

NUCLEAR REGULATORY COMMISSION

ORIGINAL

RETURN TO SECRETARIAT RECORDS

COMMISSION MEETING

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In the Matter of: PUBLIC MEETING

DISCUSSION OF THE BUDGET

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DATE: October 15, 1981

PAGES: 1 - 39

AT: Washington, D. C.

RETURN TO SECRETARIAT RECORDS

ALDERSON

REPORTING

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1 UNITED STATES OF AMERICA  
2 NUCLEAR REGULATORY COMMISSION

3  
4 DISCUSSION OF THE BUDGET

5  
6 PUBLIC MEETING

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8  
9 Nuclear Regulatory Commission  
Room 1130  
10 1717 H Street, N. W.  
11 Washington, D. C.

12 Thursday, October 15, 1981

13 The Commission met in open session, pursuant to  
14 notice, at 10:55 a.m.

15 BEFORE:

16 NUNZIO PALLADINO, Chairman of the Commission  
17 PETER BRADFORD, Commissioner  
18 VICTOR GILINSKY, Commissioner  
19 JOHN AHEARNE, Commissioner  
20 THOMAS ROBERTS, Commissioner

21 STAFF PRESENT:

22 S. CHILK  
23 L. BICKWIT  
24 F. REMICK  
25 L. BARRY  
W. DIRCKS  
K. CORNELL  
N. MONACO  
E. PRIMER  
R. SCROGGINS

\* \* \*

# DISCLAIMER

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

2                    CHAIRMAN PALLADINO: The meeting will please come  
3 to order.

4                    The subject of today's meeting is a discussion of  
5 our budget. It will consist of an open portion and a closed  
6 portion.

7                    Before proceeding with the discussion I would like  
8 to turn the meeting over to General Counsel who has a  
9 statement to make to us.

10                   MR. BICKWIT: Thank you, Mr. Chairman.

11                   As you know, yesterday the Court of Appeals for  
12 the D. C. Circuit stayed an order of the District Court of  
13 the District of Columbia which would have denied the  
14 Commission authority to close this meeting.

15                   The Circuit Court order, however, denied a stay  
16 with respect to those portions of the meeting not concerned  
17 with matters included within Exemptions 2, 6, 9 and 10 of  
18 the Government in the Sunshine Act.

19                   An effort should therefore be made at the outset  
20 to delineate those portions of today's meeting which our  
21 office believes should be open in light of the order of the  
22 Court of Appeals and to structure the meeting in a manner  
23 which permits maximum conformance to the spirit of the order.

24                   It is suggested that the open portion of the  
25 meeting should include discussion of the following matters

1 subject to qualifications outlined below:

2           1. General background information relating to the  
3 budgeting process.

4           2. Reallocations and reprogramming of FY-82 funds  
5 and personnel already instituted by the Executive Director  
6 within the overall limits of the President's FY-82 budget.

7           3. Additional reallocations proposed by the  
8 Executive Director to accommodate the President's recently  
9 proposed cuts in the FY-82 budget.

10           4. Actions taken by the Executive Director in  
11 response to the continuing resolution enacted two weeks ago.

12           In making this recommendation we are not  
13 acknowledging that the above matters are not covered by any  
14 of the listed exemptions. Rather, we believe that  
15 consistent with the spirit of the Court's order of maximum  
16 possible openness these matters can be discussed in the  
17 open, as I said, subject to the qualifications listed below,  
18 and here are those qualifications.

19           Within these four subject areas the Commission has  
20 agreed to refrain from certain kinds of questioning until  
21 the Commission enters the closed portion of the meeting.

22           While it would be appropriate to seek  
23 clarification of the Executive Director's proposals in the  
24 areas listed, it would be best not to debate or suggest  
25 alternatives to these proposals prior to the closed session.

1           Moreover, discussion of the specific details of  
2 the Executive Director's proposal below the office levels  
3 proposed the proposal to accommodate the recently proposed  
4 FY-82 cuts should be deferred until the closed portion.

5           It is my understanding that the Executive Director  
6 will present his proposal in summary form and not go below  
7 office levels and that discussion of the specifics of that  
8 proposal which will go below office levels in open session  
9 could frustrate the Commission purposes.

10           Once the four matters listed have been explored to  
11 the extent outlined, it is my recommendation that the  
12 Commission should proceed to close its meeting. During that  
13 closed session I will be sensitive to matters which may  
14 arise which do not fall within the exemptions which have  
15 been cited as a basis for closure.

16           While our office's view of the law is that the  
17 Commission is not required to reopen its meeting simply  
18 because a non-exempt matter is discussed, yesterday's order  
19 of the Court of Appeals suggests that the Court may not  
20 share that view.

21           Accordingly, in order to comply with the mandate  
22 of the Court, I will recommend that the Commission open its  
23 session to deal with any non-exempt matter which may arise.  
24 If at all feasible, the reopening should take place at the  
25 end of the meeting so that all non-exempt matters can be

1 discussed together. I do not anticipate, however, that any  
2 non-exempt matters will arise.

3           In further compliance with the spirit of the  
4 Court's order our office will review the meeting transcript  
5 immediately after we receive it to determine if there are  
6 sections of the closed portion which under the statute much  
7 be released or alternatively may appropriately be released  
8 even though they are not required to be.

9           I want to remind the Commission that the purpose  
10 of this meeting as represented to the District Court and the  
11 Court of Appeals is to reach decisions regarding the  
12 Commission's response to OMB on its FY-83 and FY-84 budget  
13 requests.

14           It has also been represented to these Courts that  
15 discussion of FY-82 budget matters is essential to an  
16 understanding of Commission options for FY-83 and FY-84.

17           Should decisions concerning FY-82 be reached in  
18 the natural course of the Commission's efforts to develop a  
19 response to OMB regarding FY-83 and FY-84, that would be in  
20 accord with our representations.

