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D I S C L A I M E R

PUBLIC NOTICE
BY THE
UNITED STATES NUCLEAR REGULATORY COMMISSION'S

STAKEHOLDERS PUBLIC MEETINGS

OCTOBER 24, 1996

The contents of this transcript of the proceedings of the United States Nuclear Regulatory Commission's Advisory Committee of the Stakeholders Conference on October 24, 1996, as reported herein, is a record of the discussions recorded at the meeting held on the above date.

This transcript has not been reviewed, corrected and edited and it may contain inaccuracies.

1 UNITED STATES OF AMERICA

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3 NUCLEAR REGULATORY COMMISSION

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5 STRATEGIC ASSESSMENT AND REBASELINING

6 STAKEHOLDERS PUBLIC MEETINGS

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8 BUILDING PUBLIC TRUST & CONFIDENCE SESSION

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10 THURSDAY,

11 OCTOBER 24, 1996

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13 WASHINGTON, D.C.

14 The Building Public Trust and Confidence

15 Session was held in the Lincoln Ballroom of the Washington

16 Hilton and Towers at 1919 Connecticut Avenue, Northwest,

17 at 8:00 a.m., Chip Cameron, Special Liaison, Office of

18 General Counsel, NRC, presiding.

19 PRESENT:

20 CHIP CAMERON

21 DOUG BROOKMAN

22 JOHN W. CRAIG

23 JAMES L. MILHOAN

24 JESSE L. FUNCHES

25 JAMES JOHNSON

1 PRESENT: (Continued)

2 LAWRENCE J. CHANDLER

3 EDWARD L. JORDAN

4 STUART D. RUBIN

5 FRANK MIRAGLIA

6 KEN ALKEMA

7 JOHN CARTER

8 JUDITH JOHNSRVD

9 KATIE SWEENEY

10 TOM CRITES

11 DENNIS BECHTEL

12 JANE FLEMING

13 JIM RICCIO

14 ROY BROWN

15 CLAYTON HINNANT

16 RICHARD RATLIFF

17 DALE YEILDING

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

2 (8:17 a.m.)

3 MR. CAMERON: We're going to get started now,
4 everybody. Good morning and welcome to all of you to the
5 first Stakeholders meeting on the Nuclear Regulatory
6 Commission's strategic assessment process. My name is
7 Chip Cameron. I'm the special counsel for public liaison
8 in the Office of General Counsel at the NRC. And I and my
9 colleague, Doug Brookman, from Brookman, King Associates,
10 are going to be serving as your facilitators this morning
11 and for the rest of the meeting.

12 Before we get into the substantive parts of
13 our program, I'd just like to go over a few ground rules
14 and give you an idea of what the agenda is going to be
15 like for the next two days.

16 We really have a unique opportunity over the
17 next few days to discuss some fundamental issues related
18 to the NRC's mission with each other and to listen and
19 learn from one another. And as much as possible, I'd like
20 to encourage interaction between all of you, including the
21 NRC staff, on these issues. We're, of course, interested
22 in the positions that you may have on the various issues
23 that we're looking at, including the Commission's
24 preliminary choice of options on these issues.

25 But, the value of this type of public forum is

1 as a constructive exchange of information and ideas among
2 all of us. And Doug and I are going to try to assist all
3 of you in achieving that objective of constructive
4 interaction. But it really depends on all of you on how
5 successful we are in reaching that goal. And we encourage
6 discussion, not only between you, the audience, and the
7 NRC, but among all of you. And the NRC staff is here to
8 listen to your ideas, to your comments, and to provide
9 those ideas to the Commission for the Commission's use in
10 their final decision making on these strategic issues.
11 I wanted to suggest a few guidelines for us,
12 for use during the meetings. After the NRC presentations
13 on a particular issue, we're going to turn to you for
14 comment on that issue that's been discussed. If you want
15 to speak, raise your hand. We'll recognize you. Please
16 go up to a microphone. We also have these hand held mikes
17 and Doug and I will be going through the audience with
18 them, also, to try to help you out. State your name so
19 that the transcriber can get that for the record, and if
20 relevant, your affiliation, what organization you
21 represent.
22 There are also, I believe, if anybody does not
23 want to speak but does have a question, we will -- just
24 write a question and we'll also take questions through
25 that route. We would ask you to be courteous of the

1 person speaking and only have one person speaking at a
2 time.
3 We're focusing as much as possible on the four
4 questions that the Commission specifically requested
5 comment on. And we have those over there on a flip chart
6 for everybody. Basically, what, if any, important
7 considerations may have been omitted from the issues
8 paper? How accurate are the NRC's assumptions and
9 projections for internal and external factors that are
10 discussed int eh papers? Do the Commission's preliminary
11 views associated with each issue paper respond to the
12 current environment and challenges? And, last, the
13 Commission is seeking comments on specific questions
14 identified in the preliminary Commission view section of
15 each Commission paper.
16 We would ask you to try to be constructive.
17 Rather than just critique a particular option, we would
18 challenge you to try to come up with a solution to the
19 particular defect that you see in the issues paper. We
20 don't have unlimited time. I'm not going to set a
21 specific time limit on individual comments. But obviously
22 we may have to limit comments and I may have to ask you to
23 sum up your comments so that we can give other people an
24 opportunity to talk this morning.
25 And, I also recognize the need that we have to

1 equitably share the air time over the next two days among
2 the various stakeholder interests that are represented
3 here today. We have a lot of people from the industry.
4 We have some people from state governments. We have some
5 people representing citizen groups and environmental
6 groups. I want to give everybody a chance to at least
7 talk once, possibly more, during these sessions. We don't
8 have an overwhelming crowd so that I think we can allow
9 people to talk and to say what they want. But I may go
10 back to particular stakeholder interest, representatives
11 from those interests that are under represented so that we
12 can give them an adequate and equitable share of the
13 discussion time over the next two days. And I thank all
14 of you for your consideration in advance on this.
15 In terms of the agenda, I just wanted to just
16 go over that briefly so that you can get an idea of what
17 we're going to be talking about when. The opening session
18 this morning is going to be on the strategic assessment
19 process itself. And, we're going to talk about all phases
20 of the strategic assessment process, including the
21 preparation of the strategic plan.
22 After that opening session, we're, depending
23 on what time we get done, we are going to take a break
24 some time this morning and it may that it will be
25 appropriate to do that after the opening session. We'll

1 see how we're going with that. But, the first set of
2 substantive issues that we're going to be discussing this
3 morning, it's on your agenda from 9:15 to 11:30, is in the
4 strategic arena of building public trust and confidence.
5 And we're going to be talking about three direction
6 setting issues in that session.
7 After that, we're going to break for lunch.
8 And this afternoon we're going to have two concurrent
9 sessions. One is going to address the safe use and
10 handling of nuclear materials and you'll see the issues
11 papers that we're going to be discussing in that session.
12 The second concurrent session is going to address two
13 different topics. One are international issues and the
14 second is research issues. So, those will be concurrent
15 sessions.
16 Tomorrow, we're going to get started a 8:00
17 o'clock. The morning's session is going to focus on
18 nuclear reactors. And after lunch we're going to be
19 running, again, two concurrent sessions. One that looks
20 at nuclear waste and the second concurrent session is
21 going to be on managing NRC finances which will look at
22 fees and related issues.
23 Now, I just have a few housekeeping
24 announcements for you. There is a message board outside
25 across from the registration desk. There is a number of

1 ways to -- besides participating in this meeting, there
2 are a number of ways to give comments to the Commission on
3 the issues papers. Obviously, you can use -- you can
4 submit them electronically and in hard copy. But, we also
5 in the Georgetown West room we have a video camera if
6 you'd like to get yourself on film. I think we have a
7 special contingent that are going to be reviewing all the
8 video messages. But, there are also comment forms in the
9 back of the program that you got this morning where you
10 can write comments down. And there are boxes in the back
11 of this meeting room and all the meeting rooms where you
12 can put those comment forms in. If you need copies of the
13 strategic issues papers, they are also in the Georgetown
14 West room which I believe is two rooms down.
15 In terms of the presentations for each of the
16 sessions, the view graphs for those sessions will be in
17 the back of the room for that particular session.
18 And, with that, I guess I would just ask if
19 there are any questions or comments on the guidelines, the
20 agenda, any of the housekeeping items, before we go into a
21 description of the strategic assessment process?
22 Good. Well, we look forward to an interesting
23 two days. And again, we encourage you to be interactive
24 over the next two days.
25 And with that, we're going to go into the

1 strategic assessment process. And we have a panel. Our
2 first speaker is going to be Jim Milhoan, Deputy Executive
3 Director for Operations and also co-chair with Dr. Jim
4 Johnson of the Strategic Assessment Steering Committee.
5 We'll next go after Jim is done to John Craig
6 who is going to discuss phase II of the strategic
7 assessment process. John is the manager for phase II of
8 the strategic assessment process.
9 And, the last panelist this morning is Jesse
10 Funches who is Deputy Director of our controller's office
11 and he's going to talk about preparation of the strategic
12 plan.
13 So, with that, I will turn it over to Jim
14 Milhoan.
15 MR. MILHOAN: Thank you, Chip.
16 This morning I will attempt to discuss an
17 overview of the process that we've done in the strategic
18 assessment and rebaselining process. And I will also turn
19 it over to John Craig to discuss a little bit more the
20 phase II efforts and the stakeholder process. And, as
21 Chip said, Jesse will then discuss the strategic plan and
22 phase III, and activities in phase IV. But I will give
23 you a brief overview of the process that we followed to
24 date.
25 I think you recognize the environment in which

1 the NRC conducts its activities is rapidly changing is a
2 result of many influences. These include resource
3 constraints, changes in the industry that the NRC
4 regulates, and the potential for a new and revised mission
5 requirements. Also, in order to accomplish regulatory
6 effectiveness, the agency must continually reassess
7 changing technology, accumulated safety experience, and
8 improve assessment techniques for both the reactor and the
9 materials program. Only by being prepared for the
10 challenges of a changing environment will the agency
11 continue to keep its health and safety mission in sharp
12 focus.
13 With these challenges in mind, Chairman
14 Jackson established the strategic assessment and
15 rebaselining initiative. To oversee this activity, the
16 strategic assessment and rebaselining committee of senior
17 managers of the agency was formed. That steering
18 committee is made up of senior agency managers from the
19 program offices in the agency. As Chip said, Jim, myself,
20 and Jim Johnson from the Chairman's office were co-chairs
21 of the steering committee. Also on the steering
22 committee, and many steering committee members are here
23 today, were Karen Cyr, the general counsel, and Larry
24 Chandler assisted. Larry Chandler's assistant general
25 counsel in the General Counsel's office. Jesse Funches,

1 the deputy controller on the committee. Ed Halman from
2 admin, a senior manager in admin. Ed Jordan, director of
3 AEOD. Malcolm Knapp, Deputy Director of NMSS. Mo Levin,
4 Deputy Director of Information and Resources management
5 office. Jim McDermott, Deputy of the Office of Personnel.
6 Frank Miraglia, Deputy Director of NRR, now Acting
7 Director of NRR. Luis Reyes, Deputy Regional
8 Administration in Region III represented the regions on
9 this effort. Jack Silber from the Chairman's office was
10 also on it. Themis Speis, Deputy Director of the Office
11 of Research was on the steering committee. And we also
12 were assisted by a support staff. And I might be remiss,
13 also, Jim Shea from the Office of International Programs
14 was also on the support staff but also took a greater role
15 and was a sponsor for the international programs paper.
16 And you'll hear from Jim later in the day for his efforts.
17 But, we were assisted by that. We also had a
18 contractor, Public Strategies Group, to assist us in our
19 efforts. In addition to that, we had a large -- we had
20 considerable number of staff members who, in the phase II
21 effort, acted as writers of the issue papers we will
22 discuss throughout the day. And some of those writers are
23 also available.
24 (Slide change.)
25 I'll provide an overview of the four phases of

1 the project that we had. We had a four phase project and
2 I'll briefly discuss the four phases of the project and
3 those will go into a little greater detail in this
4 morning's session.
5 The first phase of the strategic assessment,
6 which was an assessment process, began in August of 1995.
7 The steering committee began with a bottom up approach for
8 assessing where the agency is today with an examination of
9 current NRC functions and activities. The steering
10 committee requested the staff to provide at the lowest
11 organization level each activity being presently performed
12 by the NRC as well as its basis. In other words, a
13 statute, a regulation, Commission guidance, what is the
14 basis for the activity being conducted. And also, the
15 offices were requested to describe the primary internal
16 and external factors that are expected to affect the
17 agency's performance of these activities in the future.
18 The staff assessment included approximately
19 4,500 activities which the steering committee reviewed to
20 thoroughly understand what the agency is doing, why the
21 agency is doing it, and what factors must need to be
22 considered in providing options or change. The steering
23 committee organized the activities by major functions in
24 lines of business. This was done to consolidate similar
25 activities and to render our assessment organizationally

1 neutral.

2 Based on this information, the steering

3 committee applied a top down strategic thinking to define

4 issues where resolution will influence the future

5 direction of the agency. After identifying the strategic

6 issues, the steering committee considered them in an

7 integrated fashion. First, the individual strategic

8 issues were arranged in logical groupings of related

9 issues. The groups were then examined to determine if a

10 predominant issue existed within each group.

11 The predominant issues are referred to as

12 directional setting issues because their resolution, taken

13 together, would establish the NRC's strategic direction

14 for the future. Resolution of the DSI's will provide the

15 strategy for the agency to meet its strategic vision and

16 goals. DSIs were developed into decision papers which are

17 referred to as issue papers and this was the phase I

18 process that we followed.

19 In phase II, which built on phase I, issue

20 papers were developed and the issue papers are intended to

21 provide broad direction -- to obtain broad direction from

22 the Commission. The issue papers described the background

23 of the issue, the internal and external factors the

24 Commission may wish to be aware of when considering

25 options for resolution of the issue. The issue papers

1 also provide the Commission with policy options related to
2 the issue.
3 It should be noted that Chairman Jackson
4 encouraged the steering committee to develop innovative
5 options that are not constrained by existing practices or
6 organization structure. Additionally, in some issue
7 papers certain options could be considered to be
8 extraordinary.
9 While the Commission is unlikely to select
10 these options, these options have been retained in the
11 issue papers to illustrate for the stakeholders the
12 breadth of options that were considered. Additionally, in
13 the preparation of the issue papers, the Commission
14 requested in developing a rich set of options that the
15 role of the steering committee was to do that. The
16 steering committee was not requested to provide a
17 preferred option to the Commission for its consideration.
18 Rather, our job was to develop a set of options for the
19 Commission to select its preliminary views from. So,
20 those are the Commission's preliminary views and not a set
21 of steering committee recommendations.
22 Feedback from NRC's various stakeholders
23 continue to be an important aspect of evaluating our
24 regulatory program. The primary goals in acquiring
25 stakeholder comments are to obtain views for Commission

1 consideration in reaching final decisions on the issue
2 papers and to determine whether the agency has omitted any
3 important consideration or issues.
4 And then, that leads us, really, into phase
5 III. In phase III, the strategic plan will be developed
6 from the agency's mission statement, strategic vision,
7 general goals, and the Commission's decisions on the issue
8 papers. The development of the strategic plan will be
9 guided by the requirements contained in the Government
10 Performance and Results Act of 1993. The strategic plan
11 will be the agency's tool for setting priorities in
12 allocating resources consistent with the vision and goals
13 of the agency. Then we lead into phase IV.
14 Phase IV is the implementation phase and will
15 begin as soon as the Commission makes its final decisions
16 on the issue papers. The implementation phase includes
17 implementing the Commission's decisions based on the issue
18 papers, generating Commission papers to resolve related
19 strategic issues, and complying with the Commission
20 guidance based on the strategic plan.
21 The implementation phase will also include
22 development of a frame work that allows for updating of
23 the strategic plan and for integrating the strategic plan
24 into the budget process, performance monitoring, and
25 recording processes, and the process for develop of future

1 Commission decisions.

2 At this time, I'd like John Craig to discuss

3 further the phase II process that we're now in.

