, at a distance, the disadvantages of a,  
19 whatever, non-collegial or discollegial or an acollegial  
20 Commission is versus the benefits of being on a collegial  
21 Commission. I don't think anybody would want to upset the  
22 collegiality and the, I don't know, the veneer of civility  
23 that we've managed to accomplish in the last few years.

24 SPEAKER: I just want to say I do know Dr.  
25 Jackson. I've worked with her for five or six years in New

1 Jersey on a couple of different projects. And I must say  
2 that I really respect her very much. I think she's a first-  
3 rate person, excellent educational background, broad  
4 interests in technical matters, has become familiar with the  
5 nuclear industry in recent years, and I would say that she  
6 will be a really marvelous addition to the Commission.

7 I have to agree with the Chairman that you never  
8 know how Commissioners are actually going to vote or what  
9 directions they will start to get interested in till they're  
10 on the Commission, but I would say that I have great  
11 confidence that Dr. Jackson will bring a fresh view of her  
12 own to the Commission and, yet, will be one that will work  
13 very harmoniously with other Commissioners, and I think will  
14 be a very visible positive addition to the mix of  
15 Commissioners.

16 There was also a question of what individual  
17 Commissioners might be interested in for the future, those  
18 of us who are still here. I would say that my own personal  
19 view is that the directions in which we've seen changes  
20 taking place have been very positive. I do think that, for  
21 one reason or another, there has been quite a profound  
22 change in how the Commission regulates over the last half-  
23 dozen years or so; that we're much more interested in  
24 outcomes. I think we're convinced that a highly  
25 prescriptive form of regulation is not the best. Probably a

1 mix of a prescriptive style for certain appropriate areas  
2 and a much more outcomes-oriented style in others.

3 And the development and fruition of probabilistic  
4 risk assessment has given us some new tools to use in moving  
5 a less prescriptive direction and, in fact, given us tools  
6 to use that can improve where we place our focus and  
7 retention on safety matters and perhaps ways of even  
8 changing our regulations.

9 So I think that we'll see continued motion in that  
10 direction. I think the emphasis on reactor safety is going  
11 to continue. There will be undoubtedly additional issues  
12 that come up probably more and more in the human factors  
13 area, although, as we've seen, there are hardware problems  
14 that still keep popping up here and there that need to be  
15 addressed.

16 In the waste area, I think we're all going to be  
17 paying much more attention to that, as I think the exciting  
18 developments are going to take place there rather than in  
19 the reactor area. I think the reactor area will be one in  
20 which continued careful attention to existing plants and how  
21 they perform will be of interest to all of us. My own  
22 personal interest has always been in trying to look for  
23 general ways of viewing the total situation. I'd like  
24 personally to see us return to an effort to test the safety  
25 goals against our operating reactors to see how well that we



1 do meet the safety goals.

2 Some people feel that we perhaps exceed the safety  
3 goals. Others are not so sure about that. I think we ought  
4 to try to pay a little attention to trying to pin down some  
5 ways of analyzing our overall situation a little bit more  
6 precisely so that we can make some more positive statements  
7 to the public about how well all of the power reactors in  
8 the United States satisfy the safety goals or not.

9 But I think that we'll see a general continuation  
10 of the trends that have been developing over the last half-  
11 dozen years or so.

12 COMMISSIONER DePLANQUE: It's starting to get  
13 lonely on the 18th floor. Although Commissioner Rogers and  
14 I would love to expand our turf, I think in the interest of  
15 everybody, it's really good to have five people on board.  
16 Many years ago, there was talk about moving to a single  
17 administrator and this debate was hot and heavy when I was  
18 coming on the Commission, and I've come to really value the  
19 idea of a five-member Commission, because I think you get  
20 people with very different backgrounds, very different  
21 experiences, and I think the decisionmaking process is the  
22 better for that.

23 I also think it's better in terms of continuity  
24 and consistency from year to year. So I will be very  
25 pleased when we finally get some new Commissioners on board.

1 People always ask the question what are the hot topics, as  
2 far as you're concerned, or what are you really excited  
3 about. I always find I'm excited about everything. So I  
4 find it difficult to answer that question.

5 And I still see many, many challenges before us.  
6 It's of interest to me that in the last year-and-a-half,  
7 whenever we've been called down before Congress, more often  
8 than not, it's been in the materials area than in the  
9 reactor area, which has both good news and bad news about  
10 it. But I think there are many interesting issues coming  
11 along for us in the materials area that I'm keenly  
12 interested in. Our re-look at medical regulation is clearly  
13 one of them. How we deal with EPA on things like subpart I,  
14 air emissions releases, are interesting and challenging  
15 topics that are going to see a lot of activity in the next  
16 several months.