21           The Commission could not, however, consistent with  
22 those representations set out to make decisions regarding  
23 FY-82 which were not designed to further the Commission's  
24 understanding of its choices with regard to FY-83 and FY-84.

25           As a final matter a revised public notice was

1 issued last night to the effect that portions of this  
2 meeting will be open to the public. Since that revision was  
3 issued less than one week before the date of the meeting the  
4 Sunshine Act requires a short-notice vote of the Commission  
5 which it would be appropriate to take at this time.

6 CHAIRMAN PALLADINO: May I have the sense of the  
7 Commission with regard to having a short-notice meeting?

8 All in favor say "Aye."

9 (Chorus of Ayes.)

10 CHAIRMAN PALLADINO: Opposed?

11 (No response.)

12 MR. BICKWIT: That is all I have to say.

13 CHAIRMAN PALLADINO: All right.

14 COMMISSIONER BRADFORD: May I just indicate my  
15 point of difference with the Commission position as I  
16 understand it.

17 As I have indicated in memoranda, and I won't  
18 retread the ground, my feeling is that we can close budget  
19 meetings on personnel grounds but I don't share the concern  
20 that there is a larger agency purpose being frustrated with  
21 regard to the type of information that we normally exchange  
22 at these sessions.

23 Therefore, I am prepared to vote to close budget  
24 meetings pursuant to Exemptions 2 and 6 but I would then  
25 review the transcripts and release information that didn't



1 fall under those exemptions promptly thereafter.

2 This format makes that position more difficult.

3 Up to now I haven't had to indicate a different view of the  
4 Commission approach, but within this format the only basis I  
5 would close the closed meeting on would be questions that we  
6 have that related to personal privacy matters. I just don't  
7 see that the legitimate purposes alleged to be frustrated  
8 are outweighed by the public's interest in knowing the  
9 general content of the Commission's budgetary concerns.

10 CHAIRMAN PALLADINO: Well, we can proceed as  
11 outlined by General Counsel and then if there are reasons to  
12 release any portions we can do that later I believe.

13 COMMISSIONER GILINSKY: I just ask as a matter of  
14 curiosity whether there is in fact anyone here who isn't an  
15 NRC employee?

16 (Two hands are raised in the audience.)

17 COMMISSIONER GILINSKY: Let's see, two. Thank you.

18 CHAIRMAN PALLADINO: Any other opening statements?

19 (No response.)

20 CHAIRMAN PALLADINO: Then I suggest that we  
21 proceed with the open portion of the meeting and turn the  
22 meeting over to the Executive Director.

23 MR. DIRCKS: I would like to just review where we  
24 are in the '82 budget.

25 Let me go back one year to fiscal '81. We had

1 \$453.5 million in fiscal '81 and an end strength of 3,300  
2 staff years.

3 COMMISSIONER AHEARNE: Is that full time?

4 MR. DIRCKS: Yes, full-time staff years.

5 MR. CORNELL: No, it is end strength.

6 MR. DIRCKS: End strength. It is full-time  
7 employee end strength.

8 Now, in the President's budget that was submitted  
9 to Congress in January 1980 we asked for \$500.7 million and  
10 3,396 staff years full time end strength.

11 CHAIRMAN PALLADINO: End what?

12 MR. DIRCKS: End strength.

13 COMMISSIONER AHEARNE: The equivalent description  
14 is the 3,300?

15 CHAIRMAN PALLADINO: No.

16 MR. DIRCKS: Are you trying to ---

17 COMMISSIONER AHEARNE: I am just trying to  
18 understand.

19 MR. DIRCKS: Well, I don't think anyone quite  
20 understands and I had better let Len go into it.

21 (Laughter.)

22 MR. BARRY: It was a 3,396 ceiling that you could  
23 not exceed as of the last day of the last month of the  
24 year. We did not have a full-time equivalent strength in  
25 '81. I am sorry. I beg your pardon.

1 MR. DIRCKS: We did not submit a budget in ---

2 MR. BARRY: We did not submit a budget in '82  
3 based on full-time equivalent for '82.

4 COMMISSIONER AHEARNE: But the 3,300 which was at  
5 the end of '81 was an end strength on full time ---

6 MR. BICKWIT: Is an end strength.

7 COMMISSIONER AHEARNE: And the 3,396 was a ceiling  
8 on full time end strength?

9 MR. BICKWIT: Full time end strength.

10 COMMISSIONER AHEARNE: So the 3,396 is the same  
11 type of number as the 3,300?

12 MR. BARRY: Yes.

13 MR. DIRCKS: Now, in September 1981 ---

14 COMMISSIONER AHEARNE: I will take you back one  
15 step further. In March or something of '81 the  
16 Administration did another budget review of everybody's  
17 budget. Our's stayed at 500.7?

18 MR. DIRCKS: Ours stayed at 500.7.

19 COMMISSIONER AHEARNE: Okay.

20 MR. DIRCKS: In the President's revised request to  
21 Congress regarding our budget submitted in September 1981 it  
22 reduced us about \$45 million to a ceiling of \$455.6 million  
23 and 3,325 staff years full time equivalent.

24 CHAIRMAN PALLADINO: Say that again, 400 and ---

25 MR. DIRCKS: 455.6 million dollars and in terms of

1 personnel 3,325 staff years full-time equivalent.

2 COMMISSIONER AHEARNE: Was the 3,325 submitted to  
3 Congress?

4 MR. DIRCKS: This was a letter that went to  
5 Congress.

6 MR. CORNELL: No, the dollar figures went to  
7 Congress and the personnel figures were sent directly to us.

8 COMMISSIONER AHEARNE: That is what I thought. So  
9 what was submitted to Congress was the dollar figures.

10 MR. DIRCKS: The dollar figures, correct.

11 COMMISSIONER AHEARNE: This 3,325 now is a  
12 different type; is that correct?

13 MR. BARRY: It is now full time equivalent.

14 COMMISSIONER AHEARNE: So that is staff years over  
15 the whole year?

16 MR. BARRY: Yes. If you wanted to translate that  
17 into end strength it would be 3,350. So in effect from an  
18 end-strength standpoint we were reduced from 3,396 down 46  
19 spaces to 3,350.