4 John.

5 MR. CRAIG: Good morning and welcome to the

6 first external stakeholder meeting.

7 Jim has talked a little bit about phase II and

8 I'll try and give you some more insight into just what

9 happened in phase II.

10 There are two, in my mind, milestones for

11 Phase II. The first one was a completion of the issue

12 papers so that the Commission could define its preliminary

13 views. The second milestone is to conduct a series of

14 interactions with internal and external stakeholders to

15 get stakeholder comments and responses on the issue

16 papers, the preliminary views, the factors that are

17 contained in those issue papers. And we hope to get your

18 comments and views on each one of those over the next two

19 days.

20 As Jim said, phase II started with a large

21 number of staff members working on issue papers. We broke

22 out into think tanks which were brainstorming sessions to

23 talk about various options for each one of the issue

24 papers. And some of the options that are in the issue

25 papers you may think are a little extraordinary but we

1 tried to stimulate discussion of options that were out of
2 the box and outside the norm of the considerations that we
3 would use to choose an option. So, we tried to eliminate
4 the choosing of an option and separate that, and try to
5 define a spectrum of options. And by doing that, then we
6 got a lot of good discussion about various factors
7 associated with implementing different options.
8 So, as you see, some of the issue papers, it's
9 not intended to be the only options in an issue paper,
10 rather, to define a broad set of options and a number of
11 the Commission's views in fact reflect choosing bits and
12 pieces of different options and things in the middle.
13 We started with the direction setting issues
14 from Phase I, conducted the think tanks, defined options
15 for each one of the issue papers, and then broke out off
16 into groups to write the various issue papers. There are
17 16. There were initially 24. As the Commission reviewed
18 the 24 issue papers, they made a determination that some
19 of them could be combined with others. Some of the issue
20 papers related to issues that are more appropriately
21 addressed after the decisions are made concerning the
22 first 16. And the next two slides I'll run through the
23 various issue papers, the 16.
24 The strategic planning and frame work document
25 grouped the issue papers in strategic arenas. And that's

1 a little bit of an artificial grouping. Some of the issue
2 papers, risk-informed performance-based regulation,
3 clearly cuts across all office activities. There are
4 others -- issue papers that cut across different offices.
5 So, there's not a clean, neat right or wrong way to break
6 the issue papers up. But by grouping them in strategic
7 arenas, it helped think about them in the same context.
8 And that's the grouping we've used for the external
9 stakeholder conferences.
10 The third other key document associated with
11 strategic assessment documents is a stakeholder
12 involvement process paper. And quite simply, that's the
13 paper that tells people how to give us comments and how to
14 get copies of the various issue papers. We've made an
15 extensive effort to make these documents available to both
16 the public and the staff. They're available on the
17 Internet. They're available on FedWorld. They're in
18 public document rooms. We had a lot of requests for them
19 and we can tell by looking at the number of times the
20 papers have been accessed on the Internet that they're
21 receiving large numbers of people looking at them. And
22 they're all available.
23 And as Chip said, the issue papers, and the
24 other two documents, are available two rooms down.
25 This is -- Phase II represents a unique

1 process for the NRC, from my perspective. It's the first
2 time, I think, the Commission has gone out and solicited
3 comments from the public and the staff before it's made
4 final decisions. I mean, we have the rulemaking process
5 that most of you are familiar with and that's well
6 defined. But, to seek comments to this extent during the
7 process is somewhat unique and it's an opportunity for all
8 stakeholders to comment on the preliminary views.
9 Following the assembly of the -- and review of
10 stakeholder comments, the Commission will make final
11 decisions on the issue papers. And as Jim Milhoan said,
12 those are going to be used in the development of the
13 strategic plan. So, by holding the meetings with
14 stakeholders, by providing access to the documents and
15 soliciting comments, we're really getting the stakeholders
16 to help us as we prepare our strategic plan.
17 (Slide change.)
18 The next two slides list the titles to for
19 each one of the 16 DSIs that we're going to discuss overt
20 the next two days. I'm not going to read them all to you.
21 I'm sure you're familiar with them. The one point that I
22 want to make is that the ones that were combined with
23 other DSIs, there were a couple that were combined into
24 12, Risk-informed, performance-based. That we had some
25 DSIs on staffing and organization. Those DSIs will be

1 addressed after the strategic plan is developed.

2 (Slide change.)

3 We've already completed a series of meetings

4 with the NRC staff, both in Washington and in each one of

5 the regional offices, and had some rather interesting

6 discussions. And one of the responses that we got was a

7 little bit of surprise that the staff was being asked

8 their individual comments on these kinds of issues at this

9 point in the process. And as I said, that uniqueness, I

10 think, represents really a recognition -- not the

11 uniqueness but the questions represent the realization,

12 the recognition, that this is a different process. We're

13 trying to interact and communicate with our stakeholders

14 in a very different way.

15 We have three more external meetings planned.

16 Two more, I'm sorry. This one, today and tomorrow, one at

17 Colorado Springs next week, and the first week in November

18 we're going to be in Chicago with the same agenda and with

19 the same basic discussion.

20 I'll spend just a couple of minutes talking

21 about the review of comments. The comment period closes

22 November the 15th. We're going to collate and review all

23 the comments that we've gotten. These meetings are going

24 to be transcribed. Chip mentioned the comment forms.

25 We're getting comments via the Internet and E-mail. All

1 of the comments are going to be reviewed. They're going
2 to be assembled in something we're calling a stakeholder
3 interaction report. There will be a brief analysis of the
4 comments. We'll try and identify those we think the
5 Commission should pay particular attention to as it makes
6 final decisions, and, provide the Commission with copies
7 of all the comments. The transcripts and hard copies from
8 the electronic comments that we've gotten and copies of
9 the comment forms that are filled out.
10 The interaction report will be available to
11 everybody, internal and external stakeholders. We intend
12 to put it up on the Internet and it will be available in
13 the public document room.
14 So, that's a brief overview of where we are in
15 Phase II. The next significant milestone in the strategic
16 assessment rebaselining initiative will be the development
17 of the strategic plan. And Jesse Funches will talk about
18 that for a minute.
19 MR. FUNCHES: One of the key outputs of the
20 strategic assessment and rebaselining will be an NRC
21 strategic plan. As Jim and John have been talking about
22 earlier, the Phase I and Phase II efforts will provide the
23 foundation for that plan. Another important input to the
24 plan will be the comments that we receive from the
25 stakeholders meetings such as the one we're having today

1 and the written comments. So, those comments will be an
2 important component of the Commission package for
3 decision.
4 We see the strategic plan as a document that
5 sets the direction for the NRC for the next five to ten
6 years. We expect that document to be relatively short, on
7 the order of 30 to 40 pages. It would include first thing
8 is a mission which basically explains the purpose of the
9 NRC provision, that explains where we want to be in the
10 future, a set of principles, goals and objectives, and
11 strategies that we expect to develop along the lines of
12 the arenas that have been mentioned earlier. In
13 developing those strategies, the Commission's preliminary
14 views and final views, and the issue papers plus the
15 comments, are going to be an important component of that.
16 As Jim mentioned earlier, we are also required
17 to meet the requirements of the Government Performance and
18 Results Act. In summary, what that act requires is that
19 we do have a strategic plan for the purpose that I
20 mentioned earlier. We also are required to have a
21 performance plan that would be integrated with the budget
22 which would have performance goals on an annual basis and
23 performance measures to go with those goals. And lastly,
24 we would be required to have a performance report.
25 The strategic plan is we are -- we expect to

1 have completed in time to drive this year, fiscal year
2 1999's budget and performance plan. And both the
3 strategic plan along with the budget and performance plan
4 will be submitted to OMB and Congress in September of next
5 year.
6 We don't see the strategic plan as being
7 static. We will have a process in place that we will
8 periodically update the strategic plan, looking at the
9 external environment, internal environment, to see how
10 those environments are changing and adjusting our
11 strategies to be consistent with those. We do expect the
12 strategic plan will be a public document. And, as always,
13 input comes in from the public on that document, we will
14 be considering those in the update.
15 The last part of the Phase IV of the strategic
16 assessment and rebaselining, as Jim mentioned, is the
17 implementation. We do know one known output -- one known
18 requirement will be a budget and the performance plan that
19 I mentioned earlier. Other implementation, activities,
20 and action will be determine as decisions are being made
21 on the strategic plan and the issue papers.
22 (Slide change.)
23 And I think this may help, also, as we look at
24 the issue papers and decision. What we see the strategic
25 plan as being, as I mentioned earlier, is a brief document

1 to guide our program and resource decisions on all levels
2 of the agency. It would not specify what those programs
3 are, or activities we would perform, or the resource
4 levels that we would have. But, it will guide our
5 decisions on those aspects.
6 It would delineate our important goals and
7 objectives for the agency. It would be agency-wide goals.
8 Not individual organization unit goals but those goals
9 that we will be striving to achieve as an agency. And as
10 I mentioned earlier, it will be a living document
11 periodically updated based on changes in the environment
12 and other factors that might come to light. Or whether if
13 a strategy is not working the way we would like it to
14 work, we obviously would adjust those strategies.
15 It is not a budget nor is it a detailed
16 tactical plan, nor will you see or we expect to list the
17 agency activities. Or will it explicitly cover all agency
18 activities. But it will provide a frame work for making
19 decisions about all agency activities.
20 With that, that's all I have. I turn it back
21 over to Chip.
22 MR. CAMERON: Thank you very much, Jesse.
23 Before we turn to all of you out there, there
24 is just a, I guess, a couple of things that I would
25 highlight for you.

1 As John mentioned, the comment period closes
2 November 15th. WE do have two more stakeholder meetings.
3 One in Colorado Springs and one in Chicago, and if you
4 need information on that, we have information.
5 On that, the meeting, this meeting, the other
6 stakeholder meetings, will be transcribed and the
7 transcripts from these meetings will, I believe, be
8 available on the Internet as part of the stakeholder
9 interaction report. So, it will all be there for you.
10 And, finally, I guess that one other item that
11 should be mention is that the Commission has been assisted
12 in the stakeholder -- or, in the strategic assessment
13 process by the Public Strategies Group out of Minnesota.
14 And Steve Struthers is here from PSG today.
15 And I guess that we'll go to you for any
16 questions or comments that you might have on the process
17 itself.
18 Does anybody have a question or a comment on
19 the process?
20 Yes? Go ahead. That's great.
21 MR. ALKEMA: Yes. On the process --
22 MR. CAMERON: And could you give your name and
23 affiliation, please, sir? Thank you.
24 MR. ALKEMA: Yes. My name's Ken Alkema. I'm
25 with Envirocare of Utah.

1 And the question I had is, many of the options
2 that are contained within a lot of the issue papers talk
3 about options that cannot currently be implemented by the
4 Commission. They require significant statutory changes.
5 And I wondered how -- I got the impression as you talked
6 this morning that many of the things normally in a process
7 before the Commission takes action, this wouldn't
8 necessarily have to occur. But it seems like on those
9 kinds of issues the Commission really isn't the body
10 that's going to be making those decisions. It's going to
11 be someone else. And I wondered how those particular
12 options were going to be considered and moved forward?
13 MR. CAMERON: That's a good question.
14 Jim, would you like to handle that?
15 MR. MILHOAN: First of all, yes, I think I'd
16 like to, Chris.
17 First of all, with respect to that, if the
18 Commission -- these are broad direction setting issues.
19 If the Commission were to select other than what it had in
20 its preliminary views and options in which legislation was
21 required, obviously we would prepare proposed legislation
22 which would go forward.
23 If we have -- and that would go through,
24 obviously, a legislative process of its own which is a
25 normal course of action and that would be noted.

1 For other parts of the views, if they were
2 selecting views and which required changes to the
3 regulation itself, obviously those regulation changes
4 would go through a review and comment period and changes
5 to our own regulations. So, there would be other public
6 involvement in our normal regulation review and
7 development process. So, in the implementation details,
8 obviously there would be opportunity for other public
9 involvement. Right now we're dealing with very broad
10 directional setting issues which implementation details
11 would have to follow.
12 MR. ALKEMA: Thank you. Appreciate it.
13 MR. CAMERON: Anybody else with a question or
14 a comment about the process? I think it was important
15 that Jim underlined the fact that some of these options,
16 if they do require changes to the Commission's
17 regulations, then -- or the development of a policy
18 statement, that the ordinary, and in some cases the
19 additional, public participation processes would be
20 followed for those policies or rules.
21 That's great. Everybody understands the
22 strategic assessment process. So let's -- why don't we
23 get -- since we are on time, why don't we get our next
24 panel up here to begin a discussion on the first set of
25 substantive issues in the first arena. And I believe it's

1 going to be Larry, Larry Chandler, Ed Jordan.

2 And we are getting the papers for everybody so

3 that we'll give you a couple of minutes here so that those

4 will be available for you while the presentations are

5 being made.

6 MR. MILHOAN: I think, Chip -- what Chip said

7 was we're placing slides -- For each session, we will have

8 slides. Our presenters will be operating off slides and

9 we're making those slides available prior to each session

10 in the back of the room so that you can obtain copies of

11 the slides and follow the slides through the presentation.

12 MR. CAMERON: Okay. We're going to get

13 started again. We will take a break after the first paper

14 in this session which is going to be presented by Larry

15 Chandler of the Office of General Counsel. It's paper

16 #14, Public Communications Initiatives. What I would plan

17 to do during this discussion this morning is to have the

18 NRC presentation of the issue paper, and then we will have

19 discussion on that issue paper. Then we'll go to the next

20 issue paper and have discussion and then to the last issue

21 paper and have discussion. But we will be taking a break

22 after Larry's presentation. There is coffee available.