17 In the reactor area, D&D issues I think are  
18 extremely interesting and very important for the future.  
19 Relicensing -- I'm anxious to see someone come in and try  
20 out the system. I know no one wants to go first, but still  
21 it would be nice to see it happen. I'm looking forward to a  
22 reevaluation of some of our enforcement policies. I think  
23 that will be interesting to take a good overview look at  
24 that. And also the agreement states situation, how we're  
25 dealing with that.

1           I see some interesting things on the horizon  
2 government-wide. There is an interagency effort to try to  
3 look more at harmonization of regulation, risk-based  
4 regulation, and there are some activities going on in this  
5 arena which I hope will bear some fruit, although these  
6 things are always very difficult to do. But I like the  
7 concept and I will be looking at that very closely.

8           Also, I think the international arena is one that  
9 is going to continue to command a lot of our attention and  
10 rightly so. The United States only has 30 percent of the  
11 nuclear generation around the world. That means 70 percent  
12 is done elsewhere and there's some rather sophisticated  
13 programs in other countries from which I think we can learn  
14 as much as we can contribute.

15           So I look forward to increasing exchanges and  
16 opportunities in those areas. Clearly we have a role to  
17 play in assisting some of the nations out there, like those  
18 in the former Soviet Union and the Eastern Bloc, who  
19 especially need help in developing their regulatory  
20 framework, which is incredibly important.

21           I would also like to congratulate some of our  
22 staff who worked very hard on seeing that the international  
23 nuclear safety convention was passed this fall. I know Carl  
24 Stoyber had a very important role to play in that, as did  
25 Chairman Selin. It's a big step forward, I think,

1 internationally in terms of safety of nuclear power plants.

2 So I probably missed several of the things high on  
3 my list, but I always find all of them challenging and  
4 exciting.

5 SPEAKER: I have a question on downsizing and  
6 streamlining. I believe that a streamlined organization  
7 will be effective only with an increase in empowerment and a  
8 reduction in micromanagement. What are your positions on  
9 these ideas?

10 CHAIRMAN SELIN: I think we probably would all  
11 agree with you. You need charismatic leadership, but less  
12 micromanagement, and those of you who are charismatic  
13 leaders can stand and those of you who are micromanagers can  
14 stand.

15 The real problem is to figure out which of the  
16 management is excessive and which isn't, and that's always  
17 very hard to do. So I think when you have a structure --  
18 you know, it's not just to try to increase the number of  
19 divisions that report to an office director or sections that  
20 report to a higher level of organization. We really have to  
21 reduce the number of organizations. The materials side  
22 particularly is broken into too many small pieces, each of  
23 which has a manager, each of which manager has a supervisor,  
24 et cetera. And the trend there is to try to put like things  
25 together to somewhat larger, more complete organizations

1 which can take more lead in managing themselves.

2 On the reactor side, we just have to get rid of a  
3 level of supervision. It's not just a question of getting  
4 more people reporting to each person. If you take a look at  
5 sort of a relatively simple letter, Dear Congressman Jones,  
6 we will answer your question in the three weeks, and you  
7 look at all the concurrences that letter has to go through,  
8 you know there's something wrong with the organization  
9 there. That's one thing.

10 The second thing is that everything that we're  
11 doing that I talk about doing in terms of doing more  
12 comprehensive evaluations of reactors, of getting fairer  
13 SALPs, et cetera, means more weight for the region compared  
14 to the headquarters. It means that our resident inspectors  
15 really become the front line; not just in the sense of  
16 taking the shock of the conflict with the licensee, but  
17 being able to do more analysis and more perceptive  
18 observations themselves. The people in the regional offices  
19 we expect much more of now than we did a few years ago and  
20 will expect more of in the future.

21 I, for one, think it's essential that for  
22 promotion to higher positions, at least with NRR and  
23 preferably within some of the other offices, like AEOD and  
24 Research that deal with reactor issues, very high weight be  
25 put on regional experience and particularly on having been a

1 resident inspector at some point.

2 In other words, we have to streamline the  
3 organization so that there are fewer people that are getting  
4 in the way of the folks that are doing the work. We have to  
5 make good on our statements about how we want to do  
6 inspections and evaluations in the reactor area. And on the  
7 materials area, there isn't much of a substitute for taking  
8 each of the programs and scrubbing them and breaking them  
9 down and putting them back together again. Empowerment will  
10 happen not just from the top management saying it will  
11 happen, but from basically giving managers no other choice.  
12 They won't be able to get the work done with the narrow --  
13 the shorter chains of command and the broader span of  
14 control. They just won't be able to get the work done if  
15 they try to micromanage everything themselves.

16 And we have to put weight on the people not being  
17 completely suicidal and, therefore, setting up incentives  
18 that will get many of the managers to act in ways that we  
19 want them to act. And next year you'll tell us how we're  
20 doing on the same issue. Sue.