20 COMMISSIONER AHEARNE: Now, also there were two  
21 other interim steps I believe. On that 500.7 the House  
22 Appropriations Committee had marked us to 477.5, had they  
23 not?

24 MR. BARRY: Correct.

25 COMMISSIONER AHEARNE: Then we had reclamaed to go

1 back up to something like 495 and Chairman Palladino signed  
2 out a letter in July I believe reclaiming up to 495.

3 MR. DIRCKS: Right.

4 Faced with the reduction of that 45.1 million  
5 dollars we laid out a series of areas that we thought we  
6 could look to to meet the reduction and also carry out some  
7 work that we had laid on the agency for fiscal '82.

8 But let me go back one step and talk about the  
9 baseline.

10 COMMISSIONER AHEARNE: The baseline you want to  
11 talk about is to address the changes that had occurred  
12 internal to the agency corresponding I guess to the 500.7  
13 million submission?

14 MR. DIRCKS: Right. We are about a couple of  
15 weeks into fiscal '82 and the baseline that we are using is  
16 the Blue Book submission to OMB in September and it is on  
17 page 1 of the Blue Book laying out the allocations by  
18 offices.

19 CHAIRMAN PALLADINO: This one, Bill?

20 MR. DIRCKS: Fiscal year '82, right.

21 CHAIRMAN PALLADINO: The supplemental?

22 MR. DIRCKS: No, not the supplemental.

23 COMMISSIONER AHEARNE: Not the supplemental.

24 MR. BARRY: The '83 submission. The one right  
25 there.

1 CHAIRMAN PALLADINO: This one?

2 MR. BARRY: Yes.

3 MR. DIRCKS: We have not adjusted the baseline yet  
4 because we discussed with the Commission at that time the  
5 need to see what action was going to be taken on our '82  
6 budget.

7 COMMISSIONER AHEARNE: Are you saying that there  
8 were no personnel shifts?

9 MR. DIRCKS: The only personnel shifts were those  
10 shifts that we talked about in connection with the  
11 Commission back when we were talking about the licensing  
12 program. We talked about 25 people adding to NRR that  
13 brought them up from about 675 or so up to around 700.

14 COMMISSIONER AHEARNE: Can you be explicit?

15 MR. DIRCKS: They are reflected in ---

16 MR. CORNELL: --- in the '82 -- (Inaudible.)

17 COMMISSIONER AHEARNE: If we could get down into  
18 some detail on NRR, the specific areas that -- (Inaudible)  
19 -- the specific revision.

20 MR. DIRCKS: Where?

21 COMMISSIONER AHEARNE: Well, for example, at least  
22 my digging back through and looking into the back-up numbers  
23 they indicate in the present '82 budget we have 36 people on  
24 unresolved safety issues and I think the current estimate is  
25 15.

1 MR. DIRCKS: Is this a decision unit or do you  
2 want to go below <sup>sub</sup> ~~some~~ -- (Inaudible.)

3 COMMISSIONER AHEARNE: Well, remember we shifted  
4 decision units.

5 MR. DIRCKS: Yes.

6 COMMISSIONER AHEARNE: So you have to look at  
7 specific areas where people are because remember what we did  
8 is we shifted the organizational structure.

9 MR. DIRCKS: You want to talk about subdecision  
10 units?

11 COMMISSIONER AHEARNE: My understanding is that on  
12 unresolved issued safety issues we went from 36 people to  
13 15. On generic issues we went from 31 people to 11. On  
14 operating experience evaluation we went from 15 to 1 and  
15 IREP/NREP we went from 6 to 2.

16 MR. DIRCKS: Is that a chart that was given to OMB  
17 at one point? I am not quite sure what you are dealing with.

18 COMMISSIONER AHEARNE: What I have tried to do is  
19 to go back into the back-up material that supported the  
20 numbers that went into the President's '82 budget where we  
21 were told here is where the people are and now where the  
22 people under the current estimate are. That is the  
23 reprogramming that has occurred.

24 MR. CORNELL: What current estimate are you  
25 talking about?

1 COMMISSIONER AHEARNE: I am talking about the  
2 current estimate where our effort now is.

3 CHAIRMAN PALLADINO: For the baseline budget?

4 COMMISSIONER AHEARNE: That is right.

5 CHAIRMAN PALLADINO: You are talking about shifts  
6 that were made to arrive at the baseline budget?

7 COMMISSIONER AHEARNE: That is right. In other  
8 words, within the dollars and people that we had we have now  
9 my understanding is made these kinds of shifts and those are  
10 the ones that I believe are essential to understand the  
11 baseline from which we are operating.

12 MR. DIRCKS: John, let me ask you a question.  
13 Those numbers that you have there, where did they come from  
14 and what are they dated? Is that a snapshot of what we have  
15 today?

16 COMMISSIONER AHEARNE: This is a memo that was  
17 sent to you. So I believe you also have it.

18 MR. DIRCKS: Okay. I guess we do. This is  
19 something that Denton sent to us?

20 COMMISSIONER AHEARNE: No. This is a memo I sent  
21 to you.

22 MR. CORNELL: We got this last night and looked at  
23 it. Some of that is inaccurate. For example, NREP you  
24 showed six people going down to two.

25 COMMISSIONER AHEARNE: Right.



1 MR. CORNELL: At one time NRR did propose to us to  
2 reduce the NREP effort from six down to two and we had not  
3 approved that.

4 COMMISSIONER AHEARNE: Wait a minute. Are you  
5 saying then that the base right now, that there are still  
6 six people in NRR IREP/NREP?