23 Doctor Johnsrud will be glad to hear that. Right? So

24 let's turn it over to Larry for a presentation on

25 Direction Setting Issue #14.

1 MR. CHANDLER: Thank you, Chip. It is perhaps
2 just a bit of irony. My subject is going to be public
3 communication. I'm just several days past a bout of
4 laryngitis, so if I fade, please bear with me and
5 certainly my laryngitis will kick in if I don't like any
6 of the comments I hear.
7 Some of the comments that we've received
8 suggest that even the language we've used in the papers,
9 the issue papers that we've written have been excessively
10 bureaucratic. I think somebody even suggested that we've
11 adhered too rigidly to the adage that in mining for gold
12 one has to sift through three tons of muck and mire before
13 one gets that one ounce of gold. But public
14 communications is an area in which the agency has been
15 working for many years to improve its abilities to inform
16 and correspond with the public, and I mean the public in a
17 very, very large sense.
18 The DSI's name should be indicative of the way
19 in which we're approaching the issue. The DSI 14 suggests
20 What approach should the NRC take to optimize its
21 communication with the public and, in fact, is a subsumed
22 issue which deals with increasing the level of knowledge
23 of the public. It recognizes, I think, in the statement
24 of the issues the fact that the agency has a long history
25 of effort to communicate and inform the public, but at

1 this stage we need to focus our efforts, perhaps better
2 integrate our efforts, perhaps better focus on the most
3 efficient and most economic ways in which we can
4 correspond and communicate with the public so that the
5 public, again in its very broadest sense, understands what
6 we're about and we can appreciate better what the views
7 and perspectives of the public are.
8 The business of nuclear regulation is, after
9 all, the public's business. It must be transacted
10 publicly, it must be transacted openly if we're to have
11 any credibility at all with the public and, again, public
12 in the very, very broadest sense. Our actions and the
13 bases for our actions must be available. They must be
14 understood, they must be articulated as clearly as
15 possible.
16 Historically, the Commission itself has
17 conducted its meetings in the open. Even before the
18 Sunshine Act, Commission meetings were frequently if not
19 routinely open to the public. Licensing and enforcement
20 proceedings, formal adjudicatory proceedings, have been
21 open to the public and the public at those proceedings has
22 had the opportunity to participate as well as simply to
23 come, attend, and observe.
24 We maintain public local document rooms near
25 facilities, particularly in connection with the reactor

1 sites, so that the public has access to relevant documents
2 and information. We maintain a public document room
3 downtown, a central public document room in Washington,
4 D.C. We have maintained an Office of Public Affairs to
5 assure that the public is kept informed, that the media,
6 all types of media, are kept informed. We've increased
7 the abilities and the range of options for communicating
8 through the Office of Public Affairs as technology has
9 advanced.
10 Activities are maintained through the Office
11 of Public Affairs with schools that we have programs,
12 cooperative arrangements with schools through which
13 employees go out and speak to students. We have consumer
14 groups that we interact with and local civic associations
15 before whom many NRC employees speak, both in headquarters
16 and on a regional level.
17 There's an Office of Congressional Affairs.
18 The Office of Congressional Affairs maintains liaison with
19 Congress, both in connection with congressional oversight
20 activities and congressional legislative activities. The
21 agency has long had a process. It's known as the 2.206
22 process perhaps. But it's one by which any member of the
23 public can request the initiation of enforcement actions
24 related to any license facility for pretty much any
25 reason. All those requests require a somewhat ritualized

1 or formalized process in which the views are considered,
2 assessed, and in 2.206 a formal decision is issued by the
3 director of the relevant program office. It's a published
4 decision. That process, as many of you know, has recently
5 been enhanced to make it more meaningful hopefully to both
6 the staff and the individual making the request as well as
7 the public at large. There's more interaction provided
8 for.
9 In addition, of course, to these formal types
10 of actions, the agency regularly and very frequently
11 corresponds with members of the public who simply write
12 in, correspond, and raise questions. And, of course,
13 we've maintained an allegation management system for any
14 number of years, very recently establishing a position of
15 Agency Allegation Advisor to coordinate all of the
16 agency's allegation review processes. Sure, it receives
17 appropriate attention.
18 As I started to indicate, some of the steps
19 that I've just described are required by law. There's no
20 question the Sunshine Act requires that public meetings be
21 conducted or that most meetings be conducted in the
22 public, open to the public. The Atomic Energy Act and the
23 Administrative Procedure Act have their own requirements
24 for public disclosure and public access to information.
25 Public hearings are required. The Freedom of Information

1 Act requires that agencies publish certain information in
2 *The Federal Register* and make available to the public for
3 inspection and copying agency records through the Privacy
4 Act. It's legislation such as the Federal Advisory
5 Committee Act which also requires that certain meetings be
6 open.
7 And, of course, there's been recent
8 legislation such as the Paperwork Reduction Act of '95 and
9 the Information Technology Management Reform Act of '96.
10 That's the legislation that requires the establishment of
11 a Chief Information Officer at the NRC which clearly will
12 affect the way in which the agency communicates with the
13 public, the way in which information is made available to
14 the public access to it. You have OMB Circular A-130, a
15 recent administration directive which also has bearing on
16 public access to communication.
17 And, in addition to those things, those which
18 are required by law, the agency itself has gone beyond
19 those steps. Historically, it has and it continues to do
20 so. It maintains, for example, public liaison and
21 outreach efforts. Chip Cameron here has been responsible
22 for many of those outreach efforts. The 2.206 process is
23 one that's really not mandated by law. There's now a
24 regulation that codifies it, but it was a step that the
25 Commission took on its own initiative some years ago to

1 provide this avenue.

2 Earlier this year, the Commission, in response

3 really to some administration interest in I think it was

4 the '93 time frame, the Commission in January of '96

5 issued a report of public responsiveness. As many of you

6 know, in 1993 the administration, I think through Vice

7 President Gore, had sort of challenged agencies to look

8 into the way in which they respond to the public. The

9 Commission did an assessment of its activities as a

10 document which is NUREG/BR-0199 issued January '96

11 entitled Responsiveness to the Public and it outlines many

12 of the steps the Commission takes, is taking, and will

13 take to improve its interactions with the public.

14 The Commission publishes many public brochures

15 so that the public is informed of what is available and

16 how they can access information. There's a Citizen's

17 Guide to U.S. Nuclear Regulatory Commission Information.

18 In April of 1996, the Director of the Office of Public

19 Affairs published a brochure on public involvement in the

20 regulatory process which are available to the public,

21 explain the processes and options and opportunities

22 available for public interaction.

23 And while we've done a great deal historically

24 and will continue to do so in response to experiences

25 we've had, there are some things that have suggested and

1 caused the Steering Committee to look further into how we
2 can, as I said at the outset, optimize what we're doing.
3 What we're doing today tends to be diffused throughout the
4 agency and perhaps it requires some better integration.
5 We've seen increased use of Internet and e-mail. It
6 certainly raises new opportunities not previously tapped
7 or tapped as far as they perhaps could be.
8 I mentioned some of the earlier legislative
9 and administration initiatives. OMB Circular A-130, for
10 example, requires that certain steps be taken to optimize
11 access and consider efficiencies and effectiveness of
12 communications with the public. The Information
13 Technology Management Reform Act and the creation of the
14 CIO, Paperwork Reduction Act of 1995. We've had recent
15 experiences. Again, Chip Cameron was involved in the
16 enhanced participatory rulemaking. We've used a process
17 called RULENET, an electronic medium for conducting a
18 rulemaking process in connection with fire protection
19 requirements. There's been increased use of citizen
20 boards and groups in connection with site decommissioning
21 activities.
22 At the same time, we also are keenly aware of
23 some of our less successful moments such as, for example,
24 the efforts in below regulatory concern in the early 1990
25 time frame. Not really a landmark of success for the

1 Commission.

2 The Steering Committee suggested a number of
3 options. First, we suggested that an approach would be
4 simply to continue the direction we were headed in.
5 That's not stagnation. That doesn't mean things would
6 come to a halt. Progress certainly would be made. There
7 would be innovative steps taken to enhance the processes
8 that were being used to communicate with the public. All
9 legally mandated measures would continue to be taken.
10 Improvements would be made. But it would be a much more
11 evolutionary process. It would be reactive, which is the
12 way in which, as a practical matter, the Commission has
13 responded to these areas.

14 We added to that as a sort of a variation, we
15 tended to call it Option IA, which was to continue with
16 the existing approach but be more attentive to issues such
17 as effectiveness and efficiency in the way in which we
18 conduct our communication activities. We considered as
19 yet another option ways to better anticipate what
20 interests and concerns the public may have. More of a
21 direct early involvement with the public so that we're
22 better able to respond and anticipate the concerns that
23 may be out there, anticipate the areas of interest and
24 information needs, and provide for them at the front end
25 of the process.

1 It would also encourage the use of less formal
2 types of procedures. It would encourage the use of other
3 than adversarial procedures for dispute resolution.
4 Informal dispute resolution procedures, for example.
5 Increased public outreach, increased public liaison
6 efforts. And finally, as a third option, we considered
7 whether greater priority should be placed on what I would
8 refer to as educational steps. Affirmative action to go
9 out and actually educate the public. Inform them of what
10 we're all about, how we go about doing business. We have
11 seen that on a very large scale the public may not fully
12 understand what we are about. Our historic approach has
13 been to respond to questions. Wait for them to come in.
14 Under Option 3, we'd be more aggressively pursuing the
15 public to inform them of how we go about doing our
16 business.
17 If I could have the next slide. The
18 Commission then in its preliminary views as a general
19 proposition supported the approach that I sort of
20 described as our second option, namely to give greater
21 priority to the early identification of public concerns.
22 I think it's very notable and very significant in this
23 context that the Commission was very adamant in insisting
24 that the term public be given its very widest definition.
25 It's to include public citizens, interest groups,

1 licensees, states, media, the Congress, the executive
2 branch, and the international community.
3 In addition, the Commission also as a
4 preliminary view directed that we take account of the
5 effectiveness and economies associated with our
6 communication programs. As I mentioned earlier, they
7 tended to be diffused throughout the agency. They're not
8 particularly well-integrated. Perhaps that will change
9 with the advent of the Chief Information Officer, but
10 certainly it's something that will be receiving greater
11 consideration if this is the direction the Commission
12 tends to head under this direction setting issue.
13 We also will be giving greater consideration
14 to the economies and efficiencies associated with the
15 methodologies, the media that we use to communicate. As I
16 mentioned, we're using e-mail more frequently. We're
17 using Internet more frequently. Bulletin boards, RULENET.
18 Those types of processes may or may not be the most
19 effective way of corresponding and communicating with the
20 public, either in reaction and response to the public or
21 proactively in advance to inform and involve the public.
22 But what we perhaps need to be doing is better thinking
23 how we can best on each matter communicate with the public
24 to make the use of our very limited resources more
25 efficient and effective.

1 Chip, with that, I will turn it back to you.

2 MR. CAMERON: Thank you, Larry. Let's go out

3 to you in the audience for comments on this particular

4 issue of increasing public communication. Larry covered a

5 lot of ground, presented a lot of ideas. Does anybody

6 have a comment, question on public communication at this

7 point?

8 MR. CARTER: My name is John Carter and I'm

9 with the law firm Carter and Hernman. I was just

10 wondering what was done in the Phase I process to include

11 stakeholder comments or if there was any scoping done with

12 stakeholders to help identify the process or issues that

13 have been essentially proscribed now?

14 MR. CHANDLER: The Phase I process did not

15 include stakeholder involvement except for in which we

16 might broadly refer to as internal stakeholders in the

17 following sense. I think it was described earlier by John

18 Craig and Jim Milhoan. The Phase I process started with

19 an accumulation of the activities that were performed

20 within the agency and to accomplish that we solicited the

21 input literally of all employees within the NRC to

22 determine what functions were being performed and why they

23 were being performed, the bases, either the legal bases

24 derived from the statute regulation or Commission

25 directive or whatever. After those were compiled, we

1 developed lines of business and functional areas from
2 those. But again, this was an internal process under the
3 auspices of the Steering Committee with the support of the
4 NRC staff.
5 MR. CARTER: It just seems that perhaps the
6 entire process is perhaps proscribed by the NRC itself due
7 to the fact that stakeholder involvement was not included
8 in that Phase I process of issue identification, process
9 identification, and the fact that there currently wasn't
10 any scoping done with stakeholders.
11 MR. CARTER: That's in fact one of the issues
12 that we're asking for comment on. The question is, have
13 we omitted issues. That's exactly what we're asking for
14 input. In the Phase I, bear in mind, as I say, in terms
15 of identifying the activities, it was thought best to go
16 to the NRC staff, they being the ones that were actually
17 performing the activity. What then flowed was the process
18 of developing issues. We try to be as broad and creative
19 in response to the gentleman who had asked the question
20 earlier about legislative types of options. We try to be
21 creative and not limit it to those which were necessarily
22 implementable under our existing authority but more
23 broadly whether there were desirable ways of approaching
24 it, even if it meant seeking legislation.
25 In part of this process now, the stakeholder

1 process now, we are actively encouraging everyone to
2 contribute to the process by suggesting areas. We try to
3 be inclusive but now we'd like to know are there things
4 that we have missed.
5 MR. CAMERON: And I think that perhaps the
6 point of the question for people to think about is what
7 can the NRC do in terms of the strategic
8 assessment/strategic planning process in the future to
9 increase stakeholder involvement and perhaps if we have
10 some time before we break this morning, we may come back
11 to you and to other people for suggestions along those
12 lines.
13 I guess the other thing I would just clarify
14 is that when we talk about stakeholders, we're talking
15 about all of the subgroups that make up the public. The
16 emphasis here is on public interaction. The general
17 public, but also citizen groups, industry, government,
18 tribal interests, whatever.
19 Judy, we're going to give you a chance to
20 think for just a couple more minutes and go over to this
21 side.
22 MR. RATLIFF: Richard Ratliff representing the
23 Organization of Agreement States. As you know, there are
24 29 agreement states with the Nuclear Regulatory Commission
25 and the Organization of Agreement States represents these

1 29 states and their collective views. In reviewing DSI
2 14, we can not totally concur with the views of Option 2.
3 We feel the best approach would be a combination of Option
4 2 and 3. Option 2 is directed towards helping NRC make
5 informed decisions that are accepted by the public whereas
6 Option 3 increases efforts to inform the general public
7 and the media about NRC.
8 By combining both, there is flexibility to
9 identify and address public concerns, offer diverse public
10 outreach activities in publications the general public and
11 the media need to know and offer the facilitated meetings,
12 electronic conferences and video conferences necessary to
13 provide information that licensees and agreement states
14 demand and that the public and the media are interested
15 in. The content of any information disseminated by NRC
16 should be beneficial to all parties.
17 Combining Option 2 and 3 to anticipate,
18 involve, and conduct general public outreach, NRC will
19 have an interactive approach that helps participants
20 understand each other's views and helps NRC progress
21 towards informed decisions and at the same time will
22 provide information to the public that helps them
23 understand the regulatory process, NRC's decisions and, in
24 fact, basic radiation in general.
25 Thank you.

1 MR. CHANDLER: Thank you. That's very
2 helpful. We had given some thought to that. We recognize
3 in certain respects the attractiveness of some of what
4 you're suggesting. It was balanced in some respects by
5 some of the thoughts that we are in fact achieving,
6 hopefully achieving some of that through increased
7 outreach efforts under the existing process, even
8 enhancing that a bit under the second option, as well. I
9 appreciate that view. Thank you.
10 MR. CAMERON: Okay. Doctor Johnsrud.
11 MS. JOHNSRUD: Judith Johnsrud from
12 Pennsylvania. There are two or three comments that I
13 think are related, Larry. The 2.206 process is available,
14 but the word I get from environmental groups around the
15 country and citizen organizations is that it just don't
16 work. I hear a very strong desire for a legal capability
17 to citizen suits comparable with the provisions that apply
18 to EPA, and I certainly would encourage that a lot of --
19 although it may seem that this increases the adversarial
20 relationship, I think in fact that availability to make
21 use of the courts of law would greatly enhance a sense of
22 potential for effective involvement on the part of the
23 public. One 2.206 after another gets denied, and the
24 attitude of the citizen groups is well, it may be there
25 but it's useless.