21 SPEAKER: Mr. Chairman, this question comes from  
22 the technical training center. It's a two-part question.  
23 What have been the results of the reorganization at Walnut  
24 Creek thus far and what other changes are anticipated in the  
25 near future as a result of the reorganization?

1           CHAIRMAN SELIN: Okay. There have actually been  
2 two major reorganizations. One is the closing of the ERFO  
3 office in Denver and one is the closing of or the shifting  
4 of some major responsibilities from Walnut Creek to  
5 Arlington, Texas and the consolidation of the two into a  
6 single region.

7           I think we've had a lot of problems with the  
8 closing of the office in Denver, to be frank about it. Some  
9 of the expertise has left the agency and the lines have  
10 gotten longer. These were problems that were foreseen, but  
11 steps that were meant to be taken to ameliorate this I don't  
12 think have worked very well. I don't think there's any  
13 question but that the set of licensees that were being  
14 served out of Denver is having more trouble getting the same  
15 amount of work done.

16           There has fortunately been some offset in that  
17 we've actually reduced the regulatory burden on these  
18 licensees. I don't mean the fees, although that has been  
19 reduced also. But we've simplified the safety requirements  
20 that we put on them, but the lines of communication have  
21 gotten longer. I think that this is not completely  
22 unexpected. It's the cost of reducing some of the overhead  
23 and the fact is that this set of licensees just got better  
24 service than other sets of licensees because they had a  
25 field office set up entirely for their case.

1           As far as Walnut Creek goes, it's really hard to  
2 tell, but all the indications are really quite positive at  
3 this point that most of the employees have stayed with the  
4 agency. There have been transfers elsewhere. The  
5 assumptions that we were making on workloads seem to have  
6 held up pretty well. I think that we're probably going to  
7 be quite pleased with the success of Walnut Creek.  
8 Certainly we're getting the resource savings that we  
9 expected to get and it will take longer to see if there have  
10 been negative impacts on operations.

11           On the other hand, one of the good things -- well,  
12 I shouldn't say on the other hand. One of the good things  
13 that's happened is that the managers at Walnut Creek and  
14 particularly Mr. Perkins has just done a wonderful job, from  
15 what we can see. So in line with the previous question, we  
16 have, by necessity, devolved more responsibility on people  
17 that work on Walnut Creek or in support of Walnut Creek than  
18 we did before and, by all indications, they seem to have  
19 risen to this challenge and are handling this additional  
20 responsibility at least as well as they handled their  
21 responsibilities before.

22           That's a long statement that says we don't know  
23 yet, but we'll take a look next year, but the noise seems to  
24 be in the positive direction. Mary Lynn.

25           SPEAKER: This is a question from Region III. You



1 mentioned a desire to see increased management oversight in  
2 the materials program without increasing expenses and those  
3 fees to licensees. What specific initiatives are being  
4 considered to meet this goal.

5 CHAIRMAN SELIN: When Ronald Reagan was sworn in  
6 in his first term in 1980, at his inauguration, Rich Little  
7 got up and he made a -- there was a performance where he  
8 impersonated both Ronald Reagan and Walter Cronkite  
9 interviewing him and the Little Cronkite character says "Mr.  
10 President, you are saying we're going to cut taxes, increase  
11 defense spending and balance the budget. How do you intend  
12 to do that?" And then Little Reagan said, "Well, Walter, I  
13 intend to keep two sets of books."

14 So it's not going to be easy to do all this. I do  
15 believe that, in fact, we cannot do the current job that we  
16 are doing today in the materials area to the level of  
17 management criteria that we think is appropriate without  
18 increasing resources. And in the short-term, we will  
19 increase resources. I think in the longer term, what we  
20 have to do is take a look and say are there things that  
21 we're doing there that we just don't have to do at all.

22 The particular area for study is the medical  
23 regulation area, where at least I and I think my fellow  
24 Commissioners are very uncomfortable with a very detailed  
25 level of supervision of the use of Cobalt in providing

1 therapeutic radiation, whereas you could go right next door  
2 in the same building to a linear accelerator not regulated  
3 by the NRC and have essentially equivalent regulation -- not  
4 exactly, but close enough -- under a set of state regulatory  
5 rules. This doesn't make much sense to us and I personally  
6 would like to see serious consideration given to reducing  
7 our level of regulation and having the states take  
8 comparable responsibility for this kind of medical treatment  
9 as they do for other kinds of medical treatment.

10           There are other areas where either we will come to  
11 the conclusion that our regulation is not adequate and we  
12 need to increase resources or that the amount of resources  
13 that it would take to do an adequate job or not compensated  
14 by health and safety. The fact is that the share of  
15 resources going to the materials area compared to our total  
16 resources will increase in the next five years. Whether it  
17 will increase in absolute terms or just that NMSS will not  
18 be reduced as other offices are reduced, we don't know yet.  
19 We haven't come up with a rule that will make us both  
20 cheaper and more effective at the same time.