7 CHAIRMAN PALLADINO: In the baseline budget?

8 COMMISSIONER AHEARNE: Yes, I am asking that.

9 CHAIRMAN PALLADINO: In the baseline budget.

10 MR. CORNELL: The baseline budget has six  
11 full-time equivalent staff years over the whole year.  
12 Whether there are six individuals occupying that positions  
13 working there now, I can't tell you.

14 COMMISSIONER AHEARNE: Staff years.

15 MR. CORNELL: The baseline budget is currently six  
16 staff years for NREP/IREP. We have not approved any  
17 additional -- (Inaudible).

18 COMMISSIONER AHEARNE: If there is a column that  
19 then says no change in current NREP/IREP in '82 that means  
20 that you would still be proposing the six staff years?

21 MR. CORNELL: Correct.

22 COMMISSIONER AHEARNE: I am glad to stand  
23 corrected.

24 Now, how about unresolved safety issues?

25 MR. CORNELL: That is the only one that I was able

1 to check out. We only got this at 7 o'clock last night and  
2 we haven't gone into any -- (Inaudible). That one did pop  
3 out at us because we had dealt with NRR's proposing to cut  
4 those back and we said no, we don't think that is  
5 appropriate at this time and we don't want to make that  
6 decision. The others -- (Inaudible).

7 MR. DIRCKS: It is very hard to get down below  
8 decision units and take a snapshot at any one time to say  
9 that is the plan or that is the number in there. I think  
10 all we can do is say that with decision units we will keep  
11 the ---

12 COMMISSIONER AHEARNE: Let me say it the other way  
13 around. The budget that we submitted in '82 had, I think as  
14 Kevin pointed out, did have the six IREP/NREP and now he has  
15 pointed out it still has the six. It also had these  
16 others. Is it fair to say that the others are unchanged?

17 MR. DIRCKS: I guess it is fair to say we will  
18 keep the level of strength in there to meet the product  
19 promised by the office. They say they will get on with the  
20 NREP program and if it takes six man-years to do it they  
21 will do it. But in any one day in any one week the staff  
22 years are going to be changed around.

23 COMMISSIONER AHEARNE: Sure.

24 MR. DIRCKS: We are dealing with five or six  
25 people out of 700.

1           CHAIRMAN PALLADINO: But there is a Blue Book  
2 baseline budget from which we are going to make changes and  
3 I think it is reasonable to ask what assumptions were made  
4 with regard to the issues.

5           MR. DIRCKS: I think that is true. But, for  
6 example, on case work, we have a certain number of man-years  
7 in there on case work. If, as happened in the past week,  
8 you say, well, by some piece of paper you have indicated  
9 that we dropped two people on case work, that is probably  
10 true because the Pilgrim plant cancelled so we have two  
11 people who were not working on case work last week.

12          COMMISSIONER AHEARNE: But, Bill, I am asking  
13 about something which is much more substantial than a small  
14 two out of 190 which is trivial. It is a marginal change.  
15 I am asking whether there were cuts of 50 percent or 67  
16 percent in particular areas. If your answer is that that is  
17 in the noise, I find that difficult to understand.

18          MR. DIRCKS: No, I don't think I would say that is  
19 in the noise. I think we said that the numbers we have, if  
20 it is "X" number of people on generic issues, we have not  
21 decreased the generic issues or the unresolved safety issues.

22          COMMISSIONER AHEARNE: Are you saying it has not  
23 gone from something like 36 to 15 in generic or in  
24 unresolved safety issues?

25          MR. DIRCKS: I guess we will have to get the

1 charts out.

2 MR. CORNELL: We certainly haven't approved that  
3 change.

4 MR. DIRCKS: What NRR may be doing in any one day  
5 we don't have the number right now. We haven't approved it.

6 MR. CORNELL: That is correct, we have not  
7 approved that change.

8 COMMISSIONER AHEARNE: And I guess similarly you  
9 would not approve then the cut in generic issues? Is that  
10 also correct?

11 MR. CORNELL: I am recalling from memory. I don't  
12 have it in front of me. There was a discussion with the  
13 Commission in FY-81 of decreasing the effort on generic  
14 issues. That decision was made in '81 ---

15 COMMISSIONER AHEARNE: In '81.

16 MR. CORNELL: In '81 pursuant to license --  
17 (Inaudible).

18 COMMISSIONER AHEARNE: What about for '82?

19 MR. CORNELL: We are two weeks into '82 and how  
20 they shifted the bodies around for the first few weeks of  
21 '82 I don't know.

22 COMMISSIONER AHEARNE: My recollection was we made  
23 decisions for '81 because we put a lot of effort in it and  
24 we have got a big problem in trying to get over this problem  
25 and we will have to have a little longer to think about how

1 we are going to go in the future.

2           When we addressed '82 in the budget cycle it was  
3 to be deferred until more clarification. We are now into  
4 '82. What I am trying to understand is as we begin to look  
5 at the options available to us for '83 and '84 what is that  
6 base we are really working from in '82?

7           CHAIRMAN PALLADINO: Did you list the areas? You  
8 had NREP/IREP and you had unresolved safety issues.

9           COMMISSIONER AHEARNE: I designated generic issues  
10 and then operating experience evaluation. This was dug up  
11 by going back. The left-hand side, the information was  
12 provided to us when we were putting together originally the  
13 budget and the right-hand side is going back into a bunch of  
14 back-up information.

15          MR. CORNELL: You have to realize though the '82  
16 numbers are over a year old.

17          CHAIRMAN PALLADINO: Are what?

18          MR. CORNELL: They are over a year old.

19          COMMISSIONER AHEARNE: I know they are over a year  
20 old.

21          MR. CORNELL: As a matter of fact, I don't think  
22 the Commission ever even got down into this level of detail  
23 for '82 -- (Inaudible).