1 The second point relates to both the delight
2 that the Commission has gone cyber for us and that
3 documents are appearing on the Internet, but I would like
4 to caution that by so doing I anticipate and I think I'm
5 beginning to see a decline in opportunity for the
6 availability of hard copy for those who may not be hooked
7 into the Net, the shortening of turnaround response time
8 because of the great speed with which communication can
9 take place electronically.
10 Third and perhaps this is most troubling of
11 all, that we've had a lot of trouble with environmental
12 justice questions. The President has certainly tried to
13 improve that situation, but it is a very real one. I
14 sometimes meet with people at potential sites or existing
15 sites who very frankly have a lot of trouble reading the
16 English language, not to mention the fact that they can't
17 afford several thousand dollars worth of PCs. This
18 becomes a significant factor, and I think that it is, at
19 least in part, correctable. But in moving toward more
20 expedient means of communication, I urge the Commission
21 not to lose sight of those who are old fashioned enough to
22 use slow mail and maybe even write by hand.
23 MR. CAMERON: Thank you very much, Judy.
24 Larry, did you want to comment on any of that?
25 MR. CHANDLER: Just a quick observation. The

1 2.206 process that's now sort of regularized in one of the
2 NRC's internal management directives -- I think it's 8.11-
3 - is fairly recently revised. A number of years back it
4 was recognized that it was certainly a high level of
5 frustration on the part of the public in filing 2.206s and
6 a perception, either valid or not depending on your
7 perspective, of whether they were just routinely denied
8 out of hand. The process now hopefully becomes a bit more
9 user friendly. It requires greater interaction between
10 the staff and the individual who writes in under 2.206 and
11 makes the request on a periodic basis so that at least if
12 the staff is unable to come to resolution in a very prompt
13 way, the individual is kept informed of progress on the
14 issue and knows what's happening.
15 There are occasions in which informal hearings
16 can be conducted and the word hearing I use sort of
17 loosely and emphasize the informal aspect of it. We're
18 hopeful the process will work in that sense just from a
19 procedural standpoint in better assuring the public that
20 their views are being considered.
21 We're also trying to do something -- and
22 again, we might see it differently. When we review
23 2.206s, we're trying to better characterize what, in fact,
24 the staff has done and so now you'll find, I think, more
25 decisions which indicate that the requests have been

1 granted, at least in part. What we're simply doing in
2 those cases is recognizing that the staff has effectively
3 accomplished what the individual has requested although it
4 hasn't gone the full nine yards necessarily and agreed
5 with the initiation of a formal enforcement action. For
6 example, it's very often that requests come in saying the
7 licensee has to analyze X, Y and Z and you ought to shut
8 down the operation.
9 Well, in fact, in order to respond to it, the
10 staff will request information or the licensee itself may
11 in response because they are public documents, may
12 undertake the very analyses that have been requested and
13 certainly to that extent it's fair to say that the request
14 has been granted although the ultimate relief may be
15 denied. So the decisions are trying to be, I think, more
16 forthright -- you may see it differently -- more
17 forthright in the way in which they approach the subject.
18 I agree on some of the other subjects. It's a
19 very difficult balance to strike, Judy, in dealing with
20 the electronic media, and we recognize that there are
21 limitations on people's availability. There are people
22 who just don't like technology, whether they can afford it
23 or not, and would just as soon receive a hard copy and not
24 get bleary eyed. It's certainly better than reading
25 microfiche. It's prettier than reading microfiche, but it

1 can be as offensive to people, too, and we do need to
2 strike a balance.
3 MR. CAMERON: Let's focus a little bit on
4 Judy's suggestion on the citizen suit. Larry, clarify
5 this if you need to, but I take it that that would be one
6 of those suggestions that would fall into that group of
7 suggestions that are in the issues paper that would
8 require some type of legislation --
9 MR. CHANDLER: Yes.
10 MR. CAMERON: -- to implement. There's also
11 discussion of the citizen suit provision in Directed
12 Strategic Issues Paper No. 2 on that issue. But how about
13 anybody else out there. Anybody like to comment on the
14 citizen suit suggestion that Judy made? Okay. Well,
15 let's go on to other people. Do we have other comments on
16 public communication? Yes.
17 MS. SWEENEY: Katie Sweeney, National Mining.
18 I was just curious how the public was made aware of these
19 issue papers. Was the October 7th notice in *The Federal*
20 *Register* the first *Federal Register* announcement that
21 these papers were available?
22 MR. CAMERON: Okay. This is a question that
23 seems related to the first question that we had about
24 public involvement in the strategic assessment process.
25 John Craig.

1 MR. CRAIG: There have been a series of
2 announcements in *The Federal Register*. Mid-September was
3 the first one. We've also had a number of press releases
4 go out concerning meeting the availability of the
5 documents. We've had direct mailings with various groups.
6 MS. SWEENEY: Do you have the date of the
7 September *Federal Register* notice because I must have
8 missed that one. I went back and looked yesterday. It
9 was the 16th?
10 MR. CRAIG: I want to say 15-16, right in that
11 time frame.
12 MR. CHANDLER: It's around the 16th, John.
13 MS. SWEENEY: Okay.
14 MR. CAMERON: Did we get a specific answer to
15 that? For the record, *The Federal Register* notice was?
16 MR. CRAIG: I believe the first one was the
17 16th.
18 MR. CAMERON: Of September.
19 MR. CRAIG: Yes.
20 MR. CAMERON: Okay.
21 MS. SWEENEY: Thanks.
22 MR. CAMERON: Yes.
23 MR. KRITZ: Tom Kritz, Lawrence Livermore
24 International Lab. At the conclusion of this process,
25 will there be a public comment document that records the

1 comments made and the resolution of those comments?

2 MR. CAMERON: Yes. I'll let John Craig answer

3 that. I believe that there will be. Perhaps this is also

4 a good time to hear from anybody who has any suggestions

5 about how public involvement in the strategic

6 assessment/strategic planning process from this point out

7 might be enhanced. John.

8 MR. CRAIG: As I mentioned earlier, we're

9 going to compile a document we refer to as a Stakeholder

10 Interaction Report. Right now, it looks to us like it's

11 going to be two documents, one which will be a summary

12 organized by direction setting issue paper, and the other

13 document or the other volume will be a compilation of the

14 transcripts from the meetings. We'll have hard copies

15 from all the public comments that we've gotten via the

16 Internet, internal NRC people give them to us

17 electronically, as well as copies of the forms that we're

18 going to collect at all the public meetings. So all of

19 the comments will be available.

20 The other part of your question addressed

21 resolution of the comments, and as you may know, when we

22 issue comments for rulemaking, we have a rather exhaustive

23 effort that goes through to address comments, each one.

24 We don't envision doing that for these comments for two

25 reasons. One, we're going to try and give the comments to

1 the Commission so they can make final decisions and we're
2 going to highlight those which bear directly on the
3 decision as opposed to those which may be related to
4 implementation details. The staff as they develop after
5 the Commission makes a final decision, as they begin to
6 implement it, then those comments will be available to the
7 staff to consider during implementation. But in order to
8 prepare the strategic plan in early '97, we just don't
9 have time to go through and respond to each one of the
10 comments individually the way we've done as part of the
11 rulemaking process.
12 MR. KRITZ: Thank you.
13 MR. CAMERON: Any other comments on further
14 public involvement in the strategic assessment process or
15 public communications generally?
16 MR. BECHTEL: My name is Dennis Bechtel. I'm
17 with Clark County, Nevada. This was mentioned that public
18 notification was through *The Federal Register*. I think if
19 you really want public involvement, I think you're going
20 to have to go beyond that. Not much of the public really
21 reads *The Federal Register*. I'm working on the Yucca
22 Mountain program right now and I found out about this
23 meeting by accident. I just happened to be back here. I
24 don't know how many folks here are actually representing
25 the public, but I think you're going to have to be a

1 little more innovative if you want public involvement.
2 Newspaper advertisements or things like that may work.
3 That's the comment I had.
4 MR. CAMERON: That's a helpful comment. I,
5 for one, of course, read *The Federal Register* every day
6 with my coffee. The Commission has used a variety of
7 notification methods, and perhaps you're right. There
8 could have been others. But I think NMSS newsletter and
9 other office newsletters I think provided notice to
10 licensees and many folks who are on the mailing list of
11 the availability of this. It's been on Internet, as well.
12 I guess you had to come to the NRC home page to find that
13 out, but I think it is noticed there.
14 MR. CRAIG: I wanted to add to the response to
15 the question and clarify an earlier answer because I've
16 got the correct answer. The first *Federal Register* notice
17 was in October. The September 16th was the first press
18 release that was issued. So we have issued a series of
19 press releases about the strategic assessment initiative
20 as well as the availability of documents and the public
21 meetings. About a week before each one of these meetings,
22 we'll have additional press releases. In addition to
23 that, as I've indicated, we sent out mailings to over
24 2,000 individuals and groups, a number of public interest
25 groups, state groups, industry groups, and we've noticed

1 in their newsletters that they have a discussion of the
2 strategic assessment rebaselining initiative, the public
3 meetings, what we're doing and so there's a real shadow
4 effect.
5 But you're right. As we try to figure out
6 ways or identify ways to contact the public as a whole,
7 that presents some real difficulties as the lady mentioned
8 a minute ago. A lot of people aren't up on the Net and,
9 unlike Larry, I don't read *The Federal Register* every day
10 with my coffee. So it is hard to get the word out, but
11 working the regional offices and our public affairs
12 officers, I think, as we mentioned earlier, this is sort
13 of the unique opportunity. We've made a very concerted
14 effort to try and get the word out. But I agree it's an
15 area we can work on.
16 MR. CAMERON: This is related to another issue
17 that was at the heart of the issue paper, I think, at the
18 terms of the unevenness of implementation of public
19 communications strategies throughout the Commission. One
20 of the options talked about, I believe, institutional
21 changes that could perhaps correct that. I wondered,
22 Danny, if you have any comments or suggestions about
23 institutional mechanisms that the NRC might use to
24 increase public communication or to make sure that it's
25 more uniform throughout the agency. Go ahead.

1 MR. CARTER: John Carter again. I've had a
2 lot of dealings with the Department of Energy and I think
3 over the course of the last three or four years through
4 their clean-up program primarily and the Office of
5 Environmental Management they've done a lot of work in
6 this field of stakeholder communication and stakeholder
7 involvement and they've developed under Tom Grumley the
8 Environmental Management Advisory Board which is a
9 stakeholder committee made up of environmentalists,
10 members of the public, state representatives and others
11 who sit, as he used to call it, as his board of directors
12 to advise him on public involvement and stakeholder
13 issues.
14 I'm not aware of the NRC having anything like
15 that, but that is one kind of institutional mechanism that
16 the NRC, if it's serious about meaningful stakeholder
17 involvement at an early stage of the participatory
18 process, they might be interested in looking at.
19 And then just a follow-up. I asked the
20 question earlier about stakeholder involvement in the
21 early stages and now I'll simply make a comment that I do
22 think the NRC should have involved the public in a more
23 meaningful way and earlier on in the process and a lot of
24 these questions, I think, that you're hearing now you may
25 not have heard about. Well, we only heard about this a

1 few weeks ago. If the public had been involved in some
2 scoping, as is done under NEPA in the development of EISs
3 or some type of public outreach process that we're looking
4 at strategic planning, we'd like your input, we'd like
5 your involvement in developing a process and helping to
6 identify the issues. I think there would have been more
7 of a participatory sense among those kind of on the
8 outside of the NRC. Thank you.
9 MR. CAMERON: Thank you for that suggestion.
10 We do have several advisory committees that focus on
11 relatively discreet issues within the agency but nothing
12 such as the advisory board that you suggested, and I'd
13 like to hear other people's comments about the
14 feasibility, the efficacy of such an advisory board.
15 Judy, to you have a comment on that?
16 MS. JOHNSRUD: Okay. Let me tell you, Chip.
17 A number of environmentalists that I work with said they
18 really didn't want to be here because it's called a
19 stakeholder meeting and that takes us to your mention,
20 Larry, of the increasing use of reg. neg. approaches.
21 There is a deep concern among the public that these
22 processes that bring a few of us who either have the time
23 or are paid to be here really serve to close out the
24 public, and we're seeing it across the board. We're
25 seeing it at the state level.

1 As for the advisory groups, they really are
2 kind of an extension of the same thing. They can be good.
3 They can be very useful, but if they're just kind of held
4 closely rather than really having a broad public
5 involvement and representation.
6 There's another point. I drove down on my own
7 dollars and whatever, and it's costly. People don't have
8 the time and they don't have the money. It doesn't mean
9 they don't want to participate, and I think that this is
10 an area where the Commission, along with other federal
11 agencies, maybe should ask Mr. Gore if he is around next
12 year to work a little on how really to get more segments
13 of the public very much more involved.
14 Moreover, I will say this. I kind of
15 overheard a comment from someone from another agency
16 saying, Oh, we got our little advisory group together and
17 now we're going to be able to use that site and bring all
18 sorts of unpleasant things to it. If that's really what
19 that particular agency is doing, it will very quickly
20 destroy even more the credibility of your agency.
21 MR. CAMERON: Thank you, Judy, and I hope that
22 whatever the results of the election are that Mr. Gore
23 will still be around next year, at least his family
24 probably hopes that at any rate. But I think your point
25 is well taken that the use of advisory groups, the use of

1 workshops with invited participants, that they do have to
2 be truly representative of all the interests involved and
3 they also have to be public.
4 Do we have some follow-up on these issues from
5 anybody? Yes, Jane.
6 MS. FLEMING: I'm Jane Fleming. For some of
7 the people here, they know I have enjoyed the full
8 spectrum of public participation in one way or another, no
9 matter what. Many of my experiences in being a member,
10 pure member of the public and speaking to what Judy said
11 about expense, I will guarantee you this is the most
12 expensive hobby I ever could have thought of. But as a
13 pure member of the public, I have enjoyed the full
14 spectrum of this. Many of my experiences with the NRC
15 have been extremely causative, many have been extremely
16 negative and everything in between.
17 One of the experiences that Larry, you had
18 mentioned, speaking to the 2.206 process. I have used
19 that process a few times. I have complaints with it. I
20 also have positive remarks about it. What Larry brought
21 forth is the fact that when using the process, even though
22 almost always there is a denial at the end of the process,
23 through the actual use of the process, the public can
24 bring forth issues, have a far more formal and in-depth
25 look at those issues and be assured of the fact that okay,

1 I'm not going to get a yes at the end of the process but
2 at least there will be improvement along the way. It's
3 usually that subtle goal I am after.
4 But within the process in my most recent use
5 of the process, I think -- and this is maybe my ego
6 speaking-- I think it was one of my earlier 2.206 and the
7 relationship I had developed with Jim Partlow that helped
8 bring about the independent review or the reviewer, a lead
9 reviewer. Independent is where I'm leading to. I think
10 within the 2.206 process, what I have found is the major
11 flaw is when people bring forth an issue, they're asking
12 the NRC to go back and review that issue. I think it is
13 absolutely instrumental and necessary that the NRC assign
14 an independent reviewer. Asking the man who is the lead
15 man in the NRC's original look or oversight of the issue,
16 then making that same person the lead to review his own
17 work is almost asking for the impossible. A man is not
18 going to go back, review his own work, and say, Gee, I did
19 a bad job. He's not going to go to his superiors and say,
20 Hey, I didn't do my job right. It's a very unfair
21 position for that man or woman, and it's also very unfair
22 to the petitioner in the issue. It needs an independent
23 review.
24 One other issue I'd like to raise on the 2.206
25 process and it's actually how I use the process which

1 isn't quite right. The major 2.206s I have presented have
2 actually been requests to NRC to go back and review their
3 procedures. I am not out looking for shut it down. I'm
4 really not looking to affect a license unless the NRC's
5 own review of their own work realizes something was
6 missing and they should affect a license. There isn't
7 anything within the NRC that really aroused me to go in
8 and say, Look, NRC, I've reviewed this work you've done
9 and I think you failed in your own process or you made
10 mistakes in your own process. There isn't anything that I
11 can say, Gee, I want to bring this to the attention of the
12 NRC. It will receive an independent review from XYZ
13 section. They will look at how the NRC participated in
14 its own process, whether it's the licensing process,
15 whether it's review of a task force, whether it's a review
16 of emergency planning. I think these are issues that have
17 to step into a whole new world. How does the NRC review
18 themselves in the processes they have been going through?
19 MR. CAMERON: And I think that's probably
20 related to an issue that is discussed in the paper on
21 regulatory excellence which is going to be the third paper
22 this morning, so I think that --
23 MS. FLEMING: It does touch on it.
24 MR. CAMERON: -- we should revisit that there
25 also. Larry, do you have any comments on Jane's

1 suggestions?