21           SPEAKER: Region IV asks the following question.  
22 Do you believe that the NRC regions are exerting  
23 inappropriate pressure on reactor licensees to perform in  
24 areas outside of the NRC's regulatory authority, as recently  
25 alleged by INPO?

1           CHAIRMAN SELIN: That's a very good question.  
2       There are a couple things that I sincerely believe for sure.  
3       Number one is I believe that the headquarters and the  
4       Commission have a very good idea of what's going on in the  
5       regions, from region-to-region and, in fact, from licensee-  
6       to-licensee. This question has come up in the past. The  
7       twin question is a variation of region-to-region and degree  
8       of regional intervention have come up in the past and we've  
9       done enough work with regulatory impact surveys, with  
10      project managers in NRR and in headquarters and comparable  
11      arrangements on the NMSS side, that I'm quite convinced that  
12      at least actual information about what's going on in a  
13      region is transmitted to headquarters and to the Commission.

14           The second thing is that based on anecdotal  
15      information and what we know pretty easily, I don't think  
16      there's undue interference in the operations of the  
17      individual licensees. The one thing I'm sure of is that  
18      those licensees who are running poorer plants are getting a  
19      lot more attention than they got in the past, whereas those  
20      that are running better plants are getting somewhat of a  
21      lighter regulatory burden than they got in the past.

22           I believe it is a sufficient explanation, although  
23      it may not be the only explanation, that the guys who are  
24      getting a lot more attention because they haven't been doing  
25      a good job are sweating under this load and they don't like

1 it and they're complaining about it.

2 But I'm not sure that this is true. We really  
3 have no choice but to take a look to see if these  
4 allegations have much of a basis to them and there are  
5 pretty straightforward ways of considering that question.  
6 So the answer is I don't think it's true, but I'm not sure  
7 it's true and the Commission has to be sure whether it's  
8 true or not. So we will look into this more thoroughly.

9 If you don't ask questions, you have to go back to  
10 work earlier. I hope you all realize that.

11 SPEAKER: As a follow-on to the employee  
12 empowerment issue, it appears a number of times that the  
13 Commission would like to have a very high level of  
14 management making presentations to the Commission when some  
15 subject comes up rather than say technical people at a lower  
16 level in the organization making that presentation. This,  
17 in turn, requires multiple briefings and a significant  
18 amount of staff resources in preparing various management  
19 levels for briefings.

20 To what extent is the Commission willing to allow  
21 their briefings to be held by people who are lower in the  
22 organization, freeing up the EDO and upper management to  
23 work on other issues rather than the technical details?

24 CHAIRMAN SELIN: Well, I don't think your  
25 hypothesis is correct. I think it's the upper management

1 that wants the upper management to be making the briefings,  
2 not the Commission. The Commission just wants to get the  
3 information. Obviously, the more that the issue is a policy  
4 issue, the more we want to hear the heads of the office  
5 identify with it. So there's a big difference between, say,  
6 a report of an IIT team, where the team leader makes the  
7 report to the Commission, and the regional administrator and  
8 the head of the NRR or NMSS is there and we expect them to  
9 be able to comment to say whether they agree or not, but we  
10 expect the briefing to be made by the person who ran the  
11 investigation versus some of the broader policy questions;  
12 you know, how could PRA be better used within the agency,  
13 where the folks who have to implement that should be on the  
14 line.

15 Certainly in my Chairman's briefs and when I meet  
16 not as the Commission, but for myself with cross-sections of  
17 the staff, I try to push the discussion to the -- I don't  
18 want to say the lowest common denominator. I hate to say  
19 the working level, because that leads you to wonder what it  
20 is the Commission does with its time. But to the people who  
21 are most on top of the data and can present it most  
22 directly. I just think that having a public Commission  
23 meeting produces a lot of insecurity and a lot of  
24 uncertainty and that it's sort of natural, but not  
25 necessarily desirable that the office managers want to do

1 the presentations themselves.

2 On the other hand, there's nothing wrong with them  
3 knowing the facts. It would be a little embarrassing if the  
4 director of NRR knew less than a Commissioner did about some  
5 reactor issue. So it's not wholly a waste of time to get  
6 the management educated in the topics to do the  
7 conversation. But I think you're seeing more a phenomenon  
8 of insecurity on the part of supervisors and the potential  
9 briefers than requirements from the Commission that top  
10 management be there to do the briefings. And I'm glad you  
11 brought this up, because we'll pay a little more attention  
12 to try to classify future Commission meetings between what I  
13 would consider to be more technical or procedural meetings  
14 versus more policy-oriented meetings and indicate our desire  
15 that the person who has actually done the work get a chance  
16 to present that in public. That's a good point.