24          COMMISSIONER AHEARNE: Oh, I think we did.

25          MR. BARRY: I would suggest on this particular

1 issue if you look at page 2 of your Blue Book you will see  
2 that at the decision unit level your major impact of  
3 reduction does appear under safety technology which does  
4 include the generic issue question. Everything else kind of  
5 goes up. So in other words, that is the decision unit that  
6 had to take the cut and that was addressed in our budget  
7 submission to OMB, our '83 budget submission.

8           COMMISSIONER AHEARNE: But, Len, in the Commission  
9 when we were discussing '82 specifically the point was made  
10 let us not talk about '82 changes because it is premature.  
11 So the fact that the Blue Book here shows a change in '82,  
12 there is an asterisk at least certainly in my mind because  
13 the Commission was told we were going to postpone the  
14 discussion.

15           MR. BARRY: Except that you asked that we talk  
16 from a baseline. The baseline that we worked or exercised  
17 on in detail comes from this baseline which does recognize a  
18 pretty drastic reduction in safety technology. I think as  
19 we proceed a little later into the individual items in here  
20 that talks about generic issues, priority one's, priority  
21 two's and so on, you will be able to measure as to whether  
22 the cut is acceptable or whether it isn't and so on.

23           COMMISSIONER AHEARNE: What you are saying, Len,  
24 is that the baseline that we are being presented accepts the  
25 modification that was made by reprogramming which we never

1 did, at least I don't think we ever did, address because we  
2 were told that would be deferred until later. But,  
3 nevertheless, that is the baseline that we are ---

4 MR. BARRY: That is the baseline if you make an  
5 assumption that we in fact have had to take primarily  
6 people, the dollars didn't change all that much, but  
7 primarily people out of safety technology and put them up in  
8 the case work and put some up in the operating reactors for  
9 licensing actions and so on and so forth.

10 COMMISSIONER AHEARNE: Is there any way to know  
11 what that change was say just in safety technology,  
12 recognizing that part of the problem is that there were some  
13 units within safety technology, as I understand, in the  
14 original '82 that are no longer in safety technology? So it  
15 is a little bit difficult.

16 MR. BARRY: Yes. Only that in the baseline it did  
17 indicate where we would have to defer certain generic issue  
18 works and certain priorities into '83.

19 COMMISSIONER AHEARNE: But do you have, for  
20 example, a column that would correspond to this Blue Book  
21 that would be the President's budget as submitted or revised  
22 in March?

23 CHAIRMAN PALLADINO: You are thinking primarily of  
24 personnel?

25 MR. BARRY: This really in effect resulted from

1 the revision in March.

2 COMMISSIONER AHEARNE: It was in the President's  
3 budget? The revision in March essentially left the  
4 President's budget unchanged?

5 MR. BARRY: Yes.

6 COMMISSIONER AHEARNE: For example, in the  
7 President's budget if I looked under safety technology what  
8 number would I see?

9 MR. BARRY: In people?

10 COMMISSIONER AHEARNE: Yes.

11 MR. BARRY: You would see a figure of over a  
12 hundred. It would be very close to what you see in '81.  
13 You see 136 in '81, and in fact I think it was 139 or  
14 something like that.

15 COMMISSIONER AHEARNE: So you would say that  
16 instead of 62 it would be like 139?

17 MR. BARRY: Yes.

18 CHAIRMAN PALLADINO: How do you decide that? Page  
19 2 of the budget shows 62.

20 COMMISSIONER AHEARNE: See this is the revision  
21 that went in in September. This is not what is in front of  
22 the Congress as the President's budget.

23 CHAIRMAN PALLADINO: Oh.

24 COMMISSIONER AHEARNE: What I was askin Len is as  
25 far as what is in front of the Congress ---



1           CHAIRMAN PALLADINO: I wrote down here the  
2 baseline for fiscal '82 from which we are going to make cuts  
3 is the Blue Book. I am looking at the Blue Book and in  
4 safety technology, if I am reading the right year, people is  
5 62.

6           COMMISSIONER AHEARNE: Right, it is 62.

7           CHAIRMAN PALLADINO: So I would presume that is  
8 where we start to make adjustments.

9           COMMISSIONER AHEARNE: That is what the EDO is  
10 presenting as its recommendation. My point is that that  
11 change of going from 139 to 62 is the reprogramming change  
12 in '82 that at least when I tried to address that when we  
13 were addressing this budget I was told it was not  
14 appropriate yet and we are going to have to address that  
15 when we get a little bit clearer on the '82.

16           I am just for the record pointing out that I find  
17 the situation that at least I am now in is that what was  
18 once described as we would address at a later time, we are  
19 now told well that is a decision that has been made and we  
20 are going to use that as the baseline.

21           CHAIRMAN PALLADINO: No. This is the baseline  
22 from which you may object if we make changes or you may say  
23 I want to change back.

24           All I was trying to help us follow was to make  
25 sure we understood what the baseline was for any adjustments

1 we are going to make as a result of the President's cut and  
2 in the process we may find it necessary to make other  
3 adjustments.

4 MR. BARRY: That is correct. When we submitted  
5 our '83 budget we had to re-establish a baseline that we  
6 felt was the closest to the way the staff had projected  
7 their '82 budget. Licensing recovery being, you know, such  
8 a high priority, Mr. Denton reallocated internally his  
9 decision there to accommodate that.

10 MR. DIRCKS: I don't think we made any essential  
11 changes off the track that we were on in fiscal '81. The  
12 Commission approved certain initiatives and said go with  
13 it. In fiscal '82 we have not made any changes yet.

14 COMMISSIONER AHEARNE: Bill, I don't want to say  
15 that you are wrong, but I suspect that the way you get from  
16 139 to 62 is that, as I said on this little chart, that you  
17 cut substantially in areas like unresolved safety issues and  
18 generic issues. That is where you found the people, or  
19 Denton found the people ---

20 MR. DIRCKS: In generic issues, yes. We discussed  
21 that with the Commission in '81.

22 COMMISSIONER AHEARNE: But not for '82.

23 MR. DIRCKS: All we are saying is we are on the  
24 same track. Now, the Commission can take us right off that  
25 track but that is the policy decision that the Commission

1 laid down. We have not made any changes because we were  
2 told ---

3 COMMISSIONER AHEARNE: I didn't mean to imply that  
4 you guys had gone off on your own and made the changes  
5 (Inaudible).