2 MR. CHANDLER: Although Jane and I have not

3 met, in the past I've had the pleasure of looking at a

4 number of her documents over the years.

5 MS. JOHNSRUD: Lucky man.

6 MR. CHANDLER: And I know from what she speaks

7 in terms of her requests for independent reviews of the

8 way in which the agency has done business in the area of

9 emergency planning. We're faced with some realities.

10 That is, we have a finite staff and a finite level of

11 expertise within the agency that can be brought to bear on

12 questions. The 2.206 process is really not geared to

13 that. It is geared rather to seeking enforcement action

14 regarding a particular licensee, but I think at the same

15 time any request that we do receive for sort of an

16 introspective look at the way in which we've done our

17 piece of the thing, whatever the thing may be, any

18 correspondence and questions raised are responded to and

19 they're taken very, very seriously. They do receive a

20 great deal of attention.

21 We may have to agree at some point to disagree

22 on issues. I'm not suggesting you on that but just as a

23 general proposition. But we do look and take very

24 seriously the suggestions from any member of the public

25 that some part of our process is flawed, some part of a

1 generic review has been flawed. Certainly if people have
2 suggestions for improvements, they are received and
3 responded to and appreciated. If you've got something of
4 a more formal level, say in the nature of a suggestion for
5 rulemaking, I think you're aware of the rulemaking process
6 which is available to the members of the public also by
7 which change can be affected in the way in which we do
8 business. We do get requests.
9 One person who comes to mind and I've met this
10 person just once, Susan Hyatt. I don't know that I'd
11 recognize her today, but she's with a citizen's group in
12 Ohio and she's very active and she's used the rulemaking
13 process and other processes on any number of occasions to
14 seek change in the way in which we do business. It is
15 used by citizens, by citizen groups, as well as by
16 licensees and the Commission itself to have things
17 changed.
18 MS. FLEMING: If I could just make one last
19 statement. As you were talking, it brought it to mind.
20 Judy mentioned this, too. I have found oftentimes, and
21 this is almost getting into that forbidden word,
22 personalities and what not, but as soon as you went into a
23 2.206 process, you do enter into and there's almost a get
24 your hair up stand off guard. It's adversarial no matter
25 how friendly you try to make it. It becomes adversarial,

1 and that's a real problem. That's a problem that does
2 exist within the culture of the NRC that I hope we see
3 sliding away from a little, but it does exist and it
4 exists on the public side, too. I'm not putting all the
5 blame there. The public is equally as adversarial in many
6 positions.
7 MR. CHANDLER: I appreciate, I respect your
8 point of view on that, and I hope it changes, at least to
9 that extent.
10 MR. CAMERON: We have to wrap up here shortly,
11 but we've heard some constructive suggestions on a number
12 of issues. Going back to 2.206, there are people in the
13 room who are interested in the 2.206 process, either from
14 the perspective of filing a petition or from an individual
15 licensee perspective of having their particular facility
16 or whatever be the subject of a 2.206 petition. Does
17 anybody from whatever perspective have any comments on
18 Jane's proposal for an independent review and is it clear
19 what that issue is all about? Jim.
20 MR. RICCIO: Hi. My name is Jim Riccio. I'm
21 with Public Citizen. I participated in the 2.206 review
22 years ago. It was at that point in time when Mr. Partlow
23 said basically that there was a problem with basically
24 having to go back to the people who had the expertise, and
25 we recognize that as a problem. The only thing is if you

1 don't allow for independent review, as Jane says, you're
2 going to get people who automatically become defensive.
3 There's also the problem of there are times in
4 the very recent past where we've had problems with
5 basically the agency not doing its job, and there is no
6 mechanism other than going to the Inspector General, who
7 is basically flooded at this point, to get those issues
8 addressed. I think there's a definite need for some
9 avenue where the public can access the agency as well as
10 having an opportunity to comment on something that might
11 be going on within the industry.
12 MR. CAMERON: I think there's a hint of
13 institutional mechanism of some type of an institutional
14 change there. I don't know. An ombudsman, a public
15 advocate or something like that that seems to be tied into
16 these suggestions.
17 Any further comments on this whole issue?
18 Okay. Well, thank you for being concise and also for
19 being constructive. Let's take a break and be back here
20 at 10:15 and we're going to have Ed Jordan talking to us
21 about the next issue.
22 (Off the record for a 23 minute break at 10:04
23 a.m.)
24 MR. CAMERON: Okay, if we could just,
25 everybody could take their seats, we're going to get

1 started on the next paper.

2 (Pause.)

3 Okay, before we turn to Ed Jordan, who is

4 going to talk about the paper on the role of the industry,

5 I would just mention one thing to think about. I don't

6 know if we have time to discuss this later on or tomorrow,

7 but in terms of the public, the communications paper,

8 there was an option that had a heavy emphasis on public

9 education which is sort of an interesting subject. We

10 really didn't get a chance to get into that too much.

11 Richard Ratliff from the Organization of Agreement States

12 talked a little bit about combining options 2 and 3, but

13 just think about the public education issue when you're

14 thinking about your comments. And secondly, I would ask

15 Jim Milhoan to straighten out some serious Commission

16 personnel matters for us.

17 (Laughter.)

18 MR. MILHOAN: Thank you very much, Chip. I

19 did note that I got some comments during the break about

20 my notification that Luis Reyes has on his geographical

21 move to Region III and it was the first time that he had

22 heard that so --

23 (Laughter.)

24 So I would like to correct the record. Luis

25 will still be DRA in Region II and that he has not had a

1 geographical move because of this meeting yet.

2 (Laughter.)

3 But I did want to correct that standpoint for

4 the place where Luis is at the present time.

5 MR. CHANDLER: Chip, before you resume, if I

6 could add one comment to the observation you just made in

7 soliciting further comment, particularly on the

8 educational aspect.

9 What are the thoughts that people would focus

10 on in going to comment from that perspective? What are

11 the thoughts that the steering committee gave in its

12 consideration? Was the aspect of whether getting too

13 involved in educational process had some perhaps negative

14 connotations in terms of the Agency's role as a regulatory

15 agency as distinct or as opposed to an agency which had

16 some promotional kind of role, trying to draw lines

17 between informing and educating the public about that

18 which we as regulators do versus coming across as someone

19 who is advocating the view that nuclear energy or the use

20 of nuclear materials is a good thing? In other words, the

21 need to maintain a neutrality in the process and

22 objectivity at arm's length in our prospective

23 responsibilities. That was one of the thoughts that was

24 factored in and you might want to consider it as well.

25 MR. CAMERON: Thank you, Larry. That, I

1 think, is the essence of the issue there. So thank you
2 for providing that clarification. Maybe we will have a
3 chance to discuss this issue later, but let's go to Ed
4 Jordan for the paper on the role of the industry.
5 Ed is the Director of our Office of AEOD and
6 I'm going to perhaps let him explain what that is.
7 (Laughter.)
8 MR. JORDAN: It's difficult even for me
9 sometimes. It's the Office for Analysis and Evaluation of
10 Operational Data. It was generally at Three Mile Island
11 Outgrowth Office that is to do an independent assessment
12 of operating experience and convey that experience both to
13 the industry and to the public and to the NRC to try to
14 cause or be assured that lessons of experience didn't get
15 missed.
16 This strategic assessment has been a very
17 interesting experience. We've gone through a lot of
18 material and we've had extensive interactions within
19 ourselves and I think it is really about time to have
20 interactions with industry and the public.
21 The DSI that I'll talk about, 13, is the
22 briefing of it is informing its regulatory
23 responsibilities, what consideration should NRC give to
24 industry activities and it's obvious that that particular
25 direction setting issue cuts across all of the regulatory

1 activities the Agency has with respect to materials, fuel
2 facilities, reactors and of course, affects the public
3 since if there is a shift in the role between the NRC and
4 the regulated, then the public needs to understand that.
5 And I would say first of all, there has been a shift.
6 It's been a continual change that's evolved over time, I
7 think in a very interesting way, but it's evolved in that
8 manner absent an overall or explicit policy by the NRC.
9 It has been one of opportunity, one in which where the
10 industry has made a proposal and the NRC has embraced it
11 within the statutory limits, then it has occurred. Where
12 there has been an interaction with the NRC and the
13 industry over a particular problem and there has been
14 evolved additional effort on the part of the industry,
15 that has been the outcome.
16 That balance and interface is different across
17 each of the licensed activities that the NRC deals with
18 and it's also different within programs. So the
19 opportunity here is there something that the NRC should do
20 in a more overt fashion or a more structured and organized
21 way to make that role clear, more consistent.
22 There's some external factors that are also
23 involved in this and I would give a brief summary and then
24 I'll talk about each one of them. Certainly the NRC
25 budget is tightened. Congress, the OMB is reducing our

1 budget. Our FTE ceiling limit is coming down each year.
2 So resources are constrained as they are in industry.
3 Industry is also tightening its belt and faces efforts to
4 make things more efficient. The NRC also has that
5 pressure.
6 We have a desire to move towards performance-
7 based risk-informed regulations and so how does one do
8 that in the context of the ratio of regulatory activities
9 by the NRC versus the industry?
10 I think inherent in that is the issue of if
11 one shifts that ratio, if one changes the interactions and
12 interface that we have, how do we both insure the public
13 health and safety and maintain the public trust? There
14 would be a problem if NRC suddenly ceased to exist and the
15 industry self-regulated. Clearly, there would be a
16 problem in the area of the public trust. And so I think
17 we have to look at each of those aspects.
18 In the slide that we're looking at now, there
19 is a concern, of course, about features that legislation
20 clearly requires and I'll give an example. The licensing
21 activities is something that the legislation requires. It
22 would require a change in legislation to transfer that
23 responsibility and in large measure to the licensed
24 organizations. There is a potential conflict of interests
25 on the part of industry in doing self-oversight. These

1 are conflicts that are both real and in some cases
2 perceived conflicts that we all have to be conscious of.
3 There is certainly an issue of assuring the public access
4 to information if the industry had a larger role in
5 regulating itself, a necessary feature of that larger role
6 is the continued access to the information associated with
7 that activity to the public.
8 There have been substantial improvements in
9 the safety performance of the power reactor segment of the
10 regulated industry and these are seen through the
11 performance indicators, the frequency of arrival of
12 transients, the safety system actuations, the personnel
13 exposure per plant and so on. So those are clear,
14 demonstrable improvements, reductions in risk and those
15 are I would say measurable. We have greater difficulty
16 measuring trends in some of the other licensed and
17 regulated activities, but certainly improvement and
18 performance is a basis for considering a reduction in the
19 level of regulation.
20 The effects of economic -- and then looking
21 further forward, the effects of economic competition on
22 decisions, of licensee decisions, there is the concern
23 that economic pressure would cause licensed activities to
24 be less conservative and therefore one would worry about
25 transferring further responsibility based on those

1 aspects. Next slide.

2 Certainly the regulated industry has concerns

3 over the impact of regulatory activities, increased

4 regulation in the area of course affects economics and

5 with respect to that activity and a stable process is one

6 that is one of the principles of good regulation. Codes

7 and standards development, now we're -- the speakers here

8 are to identify the options and when we develop these

9 papers the options were not to have a bias or a prejudice

10 associated with them and I'll have to show my prejudice a

11 little bit with regards to this codes or standards

12 development. This is an area that I personally believe is

13 worthy of consideration and the Commission, in fact, of

14 their preliminary decision agrees. This is an investment

15 that the industry makes and the sense is that there may be

16 a need for increased investment or certainly maintaining

17 this investment since if one goes to a less prescriptive

18 regulatory framework, risk-informed performance-based then

19 the existence of industry and current well-maintained

20 industry guides, codes and standards is a real backbone

21 for such a transition.

22 The declining resources of the NRC challenge

23 our ability to implement a revised framework so one, in

24 order to make a change, you have to invest and then reap

25 the rewards subsequent so in making a big effort in this

1 direction, we recognize that it would be a cost the NRC,
2 it would also be a cost to the industry to reap the
3 benefits in the later years.
4 Next page, please. There were five options
5 that were proposed in the paper and the options were
6 perhaps oversimplified but the first was simply continue
7 the current program which is an evolutionary program; as
8 opportunities arise, if the regulator sees that the
9 industry identifies that we would respond and negotiate
10 and work out an appropriate interface.
11 The next option was to more aggressively on
12 the part of the NRC cause an expansion of the role of
13 industry. The third was increase the accreditation and
14 certification. The fourth is increase the interaction
15 with industry and professional groups and this is on the
16 codes and standards that I mentioned and then the last was
17 a designated industry representative and you can leave
18 that slide up and I'll talk about each one a little bit.
19 The first, to continue the current level of
20 effort, it would be unfair to say that that effort is not
21 considerable. It is. The operator licensing examination
22 program for reactors has certainly evolved and there has
23 been a significant transfer and a benefit both to the
24 regulator and the regulated in that area.
25 Standard technical specifications for power

1 reactors is an area that both the regulator and regulated
2 are interactive and having a more consistent set of
3 technical specifications for plants that have a basis that
4 is ascribed with less emphasis on the value in the tech
5 spec and more emphasis on the basis so that neither the
6 NRC nor the regulated have to make so many changes to the
7 technical specifications in time. It's been a beneficial
8 effort.
9 The ability for the industry for power
10 reactors to make minor changes in quality assurance
11 emergency planning and security planning without
12 submitting to the NRC is a mutual benefit. We have had
13 substantial, I think, success with self-assessments by
14 utilities and the NRC then reviewing the self-assessment
15 that was conducted as opposed to doing a separate NRC
16 review with large resources. I would identify
17 considerations for credit by the NRC for the American
18 Society for Nondestructive testing for certifying
19 radiographers and in consideration for the rule change
20 that would provide for increased credit there.
21 The issues associated with that option are
22 that the NRC costs would slowly, continually decrease,
23 that the licensee workload associated with self-regulation
24 would slowly, gradually increase as would the reliance on
25 industry and the effect on the credibility to the public

1 is generally unchanged, legislation would not be required
2 and licensee performance is not expected to be directly
3 affected.
4 The second option is the aggressive or
5 expansion of the industry's role in inspection and
6 performance monitoring and there it would be a cost that
7 would initially increase. There would be an investment up
8 front and it would cause an investment on the part of the
9 industry and there is a question of the credibility of the
10 NRC to the public, whether there would be a decline in
11 that one would anticipate there may be.
12 There may be instances where legislative
13 action be required for such actions. The third option was
14 increase the accreditation of licensee activities and this
15 is qualified industry groups, professional societies that
16 would provide this accreditation process and the cost and
17 the issues are much the same as the previous option.
18 The fourth option is the cooperation of
19 industry groups and this would be the aggressive
20 regulation by the NRC, development of codes and standards
21 and guidance and NRC endorsement. This would be costly up
22 front for the NRC to make this promulgation occur and then
23 a subsequent decease in costs. The industry workload
24 would increase and would be expected to be higher with of
25 course the lesser impact from the regulations themselves

1 for the regulated, by the regulated.