17 See, we don't agree there's a problem, but we  
18 agree with your solution. So you figure that one.

19 SPEAKER: Is there anything you could share with  
20 us on the recent agreement with North Korea and, in  
21 particular, any role envisioned for NRC, direct or indirect,  
22 in providing safe reactors?

23 CHAIRMAN SELIN: Okay. Whether the agreement is  
24 as described in the newspapers is something that I have  
25 nothing to contribute. I know what I read in the papers

1 this morning and since I read three slightly different  
2 versions in three papers, it's not exactly clear to me what  
3 I know. But if there is an agreement, it is pretty clear  
4 what the NRC's function is going to be.

5 The position of the United States on the reactor  
6 part of the agreement has been that no matter what the  
7 structure, no matter what else is agreed, that the major  
8 task, both for funding and for installing the reactors, will  
9 fall on the South Koreans and there's really no question  
10 about that. The South Koreans require this and we require  
11 this. In fact, the NRC, insofar as we can require that,  
12 requires that because it's the only arrangement that has any  
13 hope to leading to reasonably safe reactor installation. We  
14 don't speak Korean. We're a long way away. We could not  
15 provide the kind of technical support and interaction with  
16 the operating staff or the engineering staff or the  
17 maintenance staff that the South Koreans could, if the  
18 really deep distrust between the south and the north can be  
19 put aside for purposes of nuclear safety.

20 We, the NRC, will be involved in doing a number of  
21 things. Number one, if there's going to be a reactor,  
22 there's going to be a North Korean regulatory agency. And  
23 if there's going to be a North Korean regulatory agency, it  
24 is almost certain that we will work with them on how to do  
25 things less badly instead of worse.

1           The second thing is that there will be export  
2 licenses to be done, there will be plans to be done and the  
3 NRC will have to pass on the export licenses and we will  
4 have to advise from a safety point of view all three of the  
5 governments involved in what has to be done.

6           The third thing is we would undoubtedly provide  
7 some on-site support either to the North Koreans or the  
8 South Koreans. But that's all assuming that a reactor  
9 actually gets built in the north. And even taking the  
10 newspaper stories on their face, there are a lot of steps to  
11 go through between what they announced and the actual  
12 planning, design and construction of a lightwater reactor or  
13 two in the north. So we'll be sort of involved. Not deep  
14 enough to be responsible for the problems, but well enough  
15 to take credit for the things that go well. I mean, that's  
16 the way you're supposed to do it in the federal government.  
17 Mary Lynn.

18           SPEAKER: This is a more lengthy question. The  
19 Commission has historically issued rules without outlining  
20 exactly what efforts would be necessary to completely  
21 implement the rules in all areas. While a cursory estimate  
22 of resources is made, guidance and implementation procedures  
23 sometimes take years after the rules become effective. I  
24 believe the Commission should require a comprehensive  
25 implementation action plan for licensee guidance, licensing



1 procedures, inspection procedures, and enforcement guidance  
2 before the Commission approves a final rule.

3 If we really thought out what it was going to take  
4 to implement our rules, I believe we would rethink how some  
5 of our rules are written. When possible, draft guidance  
6 should be prepared before the rules go final. Would you  
7 support a comprehensive implementation action plan for final  
8 rulemaking packages?

9 CHAIRMAN SELIN: Sometimes I would and sometimes I  
10 wouldn't. I was going to say long questions bring short  
11 answers and short questions bring long answers, but my  
12 observation today is all questions bring long answers. So  
13 I'm sorry, but it's going to take a little time to answer  
14 that question.

15 First of all, a lot of the rule changes that we're  
16 trying to make are changes to simplify the rules, to  
17 streamline them, to make them less prescriptive, to bring  
18 risk considerations in or to just get us out of a lot of  
19 things that we've been doing and that we have found not to  
20 be necessary. There's work going on on a performance-  
21 oriented fire protection rule, for instance, or a lot of the  
22 cost-beneficial licensing actions, both individual and  
23 generic.

24 But even on a completely new rule, the Commission  
25 does want to know what we're getting involved in. We've

1 time and time again said we want an outline of the  
2 implementation plan; not necessarily the guidance or the  
3 inspection, that's a little bit too much, but some idea of  
4 what's involved in implementing these things, what is  
5 involved in the licensees and what is involved in the  
6 Commission. But it depends.