6 MR. DIRCKS: No.

7 COMMISSIONER AHEARNE: I did not intend to imply  
8 that.

9 MR. DIRCKS: We have not made major changes off  
10 the direction that the Commission laid out in '81.

11 COMMISSIONER AHEARNE: I recognize that.

12 MR. DIRCKS: In fact, what we could do, and you  
13 have got the dollar figures in there, we can now, which we  
14 made up last night, give you the personnel figures by  
15 decision unit in each office and it will show you that we  
16 have gone in safety technology, as we explained back in '81  
17 from 148 people in the March end strength to a number of 62.

18 Have we got that?

19 Len, why don't you pass that out.

20 (The document was passed out.)

21 COMMISSIONER AHEARNE: Now the end strength March  
22 budget, was that internal going towards a total end strength  
23 at the end of '81 for NRR of 675?

24 CHAIRMAN PALLADINO: When you say end strength,  
25 for which year on the March budget?

1 MR. DIRCKS: That was in the fiscal '82 submission.

2 MR. BARRY: Yes.

3 COMMISSIONER AHEARNE: For the end strength at the  
4 end of FY-81.

5 CHAIRMAN PALLADINO: This is end strength at the  
6 end of FY-81?

7 MR. BARRY: Well, whichever number you are looking  
8 at.

9 CHAIRMAN PALLADINO: All I am looking at is the  
10 title of the second column. It says "End Strength March  
11 Budget."

12 MR. DIRCKS: End strength for fiscal '82.

13 CHAIRMAN PALLADINO: That is '82.

14 MR. BARRY: The end strength of fiscal year '82.

15 CHAIRMAN PALLADINO: So I will just put fiscal  
16 year '82 end strength.

17 MR. CORNELL: The total adds up to 3,396 which was  
18 the original Carter proposed budget.

19 CHAIRMAN PALLADINO: Right.

20 COMMISSIONER AHEARNE: And Reagan approved in  
21 March.

22 MR. CORNELL: With the changeover from end  
23 strengths to FTE.

24 MR. BARRY: He reduced it in March.

25 COMMISSIONER AHEARNE: Yes.

1           CHAIRMAN PALLADINO: He what?

2           MR. BARRY: He reduced our end strength in March  
3 from 3,396 to 3,350.

4           COMMISSIONER AHEARNE: Right.

5           CHAIRMAN PALLADINO: I am not sure I understand  
6 the last column, "FTE Reallocation for Licensing Recovery."

7           COMMISSIONER ROBERTS: The FTE of 3,325 equates to  
8 the previous year's end strength, right?

9           MR. CORNELL: They are apples and oranges. You  
10 are counting them differently.

11          COMMISSIONER ROBERTS: But someone already said  
12 that the 3,325 FTE equates to the 3,350 end strength.

13          CHAIRMAN PALLADINO: That is right. I heard that  
14 and even wrote it down.

15          COMMISSIONER ROBERTS: Is that an accurate  
16 statement or not?

17          MR. BARRY: That is correct. The two columns are  
18 apples and oranges.

19          CHAIRMAN PALLADINO: But what is this last column  
20 now.

21          MR. BARRY: The last column simply reflects our  
22 current allocation under a full-time equivalent of 3,325 and  
23 also recognizes the shifts because of licensing recovery.  
24 So you have got two equations in there.

25          CHAIRMAN PALLADINO: There is gap, or is this

1 intended to be a gap? What is this? No, I don't follow the  
2 gap.

3 MR. PRIMER: There was a change in decision units  
4 from the Green Book, which is your left column, to the Blue  
5 Book, which is your right column.

6 CHAIRMAN PALLADINO: Thank you.

7 MR. PRIMER: In addition, there was some  
8 consolidations of two offices not shown in the Green Book  
9 because they occurred subsequent to that.

10 COMMISSIONER AHEARNE: So their standards numbers  
11 really are embedded in the research numbers on the second  
12 page.

13 MR. BARRY: Under the second column?

14 COMMISSIONER AHEARNE: Yes.

15 MR. BARRY: Yes.

16 COMMISSIONER AHEARNE: Where do the emergency  
17 preparedness people show up in the first column?

18 MR. PRIMER: In the first column that 675  
19 originally was 681 and we just took the summary six because  
20 that was shifted to I&E, as you know. Emergency  
21 preparedness has taken four out of one decision unit and two  
22 out of the other.

23 COMMISSIONER AHEARNE: But you have 73 in the new  
24 column. 73 people?

25 MR. PRIMER: The emergency preparedness moved to

1 I&E.

2 MR. CORNELL: Emergency preparedness was not a  
3 separate decision unit in I&E. It was embedded in the  
4 decision units I believe.

5 COMMISSIONER AHEARNE: So you have also swept up a  
6 number of I&E people and put them into emergency  
7 preparedness.

8 MR. PRIMER: That was the only difference in your  
9 No. 1 column.

10 COMMISSIONER AHEARNE: Let's see, in the new NRR  
11 decision unit I thought that there was -- oh, I see. What  
12 is the systematic safety evaluation of operating reactors?  
13 In the Blue Book there seems to be a decision unit,  
14 systematic safety evaluation of operating reactors.

15 MR. BARRY: Yes.

16 COMMISSIONER AHEARNE: I am just raising a  
17 question. There seems to be one in the Blue Book.

18 MR. BARRY: Yes, and that is the reason you see it  
19 up here. That is the newly created decision unit.

20 COMMISSIONER AHEARNE: Sorry.

21 MR. BARRY: In fact, you will even see the same  
22 number.

23 COMMISSIONER AHEARNE: I didn't see it over there.

24 MR. BARRY: The 25. It didn't exist before.

25 COMMISSIONER AHEARNE: That is interesting.

1           CHAIRMAN PALLADINO: Let me make sure I  
2 understand. That last column is the baseline from which we  
3 are working prior to accommodating any of the President's  
4 cuts as far as personnel?