2 I do not expect legislation to be required and

3 I would expect that performance would improve. This is, I

4 think, one of the attractive features of that particular

5 option.

6 The last option is a designated industry

7 representative and this is a representative or

8 representatives of industry that would be authorized by

9 the NRC to conduct NRC-like functions and this would be

10 oversight functions for complex or specialized activities.

11 And this would once again be somewhat expensive up front

12 for the NRC, but then a decrease and there may be an

13 effect on the NRC's credibility. There would be

14 legislation required in some areas perhaps, but there may

15 be benefits in actual performance, based on a greater buy-

16 in by the regulated organizations.

17 Could I have the next slide, please? The

18 preliminary views of the Commission were, I would say it's

19 sort of a combination of option 1 and option 2. Option 1

20 was to continue doing what we were doing. This says apply

21 Option 1 but move this as expeditiously as possible within

22 budget constraints. So it's One Plus is maybe the way to

23 put it.

24 The Commission proposed that the staff would

25 develop -- evaluate on a case-by-case basis initiatives

1 that are offered by the industry and it further indicated
2 that we should develop guidance in criteria for evaluating
3 those proposals so that there would be a more consistent
4 basis for the staff acceptance. And the other option --
5 next slide, please -- would be to increase our emphasis
6 and focus on interacting with industry, professional
7 societies and technical institutes to develop new codes
8 and standards. And of course I have to smile, because I
9 really like that one.
10 There at the initial activities should focus
11 on the standards development in PRA and medical use area.
12 So that was direction in the preliminary decision that the
13 Commission would give to the staff.
14 And it also went on to suggest that the staff
15 should identify areas where there are needs for new code
16 standards and guides and to provide recommendations for
17 areas of emphasis. So that's the summary, the overview of
18 this direction-setting issue and I'd like to open it up
19 for questions and comments from this assembled group.
20 MR. CAMERON: Does he have one more?
21 MR. JORDAN: All right, put up the last slide.
22 (Laughter.)
23 MR. CAMERON: He thought he could get away
24 with it.
25 (Laughter.)

1 MR. JORDAN: It's a good try. The Commission
2 did advise the staff that although they didn't at this
3 point adopt the designated industry representative in
4 their preliminary decisions, that they were still
5 interested, that they felt that there may be some
6 potential use for this area and so it would be -- the
7 staff would be urged to examine it and come back to the
8 Commission at some later date. So it was -- there may be
9 some comments on whether you feel that the designated
10 representative approach has benefits.
11 MR. CAMERON: Just for clarification,
12 particularly because it's something that you're very
13 supportive of, it is in the issues paper and I think most
14 people know how this works, but could you just briefly
15 give a description of how the consensus standards process
16 works, how that relates to NRC rule making? I think that
17 might be useful information for the further discussion of
18 this.
19 MR. JORDAN: The NRC and industry and
20 particularly in the power reactor area, have enjoyed over
21 the years, I think, a very useful productive interaction
22 on codes and standards and I would give the ASME Section
23 11 and Section 3 as being a marvelous example where very
24 well written strongly supportive code by a professional
25 society and across the industry is then the basis for the

1 NRC not to write more prescriptive rules and provide
2 requirements of its own. We endorse through regulatory
3 guides and through rules those codes and standards. There
4 is a range of I'll say guidance documents, codes and
5 standards that some of them are obligatory, some parts of
6 codes are obligatory and are therefore requirements and
7 some parts are merely guidance to good practices and the
8 NRC has found those to be especially useful. The idea
9 that those evolve with time, that as experience is
10 obtained and inspection with regards to section 11 of
11 components systems and piping, that what we learn is then
12 fed back into a code revision that is periodically
13 updated. That's a very healthy scheme. It's a perfect
14 way to work. The U.S. has had leadership over the years
15 in the code process. If you look internationally, the
16 U.S. is losing that leadership that some of our foreign
17 friends are, in fact, promulgating on codes and standards
18 for wider areas than the U.S. presently applies them, so
19 that's part of my personal view of why this is a very
20 interesting area.
21 MR. CAMERON: Okay, thank you. Thank you, Ed.
22 Do we have some comments, questions on regulatory
23 excellence and keep in mind these focus questions,
24 accuracy of assumptions, anything important that was
25 omitted from the report or from the issues paper that

1 might influence what strategic direction the Commission
2 might move towards?
3 Yes. Richard, we have one over here, so just
4 hold on one second. Go ahead.
5 MR. CRITES: Tom Crites, Gaithersburg. I'm
6 familiar with the standards process that has been used by
7 NRC drawing upon the industry, but I believe there's a
8 potential for conflict of interest as industry
9 participates so closely in writing standards that are
10 incorporated into rules and I'm curious that you don't
11 mention greater reliance on the national laboratories for
12 assistance in this area.
13 MR. JORDAN: Okay, we certainly believe that
14 the national labs through direct contracts with the NRC
15 and technical support provide advice to the NRC technical
16 staff on the various technical issues and the national lab
17 process for supporting codes and standards. The National
18 Institute of Testing is clearly a part of it so I did
19 understate that. Good point.
20 MR. CAMERON: Do you have a further suggestion
21 on how the national labs might be involved in this other
22 than the role that Ed just described?
23 MR. CRITES: Not specifically. There was an
24 illusion in the legislation that divided up the AEC into
25 NRC and eventually DOE of continued reliance by both

1 agencies or the national laboratories of the resource. I
2 see at the Department of Energy very heavily relying on
3 them because they are their primary contractors, but I
4 don't see quite that same involvement from NRC.
5 I'm curious. It looks like a continuation
6 here of not valuing those.
7 MR. CAMERON: And that's an accurate
8 characterization of the legislation. An illusion, is that
9 what you called it?
10 (Laughter.)
11 Okay, Richard?
12 MR. RATLIFF: Richard Ratliff, representing
13 the Organization of Agreement States. Of all the options,
14 we favor option 4. We feel that this is the best approach
15 for involving industry and maintaining credibility still
16 with the public. Several states have successfully
17 implemented programs to get active participation in the
18 professional groups and the public in rule making
19 activities. Meeting and interacting on a regular basis
20 with professional societies and groups such as the health
21 physicists and medical physicists and others, including
22 public and people that we regulate to get their input and
23 resolve specific regulatory issues have been very
24 successful. Several states actually put on regulatory
25 conferences where they invite the general public, all the

1 people they regulate to come and tell them if they're
2 doing bad, how can they improve it? If they're doing
3 good, how can they make it even better? So I think that
4 interaction on a local level where you involve people
5 really is beneficial.
6 We think in some cases expanded self-
7 assessments, maybe coupled with longer inspection
8 intervals. In fact, sometimes what we've done in areas
9 like gauging, devices where states usually have shorter
10 intervals and even in four years or five years it's still
11 a desirable interval of actually NRC process is sending
12 our self-assessment forms for the people who remember they
13 do have the devices and they do check them before they
14 have a five year inspection. We think these types of
15 areas will work. We really, however, feel that it would
16 difficult to have industry groups self-policing themselves
17 without significant changes in the present regulatory
18 structure and culture.
19 MR. CAMERON: Okay, thank you, Richard. I
20 assume that by Option 4 you're talking about increased
21 interaction with industry and professional groups?
22 MR. RATLIFF: Correct.
23 MR. CAMERON: And when you say self-policing,
24 are you referring to that concept broadly or are you
25 referring to the designated representative concept

1 specifically?

2 MR. RATLIFF: I think it's a combination of

3 both, Chip, because we really feel that there are certain

4 areas that if you don't have regulatory oversight you'll

5 have problems and will bring us out even more in DSI 2

6 with DOE and things we feel that need to be done there.

7 MR. CAMERON: Okay. Thank you. Do we have

8 some further comments?

9 Roy?

10 MR. BROWN: Roy Brown. I'm Chairman of the

11 Council on Radionuclides and Radiopharmaceuticals, CORAR.

12 CORAR would like to see a combination of these options.

13 We feel there's some benefit in 2, 3 and 4, with option 2

14 expanding the role of industry. We feel there's a great

15 deal of expertise now out in the industry and that can be

16 taken advantage of by the NRC.

17 Option 3, we also feel has some applicability

18 here. We would like to see the accreditation programs

19 expanded. Right now the accreditation program that most

20 affects our industry is the NVLAP program on dosimetry.

21 We feel that's been very, very effective and that's been a

22 program set up outside of NRC. We feel that dosimetry

23 results now are much, much better than before in NVLAP

24 before dosimetry was put into place.

25 Also, we feel option 4 has some potential. We

1 feel the industry can offer some support in developing
2 standards and guidance and codes.
3 MR. CAMERON: Okay, thank you, Roy. One, I
4 guess one thing I'd like to put on the floor for
5 clarification is Ed described the Commission's option as
6 sort of a One Plus. In other words, to be prepared for
7 expanding the role of industry on a case by case basis and
8 I guess for the benefit of all of us, could Ed or I think
9 Richard did give some examples, Roy, anybody talk about
10 what types of case by case examples might there be where
11 the industry would be more involved and keying on
12 something else you said at the beginning of your
13 presentation, Ed, about making sure that the public isn't
14 sort of lost in the shuffle on these. What types of
15 changes might we have to make to insure that the public
16 was involved in these types of efforts?
17 MR. JORDAN: Well, certainly maintaining the
18 public credibility is one of the criteria for considering
19 each of the options. And it would take, I think, overt
20 action to make sure that the public was apprised of a
21 transition that we're incurring and that there would be
22 clear opportunity for comment.
23 In the larger steps that we've taken in the
24 policy with regards to our reactor operator
25 certifications, with regards to those operator license

1 certifications that was a fairly extensive process and did
2 have a great deal of interaction, public comment and I
3 believe that that might be the model that one would follow
4 in the larger activity transitions so that it's aired
5 there, policy statements, commission meetings, notices and
6 so I would expect to follow that same sort of a process to
7 communicate widely so that you didn't take a step that was
8 objectionable to the public, that it, in fact, was a
9 logical step in each case and that's been a benefit in the
10 evolutionary process, that these things are happening
11 fairly slowly. There would be a risk in accelerating it,
12 that the regulator and the industry might move too fast
13 and might run off on a tangent, so it would take a very
14 measured approach.
15 MR. CAMERON: So there is a model though that
16 we have used in the past on this.
17 Frank Miraglia?
18 MR. MIRAGLIA: Thanks. I'll answer to just
19 about anything. The comments that there was interest in
20 2, 3, 4, and 5. I think it's important to note and if you
21 read the issue paper and add "alluded to it" is that the
22 current program has elements of each of those in it right
23 now and the key operative word in those other options are
24 expand and increase. In other words, do more and be more
25 aggressive and so the current program, I think, Larry

1 indicated earlier that -- I'm sorry, I didn't mean to call
2 attention to it. We have a personal relationship and he
3 tries to be technical and I try to be legal and that
4 doesn't always work.
5 But the point that I wanted to make is there
6 are elements of each of those in all of the options and
7 the key words are the verbs "expand" and "increase"
8 because we do -- there is a role for industry through
9 consensus standards that we have used for a long period of
10 time and we're encouraging that.
11 One of the concerns that Ed raises is because
12 of the economic and dwindling resources that that's a base
13 that needs to be maintained and we need to currently and
14 assess and improve those kinds of models and roles and
15 certainly accreditation, certification is used and all of
16 those elements are within the context of the first option
17 as well.
18 Thank you.
19 MR. CAMERON: Thanks, Frank. I think that was
20 a useful clarification for understanding the differences
21 between these options also.
22 Do we have some other comment, some other
23 examples of how the industry role might be expanded? I
24 think, Roy, you talked about the dosimetry areas. Is
25 there anybody else who would like to offer some possible

1 examples?

2 Go ahead, Roy.

3 MR. BROWN: Chip, I just wanted to point out,

4 there are some things the industry is doing now, the NRC

5 may not even be aware of in the radiopharmaceutical

6 industry, for example, we're doing a cross calibration

7 program where we have NIST develop standards, counting

8 standards, calibration standards and we have a round robin

9 calibration that goes from one manufacturer to another.

10 The NRC has nothing to do with that. The industry has

11 been doing that for years and years and it may be

12 interesting for NRC to know those sorts of things are

13 going on in the area of self-policing or self-regulation.

14 Also, another example may be in the

15 radiopharmaceutical industry and the medical industry,

16 sharing of best practices of companies getting together

17 and say well how do you handle this program, how do you

18 handle waste in this area and there's quite a bit of

19 sharing of best practices that's already going on in the

20 industry now. I just wanted to point those things out.

21 MR. CAMERON: Good and I hope that your

22 organization and others to the extent that you can, if you

23 can identify those in your comments, those would be

24 helpful to the NRC.