7 For instance, on the rule that we just passed for  
8 protection against vehicular intrusion, we ended up with  
9 what amounted to a plant-by-plant estimate of what it would  
10 cost the licensees to comply, because this was a rule where  
11 we didn't feel there was an immanent threat to health and  
12 safety, but the reduction in risk was likely to be  
13 commensurate with the increase in cost, and in order to do  
14 that, we had to know what the increase in cost was. So  
15 there was an enormous amount of information that the  
16 Commission asked for in terms not of how the licensees would  
17 comply, because it's a very non-prescriptive rule, but at  
18 what likely compliance would cost the licensees. In fact,  
19 the rule was written in such a way that for the very small  
20 number of licensees that would have inordinately high costs,  
21 we gave them kind of an escape clause; not to get out  
22 completely free, but to get out somewhat more easily.

23 When we come across something like shutdown  
24 safety, we think there's a real gap in real health and  
25 safety in reactors. We're not going to set the same kind of

1 standards. We're going to say there's a really serious  
2 problem there and we do want to have some idea what these  
3 solutions cost, but a solution has to be found and it's a  
4 question of which solution it is as opposed to whether there  
5 will be a solution.

6 Certainly we don't want to make the rules so  
7 prescriptive that people can lay out the inspection programs  
8 and implementation plans in advance. We would like a net  
9 analysis, a preliminary design to have some idea what these  
10 might look like, so we'll know what they're going to cost,  
11 but still allow the actual guidance to evolve in a  
12 sequential way where the rule gets out, people get a chance  
13 to comment, get a chance to live on it. If it's the  
14 maintenance rule or some training rules, maybe we'll even  
15 expect the industry to come up with the first draft of the  
16 implementation guidance.

17 It sort of depends on the kind of rule. We should  
18 not get into these things blindly. The greater the health  
19 and safety impact, the lower our standard for how much we  
20 have to know in advance. But we have -- this Commission has  
21 asked for more information than I think previous Commissions  
22 did, but how much we should ask in a blanket fashion I don't  
23 think we can generalize. Now, with a differing opinion,  
24 Commissioner Rogers.

25 COMMISSIONER ROGERS: No. I quite agree. I think

1 that you can't give a blanket statement that covers that  
2 entire question. But I think that the Commission, in my  
3 recollection, in recent years, has been asking for draft  
4 guidance with rules, particularly to avoid the guidance  
5 being too prescriptive. As we moved towards less  
6 prescriptive regulation, we wanted to be sure that we really  
7 were implementing it in a less prescriptive way and we  
8 wanted to take a look at the guidance.

9 I know at least in one case, where the Commission  
10 returned the proposed guidance to the staff with really that  
11 comment, that it was much more prescriptive than we had  
12 intended this rule to be, and the guidance -- it was through  
13 the use of the guidance rather than the rule itself that the  
14 prescriptiveness came about. So I would say that really it  
15 depends very much on the rule that you're talking about.  
16 There are many different kinds of rules and, as the Chairman  
17 has said, some of these are to simplify an existing rule.

18 You want to be sure that when you are introducing  
19 a simplification, that it is, in fact, a simplification and  
20 not an unintended complication. So there has to be an  
21 adequate background study done with respect to any new rule.  
22 But I think that the kind of detailed study that your  
23 question implied for every rule would be inappropriate.

24 SPEAKER: I don't disagree with anything that's  
25 been said in general and I think each case has to be looked

1 upon as an individual case. But I think the principle that  
2 was raised by this question is extremely important and bears  
3 on an earlier question -- how do we do more with less in  
4 terms of resources and FTE.

5 And it seems to me now more than ever, when a new  
6 rule is proposed or a change in a rule is proposed, it is  
7 really incumbent upon us to think through the implications  
8 of that rule with respect to the resources needed to carry  
9 it out. And when I say resources, I mean dollars on our  
10 part, dollars for the licensee, and people for us and for  
11 the licensee.

12 I think we have to be very careful about making  
13 rules too prescriptive, too stringent, where the benefit of  
14 the rule is not commensurate with the cost. And I think in  
15 today's atmosphere, we have to look more at that question.  
16 Interestingly enough, we have a backfit rule that applies in  
17 the reactor world. I'd like to see some sort of a backfit  
18 concept applied in the materials world, as well. I'm not  
19 exactly sure how you do it, but I think the concept deserves  
20 some exploration.

21 But in general, I think the principle is an  
22 important one. We need to look more carefully with a broad  
23 perspective as to what we're requiring -- is it  
24 commensurate, it is balanced, does it balance the risk to  
25 public health and safety against the cost.

1           CHAIRMAN SELIN: Just as a last example, I  
2 mentioned in my opening remarks the license renewal rule.  
3 Actually, the current rule is quite a significant change  
4 from the earlier proposed rule that was put out and the  
5 reason for the changes were that the industry spent a lot of  
6 time trying to figure out what would be involved in  
7 implementing that rule and they were able to convince the  
8 Commission and the staff that there would be an enormous  
9 amount of analysis of aging mechanisms in cases where a  
10 corrective program already existed, and, therefore, we  
11 didn't really care what the aging would be as long as it  
12 could be managed.