5           MR. BARRY: Yes, as far as personnel is concerned.

6           CHAIRMAN PALLADINO: That is the baseline?

7           MR. BARRY: Yes, sir.

8           CHAIRMAN PALLADINO: That helps me quite a bit.  
9 And the baseline dollars are these?

10          MR. BARRY: Are there. In fact, you will see the  
11 baseline people on page 2 are the same as this column. They  
12 are one in the same.

13          CHAIRMAN PALLADINO: I forgot where I was.

14          (Laughter.)

15          CHAIRMAN PALLADINO: I think we have established  
16 the baseline.

17          COMMISSIONER BRADFORD:

18          MR. DIRCKS: I hope so.

19          COMMISSIONER BRADFORD: Let's see, Bill, Clinch  
20 River is not reflected in any of this?

21          MR. DIRCKS: No, Clinch River is not reflected.

22          CHAIRMAN PALLADINO: In the baseline.

23          MR. DIRCKS: In the baseline, right.

24          Now, I think what I want to do is talk about  
25 fiscal '82, the potential add-ons and the OMB reduction.



1 COMMISSIONER AHEARNE: Then the supplement request  
2 that we filed is not incorporated in any of your ---

3 MR. DIRCKS: It is not incorporated at all, that  
4 is right.

5 COMMISSIONER AHEARNE: I know it was turned down,  
6 but unlike the Blue Book being used for the baseline the  
7 supplemental is not part of ---

8 MR. DIRCKS: That is right. It disappeared. That  
9 is essentially what we want to cover now when we get into  
10 fiscal '82.

11 I think if you look at page 2 of that handout.

12 MR. BARRY: This handout here, the thick one that  
13 we sent down to you yesterday.

14 CHAIRMAN PALLADINO: Wait until I find it. I have  
15 so many of them.

16 MR. BARRY: It has 20 pages.

17 CHAIRMAN PALLADINO: I have it. The transmittal  
18 dated October 14th?

19 MR. BARRY: Right, yes.

20 CHAIRMAN PALLADINO: That was yesterday.

21 MR. DIRCKS: This is similar to the one that we  
22 discussed with you last week. I will just summarize that.  
23 Down in the second half of the chart you are faced with  
24 potential add-ons and OMB reductions. You looked at the OMB  
25 reduction of 45.1 million dollars.

1           The add-ons we are talking about, 2.5 million  
2 dollars to do licensing work on the Clinch River reactor.  
3 We talk about 7.3 million dollars in there for the licensing  
4 program at NRR.

5           COMMISSIONER GILINSKY: That is contracting  
6 support.

7           MR. DIRCKS: Contracting support, right.

8           We added \$500,000 in there to carry work on NUREG  
9 0660. This is essentially the action plan. This is to do  
10 the priority one's and the those priority two's that were  
11 identified by Harold in his presentation to the Commission  
12 back during the budget review.

13           We have a million dollars in there for materials  
14 licensing automation or upgrade program in NMSS that would  
15 assist us greatly in getting control of the licensing effort  
16 in NMSS. We are faced with requirements in this area of a  
17 total, including the reduction, of 56.4 million dollars.

18           At the top of the page is essentially is how we  
19 would get the resources to meet the shortfall. At the top  
20 of the page we talk about savings and salaries and  
21 benefits. We are talking about a reduction in some aspects  
22 of the headquarter's administrative support, a reduction of  
23 2.5 million dollars in the data processing, a reduction of  
24 1.5 million dollars in travel and we noted the concern of  
25 the Chairman and Commissioner Roberts and others on will

1 this reduce our capability to carry out the mission. I have  
2 been assured by the Comptroller that we can ---

3 COMMISSIONER GILINSKY: Which mission

4 (Laughter.)

5 MR. DIRCKS: The whole mission of the agency.

6 MR. DIRCKS: In that sort of a general overhead  
7 account we come up with \$10.8 million of savings. We see  
8 some reductions in NRR of \$400,000, I&E, \$4.9 million, NMSS,  
9 6.5. The largest chunk of savings that we can get out of  
10 the program to meet these obligations is a \$33.8 million  
11 reduction in the research program.

12 COMMISSIONER AHEARNE: All of this is under the  
13 assumption that the 3,325 is a fixed number, correct?

14 MR. DIRCKS: Yes.

15 That essentially gives you in terms of programs  
16 where we are in the '82 column. I do want to mention the  
17 continuing resolution.

18 Len, would you describe the conversations you had  
19 with OMB on the continuing resolution.

20 CHAIRMAN PALLADINO: Can I ask a question. On the  
21 I&E reduction, what is that, 4.9, does that make a change in  
22 our frequency of examination?

23 MR. BARRY: The 4.9?

24 CHAIRMAN PALLADINO: Yes.

25 MR. BARRY: 4.5 of that is the nuclear data link.

1           CHAIRMAN PALLADINO: Is what?

2           MR. BARRY: The nuclear data link.

3           MR. DIRCKS: The nuclear data link.

4           CHAIRMAN PALLADINO: I see.

5           MR. BARRY: If we stick with the prototype system  
6 we don't four and a half. All we need is \$500,000.

7           CHAIRMAN PALLADINO: Okay.

8           MR. BARRY: So that is practically all of it.  
9 That won't hurt has a bit.

10          CHAIRMAN PALLADINO: Okay.

11          MR. DIRCKS: We can get into the details of these  
12 programs. I think it is important when we get into them  
13 that we talk about this in conjunction with the '83/'84 cut  
14 and we can discuss that.