25 MR. JORDAN: And I would add to that

1 particularly where you see that there is an action that
2 the NRC is taking or review process that is overly on that
3 industry activity so that we can see those redundancies.
4 MR. CAMERON: Okay, maybe to move to an option
5 that perhaps wasn't considered, but something that was
6 referenced in the paper was the idea of a nuclear safety
7 board and I wondered if anybody has any comments on that
8 concept? Is it clear to everybody what a nuclear -- what
9 the nuclear safety board concept is? And who would like
10 to explain it?
11 (Laughter.)
12 No one.
13 MR. JORDAN: I can explain it, but I don't
14 want to.
15 (Laughter.)
16 MR. CAMERON: Do you want to repeat that for
17 the record to make sure they got that in?
18 MR. JORDAN: I think it's on the record. No,
19 a nuclear safety board concept as Congress has envisioned
20 it would be an independent assessment by a segment of NRC
21 and I would call it sort of a technical IG type review of
22 serious incidents and the question of whether the NRC
23 itself is sufficiently independent to conduct such
24 investigations and the reason that I said I didn't want to
25 talk about it is that's one of my responsibilities in the

1 Office of Analysis and Evaluation of Operational Data, is
2 to conduct those investigations of technically significant
3 incidents, whether it's a radiation exposure incident or a
4 reactor transient complications and so the NRC conducts
5 about one for one and a half or so years, one of those
6 very intensive investigations and the last one that was
7 conducted was a radionuclide uptake that occurred at the
8 MIT medical facilities. And so those are the -- the
9 outcome of those, of course, then identify lessons both
10 for the industry and the NRC and they're both intensive in
11 terms of NRC effort, independent with respect to the
12 program office and the regional office that are related to
13 it and of course, they are aimed at feeding back both to
14 particular licensee and the public and the industry those
15 lessons.
16 MR. CAMERON: So I guess it's not directly
17 related to one of the options here, is it?
18 MR. JORDAN: No, but I would add one thing
19 that we have made one joint review with the industry in
20 the investigation which was aimed at extracting lessons
21 from Hurricane Andrew impact on Turkey Point facility and
22 that was a particularly constructive effort in nuclear
23 power operations was the NRC's partner in that effort. It
24 did result in a substantial feedback of very positive
25 lessons for utilities that are -- that have potential

1 hurricane impacts and each year there are a number of
2 hurricanes that approach the coastal regions and many,
3 many protective measures are taken by those utilities in
4 advance of the storm. Large lessons were learned and that
5 was a joint, in a very cooperative effort.
6 MR. CAMERON: Good. Thank you. Other
7 comments on the role of industry?
8 Judy?
9 MS. JOHNSRUD: I may have fallen asleep in the
10 process of reading that DSI, but I don't recall much --
11 MR. CAMERON: Is the author of that paper
12 here?
13 (Laugher.)
14 MR. CHANDLER: It was Stu.
15 MS. JOHNSRUD: But I don't recall much
16 discussion of the potential impacts on industry self-
17 regulation which is sort of the thrust of much of this of
18 the changes in ownership and function of the electric
19 utility industry. It is obviously undergoing enormous
20 alteration and I think that the NRC had better be very
21 careful about incorporating in whatever decisions it makes
22 the capability of the industry itself to provide any
23 realm, any further additional realm of self-regulation and
24 self-monitoring. I would see this as particularly
25 important as I feel the NRC is moving much more toward use

1 of guidance, nonenforceable or minimally enforced guidance
2 as opposed to specific standards.
3 MR. CAMERON: Thank you. That may fall into
4 this category of focus question 1, a consideration that
5 perhaps we didn't consider in this area. Is three anybody
6 from the industry or the NRC staff that would like to
7 discuss whether there is a direct connection between
8 industry deregulation and this whole reliance, increased
9 reliance on industry?
10 MR. JORDAN: Well, I would certainly reply
11 that it was the intention to include that as one of the
12 factors and it is a contrary factor that is with the
13 industry deregulation and the emphasis on economics of the
14 utilities, whether it is appropriate and practical to
15 cause a greater role on the part of industry and it is
16 that conflict of interest issue and resources. So right,
17 there is a clear balance and the intended -- it wasn't
18 abundantly clear. It's Stu's fault and I'll try to
19 straighten it out.
20 (Laughter.)
21 No, I'm picking on Stu because he's a nice
22 target.
23 (Laughter.)
24 MR. CAMERON: Does Stu also work for you?
25 MR. RUBIN: On the -- this is Stu Rubin.

1 Addressing the terminology of self-regulation, I think
2 it's important to understand the model we're really
3 looking at where we consider options 1 and 2. Both
4 options really involve going from a situation where the
5 NRC has a full scope activity whether it be an inspection
6 area such as team inspections involving a particular area
7 such as service water and system inspections.
8 MR. CAMERON: Can you speak more directly into
9 the microphone, Stu?
10 MR. RUBIN: Yes, whether it be performance
11 evaluation in the area of performance indicators. There
12 again the NRC has its full scope program in place to
13 determine performance indicators industry-wide. In the
14 area of licensing, operating licensing specifically, we
15 have had in place and still have in place a full scope
16 process.
17 What we're really speaking to here is one
18 where in a very deliberate and reviewing the licensee's
19 capabilities turning over to licensees much of what we
20 would do, however, we would continue to retain oversight
21 of licensee's implementation of those activities. We
22 would continue to provide an audit and review in an on-
23 going sense. For example, in the area of team
24 inspections, that is one under the current program which
25 has already been implemented wherein the NRC was

1 conducting inspections say in the area of service water or
2 safety system functional inspections. Industry requested
3 an opportunity to conduct those themselves and so the NRC
4 went through a very careful review of each licensee's
5 capability to implement that kind of an inspection at the
6 level of rigor and follow-up that would be expected of the
7 NRC to conduct that inspection. And so we've established
8 criteria, if you will, taking a look at the scope of the
9 licensee's plans for implementing such an activity, taking
10 a look at the qualifications of the people who will be
11 implementing that plan, insuring that we would be
12 reviewing ad approving those plans. Also, to insure that
13 there were staff in place to observe licensees' conduct
14 and implementation of those plans. Furthermore, under
15 that mode, the NRC would still go back and do a spot check
16 and audit of areas that the licensee evaluated and areas
17 not evaluated to determine if, in fact, the licensee had
18 done a credible job and had identified the issues and
19 their significance appropriately. In any event, if in
20 fact, we concluded they had not, we would then go in with
21 our full scope effort as a follow-on. And so we're not
22 really talking about turning over our responsibilities or
23 activities to the industry. We're talking about allowing
24 the industry to implement our activities subject to our
25 oversight at the front end, in-process and at the back

1 end. The net benefit is that the licensees do take on
2 more ownership for the process, take on more ownership for
3 the findings and implementing corrective actions and it
4 does provide an opportunity for NRC to reduce the resource
5 requirements for our limitation.
6 MR. CAMERON: Okay, thank you, Stu. That was
7 a good foundation for all of this.
8 Larry, did you have one comment?
9 MR. CHANDLER: Just a couple of observations
10 in response to Judy Johnsrud's comment. We recognize that
11 if you look at the way in which these issues have been
12 grouped into arenas, you will see, for example, the
13 relationship of this particular DSI and others, but a
14 number of others, among them, for example, being the one
15 that deals with the way in which operating reactors,
16 reactor oversight would be continued, I think it's DSI 11.
17 Also relates very closely to the issue of the role of
18 industry and how things could be dealt with down the road.
19 Underlying a lot of this were some very
20 significant legal concerns and obviously in terms of what
21 the Agency can relinquish to industry to do appropriately
22 and what the Agency's role is and must be under the law
23 and that which can be relegated to industry activities.
24 So those are factors that really need to be considered as
25 you go through this. You're absolutely right.

1 MR. CAMERON: Okay, thank you, Larry. We have
2 to move on to regulatory excellence in a moment, but I
3 just want to make sure that we give all of you a chance to
4 discuss, if you would like this idea of a designated
5 industry representative. The Commission did, I guess,
6 allude to this in their preliminary options so it's not
7 something that should go on undiscussed or uncommented on,
8 so to speak.
9 Does anybody have anything pro or con or
10 questions to say about the designated representative
11 concept?
12 MR. BROOKMAN: Chip, while they're thinking
13 about that, I think maybe Jane had a brief follow-on
14 comment.
15 MS. FLEMING: Yeah, Larry, you alluded to
16 something that has concerned me for a while, the role of
17 industry and it's perhaps a perception, but maybe you can
18 clarify it. But when the NRC in a supposed public
19 activity such as licensing uses and refers to and depends
20 on industry documents such as INPO documents that are not
21 released to the public, there's a perception there that
22 the licensing process which is to be an open and public
23 process is suddenly not fully open or public because there
24 are documents that the public does not have access to.
25 MR. CAMERON: Which is very important in terms

1 of if we go to increased industry reliance or whatever we
2 want to call it, what does that mean in terms of public
3 information?
4 MR. CHANDLER: Well, it's actually a
5 combination of two things. First of all, our ability to
6 rely on information which is not publicly available is
7 very, very limited. Obviously, the basis for the Agency's
8 decisions must be spread on the public record, must be
9 available to the public. There are certain limitations
10 that are recognized, certain information which can be
11 withheld from public disclosure, commercial proprietary
12 kinds of information, pre-decisional information, security
13 type of information, privacy type of information.
14 To the extent that is involved, certain
15 information need not be publicly available, but nonpublic
16 versions of it must be there and the publicly available
17 information generally is sufficient to support the
18 decision itself.
19 Decisions typically do not rely, for example,
20 on INPO licensing decisions, typically do not rely on INPO
21 evaluations. It may not be a matter of public record.
22 Although there have been instances in which INPO documents
23 have bene referred to in the licensing context, had a few
24 limited instances in which they have, I believe, they have
25 been made publicly available. Otherwise, had not relied

1 on generally speaking, relied on as part of the licensing
2 process.
3 MR. CAMERON: Jane, is that your -- one of
4 your points in terms of a strategic point of view is if
5 the Commission moves in these directions that they're
6 going to have to make sure that the information is
7 publicly available? Do you want to just clarify that for
8 the record?
9 MS. FLEMING: Well, basically when you try to
10 sum that up you did sort of clarify it, but the
11 information, when the NRC which is supposedly a public
12 process, any information they're using must be, and with
13 the expanded role of industry, with any aspects of these,
14 you're getting more and more into that very questionable
15 territory, in some of the recent licensing activities,
16 which has been one, there was a dependence upon INPO
17 documents. Now whether or not the overview of those
18 documents did become apparently clear to the public, the
19 public really can't tell that, because they don't have
20 access to the documents and this, I see where we're moving
21 toward more and more use of expansion of the industry's
22 role here. I see more and more chance of at least a
23 perception of conflict, if not the actual conflict.
24 MR. CAMERON: Thank you very much.
25 MR. JORDAN: It is a very good comment. It is

1 one of those key factors that we showed in one of the
2 slides that the idea of assuring public access to industry
3 safety information is something that must continue under
4 any shifting role arrangements, so I think it will be
5 incumbent on the NRC in deciding to make a shift that the
6 data that supports a finding would be publicly available.
7 MR. CAMERON: Okay, anybody on designated
8 representative? Is there any interest on that topic?
9 MR. JORDAN: Nice try.
10 MR. CAMERON: All right, okay. Let's now go
11 to Stu Rubin who wrote the last paper and possibly this
12 paper, I guess. And Ed is going to do the presentation
13 and this is on regulatory excellence.
14 MR. JORDAN: Stu was the author of the papers
15 and did a superlative job, I think, capturing our
16 concepts. The concepts did come out through the steering
17 committee reviews and this DSI is one that's unique among
18 the set because this is totally internally directed. We
19 need your view as stakeholders, but it is entirely
20 internally directed. So it's stated quite clearly on the
21 first slide, how can NRC enhance regulatory excellence
22 through maintenance of regulatory standards, rules and
23 requirements? And that's a little too restrictive in
24 terms of the overall view.
25 I should tell you how this particular

1 directive setting issue came about. The steering
2 committee in conducting its reviews and trying to extract
3 issues out of the documents that have been created
4 believed initially that the idea of the staff's
5 performance that excellence among the staff was really
6 imbued in each of the options or in some of the options
7 associated with the various issue papers and that one
8 could see from the range of options that there was an
9 intent on the part of the staff or on the part of the
10 steering committee to cause excellence to occur in the
11 regulatory performance of our duties.
12 Well, despite that, if you read the words,
13 there was an awful lot of pressure associated with the
14 options and direction setting issues with regards to
15 efficiency on reducing the regulatory burden or for
16 instance, in reducing the regulatory oversight as we just
17 talked about in the previous paper and if you really
18 looked at the words, there wasn't very much about
19 excellence among the things that the NRC does and so based
20 on this further review and there have been instances
21 recently, instances of breakdowns of NRC performance
22 internally, identified the need for separate and a unique
23 internally focused direction-setting issue.
24 The bases are that the current external and
25 internal forces are directed towards reducing regulatory

1 burden in industry, reducing NRC costs, improving
2 efficiency, developing performance based risk informed
3 regulations or regulatory scheme which summed up may
4 inadvertently adversely affect the NRC safety culture and
5 so that's, I guess, the most succinct way I could put it
6 and then the question is should the NRC management and
7 staff actively seek regulatory excellence.
8 We need to define regulatory excellence,
9 regulatory excellence for the purposes of this discussion
10 is defined as a dedication to safety, a commitment to the
11 principles of good regulation and the pursuit of superior
12 staff performance. And then I have to differentiate it
13 that the NRC pursuit of regulatory excellence for the NRC
14 staff is, in fact, differentiated from the perception by
15 industry that the NRC applies a rising standard of
16 excellence to licensed safety performance. This is really
17 for each of the things that the NRC staff does that we're
18 seeking to do those in an exemplary way. And so it is
19 not, should not be construed as a quest for excellence in
20 itself from the licensed and regulated industry.
21 I think we can argue, we can say that many
22 improvements have been made and are -- they continue to be
23 made within the NRC based on internal and external lessons
24 by NRC initiatives. This proposal is for a highly
25 proactive campaign that is unique to the NRC to seek

1 improvement in all NRC activities.

2 I have the key -- you have the key factor

3 slide up. I've walked over those factors, but I'd like to

4 reiterate some of these issues.

5 And the first one is clearly -- hit on the

6 ideas of improving the effectiveness of the regulatory

7 framework. That is a clear goal in this direction setting

8 issues.

9 I have covered the second one. The third one

10 is that recent initiatives and certain strategic

11 assessment rebaselining may inadvertently create the

12 attitude among staff that regulatory efficiency is a

13 priority objective as an alternative to the fundamental

14 commitment to regulatory excellence and effectiveness.

15 I don't think I can emphasize that feature too

16 much.

17 The next slide. Certainly the idea of the

18 changes that improve the efficiency of regulation for the

19 NRC and the efficiency of compliance for licensees have

20 been of interest and certainly licensees have not

21 emphasized changes specifically focused on enhancing

22 regulatory effectiveness.

23 And the last one on this slide is a declining

24 agency budget and the adverse effects it has of resources

25 being available for effectiveness for activities.

1 Next slide. Once again, in reiterating the
2 credibility of the NRC as an effective regulator has
3 declined recently. This would be a measure to restore
4 that credibility to the public and to the regulated
5 industry and to ourselves.
6 Could I have the options slide? This paper is
7 certainly one in which there was no option to do less. In
8 some cases, the papers identify what we could do less, we
9 could do more, we could do the same. This starts with we
10 could continue the current approach. We could initiate a
11 more proactive approach and I think you can see where I
12 come out and where the Commission comes out as well in
13 terms of picking options. I'll explain a little more
14 Option 1 and it is fair to say that there are substantive
15 processes that are occurring, the program performance
16 self-assessments. There are assessments of each of our
17 activities by the program offices. Luis Reyes will attest
18 to the evaluations that the regions got, the programs that
19 they're responsible for both reactors and materials and
20 emergency preparedness.
21 The NRC is, we feel, a learning organization.
22 WE respond to the Office of Inspector General audits, to
23 do research activities, but in this case there's a
24 question of whether that's enough, whether we need a more
25 overt and direct effort.