13           And so the new rule was put out in order to -- not  
14 because it's less safe than the old rule, but because it  
15 calls for a procedure which is much more efficient than the  
16 -- appears to be much more efficient than the  
17 implementation.

18           That's the end of that question. So we're ready  
19 for another question. Sue.

20           SPEAKER: This question comes from the technical  
21 training center. It's a four-part question.

22           CHAIRMAN SELIN: I better take notes, in that  
23 case.

24           SPEAKER: You mentioned that the Commission is  
25 becoming more open with information being made available to

1 the public, especially through internet, sometimes referred  
2 to as the information superhighway. Question one, what  
3 types of information do you foresee being made available?  
4 Question two, do you propose letting the public know --  
5 excuse me. How do you propose letting the public know about  
6 this method of access?

7 Number three, do you think this will help reduce  
8 the number of FOIA requests or at least change the nature of  
9 those requests? And, number four, will there be training  
10 for oversight of information being released by electronic  
11 means to ensure protection of employee confidentiality,  
12 whistleblowers, et cetera?

13 CHAIRMAN SELIN: That's about a ten-part question.  
14 Let me just start with the easy part, the FOIA. I don't see  
15 any difference in FOIA. I mean, the number of FOIA requests  
16 we get is based on what we make available, not so much on  
17 whether we make it easily available. So if the Commission's  
18 policies on openness are carried out enthusiastically by the  
19 staff, the number of FOIA requests will go down, whether  
20 it's by making information available on Infonet or putting  
21 more information in the public document room or a connection  
22 of the two. I think that really depends on the policies we  
23 actually follow rather than the medium that we have for  
24 making things available.

25 What kind of information? I would expect that

1 eventually everything that's in the public document room or  
2 at least everything that the Commission generates that's in  
3 the public document room would be available electronically.  
4 Everything we generate is already generated through word  
5 processors or some type of electronic means and the  
6 objective would be to basically make this kind of  
7 information available in digital form.

8           We are also going to the point where many of our  
9 surveys are answered by diskettes today, but by electronic  
10 mail in the future. Many of the applications, we've set  
11 standards for these applications coming in in digital form.  
12 So I think that you'll find that almost everything that is  
13 either generated by large licensees, being utilities and  
14 facilities and hospitals, et cetera, and everything the  
15 Commission generates that goes into the public document room  
16 will be available -- eventually available on the Infonet or  
17 on the electronic means.

18           How to let the public know, I think the public is  
19 figuring this out. I mean, it's not a question of letting  
20 them know. We have more thorny questions, which are is it  
21 really fair that well endowed people can have access to --  
22 that they can pay the telephone charges and they have PCs,  
23 what about people who have legitimate interests, but can't  
24 afford this? How much should we subsidize there being the  
25 computer and a terminal in public libraries in towns that



1 have nuclear power plants or questions like that. It's  
2 really a straight resource question and it's not so much a  
3 question of letting the public know, but how much are we  
4 willing to spend so that the more disadvantages parts of the  
5 public have an ability to share in this increased access to  
6 our information. And we really haven't addressed that  
7 question, but that I think is the kind of issue.

8 As far as private information goes, we really have  
9 to settle on question, and that is what is the structure of  
10 the system that we put up. In other words, do we have a  
11 single computer network and do we let the public get access  
12 to one part of the files, but not another part of the files,  
13 or do we have a network that is physically somewhat  
14 separated from our internal files.

15 I don't know where we're going to end up in that  
16 situation. We probably will always be palpable to really  
17 expert hackers, but I'm quite sure that we can at least make  
18 people break the law in order to get at our personnel  
19 information. Whether they're going to make it harder than  
20 that or not, I can't answer that question at this point.

21 But Commissioner Rogers has done a lot of thinking  
22 on these points. Maybe he'd like to add something.

23 COMMISSIONER ROGERS: Well, not really in any  
24 detail. I think the access question is improving very  
25 rapidly. The use of the mosaic system which NRC has been

1 paying to help develop will make very easy access to  
2 everything within NRC that's placed on the internet.

3 I think that we will see much more activity in  
4 this direction. The confidentiality questions are less  
5 related, I think, to what mode of access we provide, such as  
6 mosaic or something else, than they are to really dealing  
7 with the hacker question, which is a very complicated one.  
8 I'd say this is something that IRM is looking at very hard.  
9 Nothing has come to us at the Commission level yet in  
10 details with respect to major changes, but I think we will  
11 be seeing something there in the near future.