15          The continuing resolution I think was a question  
16 that we had, and, Len, would you go into that.

17          MR. BARRY: Under continuing resolution you are  
18 required to not exceed a spending rate of the previous  
19 fiscal year. In other words, in '82 we can't exceed a  
20 spending rate of fiscal year '81.

21          Our baseline for our spending rate in '82 is \$451  
22 million because that is where we will come out in total  
23 obligational authority in '81.

24          OMB has authorized us at the moment to spend up to  
25 14 percent of our budget and that is for 50 days, you know,

1 November 20th ---

2 CHAIRMAN PALLADINO: Fourteen percent of what,  
3 which number?

4 MR. BARRY: Of our '81 spending rate, which means  
5 that I put allotments out a couple of days ago in the amount  
6 of a little over \$63 million. We have gone to OMB and are  
7 requesting that we be permitted to increase our allotment to  
8 \$158 million because in this agency we spend about 35  
9 percent of our budget during the first couple of months. We  
10 always have.

11 COMMISSIONER AHEARNE: Is that because of research  
12 contracts?

13 MR. BARRY: That is because of research  
14 contracts. We have talked to the OMB examiner and he  
15 foresees no difficulty with that. He just simply wants a  
16 formal memorandum because even at that rate we will still be  
17 below the new ceiling in '81 which reflects the \$45 million  
18 reduction. So they don't have any problem with it. So we  
19 are anticipating shortly that I will meet with them down  
20 there and we will take a formal memo down and hopefully  
21 increase our spending rate up to the \$158 million versus the  
22 \$63 million figure.

23 So from a continuing resolution standpoint we are  
24 not having a problem. The only problem we normally would  
25 have would be that if they held us at the 14 percent we

1 would simply have to be holding on to contracts that we  
2 shouldn't. They ought to be getting out so that people can  
3 get on to work.

4 COMMISSIONER BRADFORD: Bill, I just noticed  
5 something I can't quite figure out. You are proposing, if I  
6 understand it, a \$1.5 million reduction in agency travel?

7 MR. DIRCKS: Yes.

8 COMMISSIONER BRADFORD: For an agency with 3,000  
9 people that is \$500 a person per year and an awful lot of  
10 these people don't travel at all. That must either be the  
11 whole travel budget or we must have an awful lot of travel.

12 MR. DIRCKS: Len, do you want to give them the  
13 travel.

14 MR. BARRY: Our travel budget in '82 is \$11.8  
15 million. It was 8.2 in '81 and we did not spend out all of  
16 our '81 money. Part of that was due to the travel reduction  
17 that OMB imposed on us at mid-year. It was also predicated  
18 on the fact that in our original budget we had requested the  
19 3,396 people in '82 and now it is 3,325.

20 MR. DIRCKS: Or the equivalent of 3,396 and 3,350.

21 MR. BARRY: Yes.

22 COMMISSIONER GILINSKY: Did some of that include  
23 relocation money?

24 MR. CORNELL: Yes. (Inaudible.)

25 MR. BARRY: Yes, it does include some relocation

1 money but not a lot because we have relocation money in a  
2 different pocket under admin support that is called  
3 Transportation of Things. This is primarily temporary duty  
4 travel when you go out and back.

5 If your question is can we accommodate it, my  
6 answer is without question.

7 COMMISSIONER AHEARNE: We will send the ACRS to  
8 him.

9 (Laughter.)

10 MR. BARRY: The ACRS did not spend out their  
11 budget in '81.

12 COMMISSIONER AHEARNE: That is surprising  
13 considering the large amount of arm twisting that is applied  
14 to them not to spend their budget.

15 MR. BARRY: Right.

16 MR. DIRCKS: What we have done now is to review  
17 the '82 in sort of total terms. I think it would be  
18 worthwhile now to turn to the details.

19 COMMISSIONER AHEARNE: Before you turn to that  
20 could I ask another question on a larger scale. Getting  
21 back to the supplemental budget request, we did file a  
22 supplemental budget request?

23 MR. DIRCKS: Yes.

24 COMMISSIONER AHEARNE: And that was for, if I read  
25 this accurately, \$17,400,000 and 38 people; is that correct?

1 MR. DIRCKS: Yes.

2 COMMISSIONER AHEARNE: That was primarily, as I  
3 recall ---

4 MR. DIRCKS: Forty-five people to do this work,  
5 yes.

6 COMMISSIONER AHEARNE: So that at least back in  
7 September we can concluded we would need around 25 people  
8 and close to \$17 million?

9 MR. DIRCKS: Right. That combined Research and  
10 NRR.

11 MR. BARRY: One thing though you must remember on  
12 that is that that \$17 million, except for the \$2.5 million  
13 for Denton, was predicated on the fact that somebody needed  
14 \$14.5 million worth of CRBR. Whether it was DOE or NRC, it  
15 was settled.

16 COMMISSIONER AHEARNE: Yes. Similarly I think on  
17 the 25, similar problems related to that.

18 MR. DIRCKS: Did you want to get into the '83/'84  
19 budget?

20 CHAIRMAN PALLADINO: Yes.

21 MR. DIRCKS: We can always come back to '82  
22 because it shows you where we are at the moment.

23 CHAIRMAN PALLADINO: This portion of the meeting  
24 then would be closed.

25 Why don't we take a couple minutes recess while we



1 close the meeting.

2 (Whereupon, at 11:45 a.m., the open portion of the  
3 meeting concluded.)

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NUCLEAR REGULATORY COMMISSION

This is to certify that the attached proceedings before the  
COMMISSION MEETING

in the matter of: PUBLIC MEETING - DISCUSSION OF THE BUDGET

Date of Proceeding: October 15, 1981

Docket Number: \_\_\_\_\_

Place of Proceeding: Washington, D. C.

were held as herein appears, and that this is the original transcript thereof for the file of the Commission.

Mary C. Simons

Official Reporter (Typed)

Mary C Simons

Official Reporter (Signature)