12 CHAIRMAN SELIN: Do you have another question,  
13 Sue?

14 SPEAKER: This is not from the regions, but from  
15 the staff. Mention has been made that more SLS positions  
16 will be opened. How many SLS positions are there now? Is  
17 there a goal of having a certain number of SLS positions  
18 made in the next five years and what are the plans for  
19 administering the SLS program?

20 CHAIRMAN SELIN: That's a good question. First, I  
21 don't know how many SLS positions there are now. I think  
22 there are about 35 or 40. It's about 20 percent of the  
23 total senior positions are SLS positions. The answer is  
24 that the total of SLS and SES positions five years from now  
25 will be equal to or greater than the total of SLS positions

1 plus the SES positions today reduced by whatever the total  
2 reduction of the agency will be.

3 In other words, there will be more or less a one-  
4 for-one. As SES positions are dropped, there will be a more  
5 or less one-for-one increase in SLS positions. They'll be  
6 administered the way the personnel system is administered.  
7 I don't see a special system being set up for the SLS. It  
8 will be a natural promotion path for people who are still  
9 doing technical or professional work, but have enough  
10 leverage to provide enough value to the agency to be  
11 promoted to this position without having to take on  
12 administrative positions.

13 I think it should be a lot simpler to manage the  
14 SLS positions than the SES positions for two reasons. You  
15 don't have a qualitatively different requirement the way you  
16 do at SES from a GG-15 and the SLS positions are more --  
17 there are a lot of controls on the SES. The SES is  
18 considered a government-wide corps in which we participate.  
19 So there are a lot of controls, permissions from OPM, et  
20 cetera, whereas we have much more freedom in administering  
21 the SLS and the GG positions.

22 So I think that I don't see a huge difference in  
23 what's involved in being promoted from a 15 to an SLS  
24 compared to what's involved in being promoted from a 14 to a  
25 15. You need to have a job that carries the rate and you

1 need to convince the people that you have the qualifications  
2 to do the job and the promotion will go with that. Mary  
3 Lynn.

4 SPEAKER: This is a question from the audience.  
5 At this morning's session, you answered a question about  
6 spent fuel from Europe being accepted at DOE's Savannah  
7 River facility. Does NRC have any involvement with housing  
8 spent fuel from foreign reactors?

9 CHAIRMAN SELIN: I think the answer is no. Carl,  
10 do we have any responsibility? We don't license the fuel  
11 coming into the country or anything like that. No. As long  
12 as DOE takes the fuel and they store it at a Department of  
13 Energy site, we don't have any responsibility for that.

14 SPEAKER: This is from the technical training  
15 center. To date, INPO has had more involvement with the  
16 training of utility personnel via the performance-based  
17 training program implemented since 1987. Since we were  
18 directed to establish a training rule and we did just  
19 recently, will the NRC, at the inspector level, receive  
20 training on, one, what INPO accredited programs contain and,  
21 two, how to inspect for training deficiencies as a result of  
22 inadequate personnel performance directly related to the  
23 training program?

24 CHAIRMAN SELIN: I can't answer the first  
25 question. But the second question, we should be able to do

1     that already today. I don't see that the change in the rule  
2     would make any difference. If we find personnel errors,  
3     we're supposed to be able to go in, whether it's the  
4     resident inspector or regional inspector or the whole team,  
5     to find the root cause for these personnel errors. And if  
6     it's training, we're supposed to be able to find that it's  
7     the training program.

8             I think that question suggests that we've given  
9     away more authority for the program than we have, in fact,  
10    given away. The Commission has made a fairly major decision  
11    in the last year, which is that licensees are responsible  
12    for the staffing and the training and the physical condition  
13    and the operating of their plants and there's no more reason  
14    for us to certify the training of individuals than there is  
15    for us to certify that they have the right pump or the right  
16    valve. It's up to the licensees to carry out the operation  
17    and for us to audit the process by which they train and  
18    certify people and to look at the results.

19            So if anything, we're going to have less  
20    responsibility for doing the actual testing of the  
21    individual operators and we'll be able to do what we really  
22    should be doing, which is looking at their training  
23    programs. I guess if we're going to look at their training  
24    programs rather than the people who come out of the  
25    programs, we have to know more about their programs, which

1 means we have to know more about the INPO training.

2 So I guess the answer to the first question ought  
3 to be yes and if it's not yes, then somebody's going to have  
4 to explain how we can inspect their training programs  
5 without knowing more about it than we do. So I will hazard  
6 a guess that the answer to the first question is yes, but as  
7 far as the second question goes, the responsibility should  
8 be unchanged. If we see personnel errors, we're supposed to  
9 be able to figure out why there are personnel errors and I  
10 don't think that will change with the new procedures.

11 Well, thank you very much, folks. We'll call it a  
12 day and see you collectively next year and individually, I  
13 hope, sometime before then.

14 [Applause.]

15 [End of p.m. meeting.]

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