1 Currently, assessments both find and then
2 result in fixes to specific framework weaknesses and we
3 would expect under Option 1 to continue to be responsive
4 to those externally identified weaknesses.
5 The issues associated with Option 1 are that
6 the current level resources that we spend in responding to
7 internal lessons and external lessons would continue so
8 there would be not a change in those resources. The ratio
9 of proactive to reactive improvements would remain the
10 same and there is a concern that the regulatory efficiency
11 initiatives would erode the staff safety vigilance and so
12 I think that's the principal reasoning that the committee
13 felt that a regulatory effectiveness initiative was an
14 appropriate one to consider very strongly.
15 Of course, under continuing the current
16 option, the NRC credibility as an effective regulator
17 would be continuing at roughly the same level.
18 With regards to initiating a more proactive
19 approach to improvement, there would be a number of
20 measures and I would explain that some of it is process
21 and the paper proposes to establish a senior management
22 review group that would periodically review the process,
23 the internal processes for improving regulatory
24 effectiveness, for seeking excellence and that would be
25 certainly a key step to cause senior managers in the

1 Agency to be a part of a review group and to carry back to
2 their respective organizations those principles and
3 measures and the cause and implementation program to occur
4 from the ground roots.
5 The key issues regarding a more proactive
6 approach to improvement, it would require a substantial
7 application of resources and management attention at the
8 front end. Once again, you have to invest in order to
9 benefit. That investment would be expected to cause
10 awareness of the improvement activities, to increase the
11 pace of programmatic improvements internally and we
12 believe that it would improve the Agency's credibility as
13 an effective regulator.
14 Go to the next slide, please. The
15 Commission's preliminary views were that the staff should
16 develop and implement strategies designed to improve its
17 internal performance and so they proposed to adopt the
18 Option 2 approach to take a more proactive approach to
19 improvement and they extended it by saying it should be
20 broadly applied to all NRC activities. It supported the
21 NRC's mission that the staff should identify goals and
22 milestones and provide a message to engage the work force
23 at the grassroots level. And the Commission direction was
24 to go across all of the regulatory and support areas with
25 programs so it would be starting the program in a very

1 broad fashion. The paper that you've read proposed to
2 initiate a program and to begin small and grow it. This
3 would be purely a decision by the Commission would be to
4 begin a program that's broadly applied to all of the
5 activities in the Agency and to put a lot of resources in
6 and expect a lot of benefits out.
7 So that's the summary of this particular
8 paper. I would reiterate that it is an internal paper and
9 we're very interested in your views and your perceptions
10 based on what you read and what you've heard.
11 MR. CAMERON: Is there one more slide? You've
12 got them all.
13 (Laugher.)
14 I don't think that anybody would argue with
15 the fact that regulatory excellence is an important
16 objective. The question is is what's the best way to do
17 that and I guess the proposal from the steering committee
18 was a senior management review group and I would turn to
19 all of you for comments on the regulatory excellence
20 objective, but also on how the NRC might best get to that
21 particular objective and Jim, you made a comment before
22 that was sort of -- that tied into this and would you mind
23 just restating your comment for us that you made in
24 relationship to 2.206 and some other mechanism other than
25 the IG. I think that that's tied in here. And whatever

1 you would want to add on this otherwise add on this issue.
2 MR. RICCIO: Jim Riccio. I do think it needs
3 to be an avenue that's opened up where -- whereby the
4 public has some access to what is going on with your
5 decision making. I think this is the first step,
6 obviously.
7 Obviously, this industry and more recently,
8 this Agency, have had major problems in the public
9 perception. I don't think that's going to be enhanced by
10 necessarily turning all these policies back over to the
11 industry. One thing that comes to mind basically is that
12 basically the deregulation that is occurring with tech.
13 specs. You're wiping out 40 percent of the limiting
14 conditions of operation and you're talking about enhancing
15 regulatory -- what was it again, excellence.
16 It seems to be lip service on the one side and
17 while, in fact, you're actually deregulating on the other
18 and I agree with the Chairman, this Agency should be an
19 enforcement agency. It shouldn't be operating by
20 exemption and unfortunately what I see occurring is fewer
21 regulation rather than nonenforcement and I'm not sure
22 that that's going to get you any greater stature in the
23 public's eye. And while that's not primarily your
24 concern, your concern is safety, I find it hard to
25 understand how reducing 40 percent eliminating conditions

1 for operation enhances regulatory excellence or safety for
2 that matter. There actually have been some comments from
3 inside your own Agency regarding the change in the tech.
4 specs where they said basically that the Agency, the
5 Agency basically an entire program for the industry, but
6 there was as cursory IG investigation which amounted to
7 one page, basically, of a review, saying we asked the NRC
8 and they said no, there wasn't any conflict of interest.
9 I think you have a major problem on your hands with public
10 perception and your quest for enhancing excellence.
11 MR. CAMERON: Okay, thank you, Jim. We'll
12 also make sure when we do go through the comments on all
13 of these issues as there may be comments given relative to
14 one issue that may be also applicable or perhaps more
15 applicable to another issue, so we'll make sure that
16 there's no disconnects of that type and all of these
17 comments get considered where they're relevant.
18 Anybody else on regulatory excellence,
19 particularly on mechanisms that the NRC might use to
20 achieve that goal?
21 Richard?
22 MR. RATLIFF: Yes, again representing the
23 Organization of Agreement States, looking at this paper,
24 we concur with the Commission's initial views, that is
25 that the proactive approach to regulatory framework is

1 desirable, but it should not be limited to all those areas
2 that were discussed there.
3 We feel that the approach that should be used
4 is in reviewing regulations is eliminating or changing
5 those that are too restrictive, exempting sources that
6 pose no significant health to the general public and
7 concentrating efforts on radioactive materials with higher
8 risk. And this is in our written comments, and what we've
9 discussed in this, especially not taking regulatory
10 excellence going forward, but looking back at things that
11 have happened when the agreement states are really akin to
12 is the general license program where multicurie cesium-137
13 sources are general licensed and there's no almost no
14 regulatory oversight and they get into the public domain
15 through bankruptcies of plants or they're being painted
16 over and ended up at the smelters, steel smelters and
17 scrapyards.
18 We feel that to have real regulatory
19 excellence, you need to go back and look at areas that may
20 need change and not be afraid to do that, to go back when
21 you're rebaselining really go back to that base and see
22 what areas could we improve, what other areas that may be
23 no risk at all and go forward.
24 We feel that there's been a real good process
25 with the IMPEP, the Integrated Materials Performance

1 Evaluation Program whereby the NRC reviews its regional
2 offices and the agreement states. We feel that this
3 process has been beneficial not only to the states but to
4 the NRC by using agreement states people as part of the
5 review so that NRC does get an outside view and -- but we
6 still feel that many of the NRC staff, especially, at
7 headquarters really don't understand the agreement state
8 process, the fact that the 29 states have had their
9 Governors say that they have sufficient programs and in
10 doing so the NRC has an agreement with them where they
11 have not done like EPA does, delegated authority, but NRC
12 has relinquished their authority to the state and the
13 states fully realize that NRC has a function where they
14 have to look and make sure that the states perform, but
15 that we're regulatory partners, that we really need to
16 work together and therefore go ahead to make the whole
17 process better nationwide.
18 Thank you.
19 MR. CAMERON: Richard, just a follow-up
20 question for you in terms of the NRC going back and
21 looking for areas, regulatory areas that could be
22 improved, you mentioned the general license. Do you think
23 this proposed senior management review team would be a
24 mechanism that could be used for that? And I guess I
25 would ask the NRC also is that, was that something that

1 would be within the scope of the senior management review
2 team?
3 Richard, you first.
4 MR. RATLIFF: Well, I think not. I think
5 what's working well is working groups where you have
6 several state program people, as well as NRC people,
7 working together jointly there where you have people who
8 are actually out in the field, out in the rest of the
9 world, west of the Mississippi, as well, sometimes. And
10 actually looking at areas and able to bring their
11 collective knowledge together to make the process better,
12 rather than trying to do it at a senior level where they
13 may have never seen a gauge or seen these problems or
14 actually have responded in the morning to a smelter that's
15 just melted a gauge. I think the working group is a much
16 better process in our estimation.
17 MR. CAMERON: So that perhaps the senior
18 management review group would be taking a look at this
19 from a higher or broader level. Is that what you, what we
20 intended it?
21 MR. JORDAN: Yes, clearly the object is to get
22 to the grass roots that the individual staffers in the
23 Agency have a clear understanding that they're management
24 and they are committed to excellence in whatever
25 activities they're associated with.

1 And it's a culture within the Agency that
2 evolved. The idea of the senior management group would be
3 to begin the process by understanding it the same way, by
4 identifying areas within the various programs that need
5 the earliest attention and by identifying things that are
6 working well and I would agree with you. I would identify
7 the in-depth process as a process that's working very
8 well. And so we can learn as much from things that work
9 well as we can from things that are working well and you
10 can see the contrast and put your resources on upgrading
11 the activities and providing better procedures, better
12 training and causing the Agency to have a greater sense of
13 purpose in its activities. So that's what we expected to
14 perform for us and it becomes a measure that it will not
15 work if it's a series of slogans and a hokey campaign that
16 a few people subscribe to. It can only work if it, in
17 fact, is something that the entire Agency subscribes to
18 and understands and supports in every activity. So we
19 have a steering committee where we're very strongly aware
20 of how difficult it is to start a campaign to cause it to
21 continue and to cause it to not to become trivialized.
22 And so that's really, I think, the challenge we have and
23 by picking things that are not working well and
24 identifying things that are, I think it's a very good
25 approach.

1 MR. CAMERON: Okay, thank you, Ed. Other
2 comments?
3 Yes sir?
4 MR. INNETT: I'm Scott Innett. There's been a
5 theme that perhaps focusing on efficiency as well as
6 excellence simultaneously may be mutually exclusive. I
7 don't think that is the case at all. I think a more
8 efficient organization focused on the safety mission can
9 achieve much better safety and regulatory results than a
10 less efficient organization focused on the same vision. So
11 I think you can achieve within the NRC both increased
12 efficiency and a much better focus on safety and therefore
13 get better results. So I think you should keep that in
14 mind as you consider undertaking some of the known
15 efficiency efforts that you have under way, but also to
16 strive for excellence in regulatory process.
17 MR. CAMERON: Okay, thank you. Any follow ups
18 to this concept of regulatory efficiency and regulatory
19 effectiveness?
20 Yes, in the back?
21 MR. YIELDING: Yes. My name is Dale Yielding.
22 I'm a member or a representative of the National Treasury
23 Employees Union and also a nonmanagement staff member of
24 the NRC. I just wanted to identify that the comment on
25 the people processes function with a goal of excellence,

1 that the National Performance Review about two years ago
2 made a recommendation to empower the employees and we, as
3 members of the National Treasury Employees Union just want
4 to make it ever present that we are available to work with
5 management to develop a more efficient organization that
6 is more empowered by the employee to maybe streamline the
7 NRC and actually perform its mission in a more effective
8 and excellent manner.
9 MR. CAMERON: Thank you very much, Dale. Any
10 comment on that?
11 MR. JORDAN: No, I appreciate the overture. I
12 think it's an appropriate one because as we say, it has to
13 be a grassroots movement and it will have to involve the
14 entire NRC staff and the union that represents the staff.
15 MR. CAMERON: Okay, thank you, Ed. Further
16 comments?
17 Judy?
18 MS. JOHNSRUD: I'm not sure this is quite on
19 target, but I think it fits with excellence of regulation
20 and I really commend a move in that direction by the
21 Commission. But if I understand correctly, the use of
22 guidance relieves the Agency of following the regulations
23 under the Administrative Procedures Act and this, in turn,
24 would tie, if I'm correct here, would tie back to public
25 notification opportunity for public comment and a variety

1 of other procedures that are covered by the APA. So to
2 the extent that the Commission appears to be moving in
3 performance-based and risk-based regulation, away from
4 regulatory rule making under the APA, it seems to me there
5 may be a rather serious contradiction with respect to
6 being able to achieve excellence without having the full
7 public input and review of changes in regulations that are
8 being made.
9 MR. CHANDLER: If I could try to address that
10 for a second, Judy.
11 MR. CAMERON: Thank you. This is Larry
12 Chandler.
13 MR. CHANDLER: I'm sorry. I'm not sorry I'm
14 Larry Chandler at all, but --
15 (Laughter.)
16 MR. CAMERON: I've been waiting for you to
17 apologize to all of us for that.
18 MR. CHANDLER: Let me try this again. A
19 couple of comments. In a sense, we need to look at the
20 hierarchy of revisions and the use of that word for a
21 second, rather than requirements or guidance, but
22 provisions that the NRC has in the context of all of its
23 different regulatory activity, both reactor side and
24 material side. Yes, those provisions which are reflected
25 in regulations are binding, have a legal stature that's

1 somewhat higher than those as reflected in guidance
2 documents. That's true.
3 But in going into a more performance-based
4 risk-informed environment, we still would be going through
5 an APA-recognized rule making process to assure that we
6 have, in fact, established in that performance-based and
7 risk-informed rule an appropriate level and measurable
8 level of safety such that compliance can be measured and
9 identified and known and so that what you can
10 appropriately do then is allow for perhaps a broader
11 spectrum of measures which achieve that same level of what
12 is found to be appropriate in terms of assuring health and
13 safety in both a materials and reactor side.
14 You can certainly have a very prescriptive set
15 of requirements that are set in regulations and you can
16 certainly achieve that and demonstrate how those are
17 satisfied in a certain way. At the same time you can
18 probably achieve or likely achieve an appropriate level of
19 safety through less prescriptive measures and appropriate
20 guidance documents and it's always a case again of
21 assuring that you've achieved the right balance when you
22 go about doing it. And that then becomes part of the rule
23 making process as you get into that developing that
24 performance-based, risk-informed rule and it's also worth
25 noting, I think, that when the staff goes through

1 preparing guidance documents, generally speaking, today is
2 probably more the rule than the exception, those guidance
3 documents are published in draft form for comment as well,
4 so there are opportunities for input on both sides of
5 that.
6 MR. CAMERON: I guess a couple of other
7 perspectives on this might be the correct mix of
8 regulations and guidance might be an issue that the senior
9 management review team would look at in terms of the
10 regulatory excellence issue, but I think a bottom line
11 point that Judy was perhaps making and Judy, correct me if
12 I'm wrong on this, is just as the NTEU would be an
13 important player, obviously in the search for regulatory
14 excellence is that the public should also be involved in
15 that process.
16 MS. JOHNSRUD: That's right.
17 MR. CAMERON: Jim.
18 MR. RICCIO: One thing, I just wanted to point
19 out that as you shift from this prescriptive based
20 regulation to performance based regulation, you're going
21 to encounter basically an illusion problem where it looks
22 like you're deregulating.
23 MR. CHANDLER: Absolutely.
24 MR. RICCIO: And it's not just the public
25 that's saying this. It's the Illinois Department of

1 Nuclear Safety submitted comments to the NRC when you
2 first began this program, saying that it would result in a
3 decrease in the safety and a decrease in the safety
4 culture of the Agency that had taken a long time to
5 establish and so it's not just the public that holds this
6 perspective, it's people within your own industry and I
7 think that's important to bring out.
8 MR. CAMERON: Just a clarification for the
9 record, when you said when we began this program, you're
10 talking about not the strategic assessment process.
11 MR. RICCIO: The shift in prescriptive to
12 performance based.
13 MR. CAMERON: Okay, the reference as to the
14 shift from prescriptive to performance base.
15 MR. RICCIO: That perspective was recognized
16 and extensively discussed among the steering committee as
17 these issues were developed. Absolutely.
18 MR. CAMERON: Okay, do we have some further
19 comments on the regulatory excellence issue?
20 Okay, let's be back here at 1:00.
21 (Whereupon, at 11:57 a.m., the meeting was
22 recessed, to reconvene at 1:00 p.m., Thursday, October 24,
23 1996.)
24
25

C E R T I F I C A T E

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: STAKEHOLDERS PUBLIC MEETINGS BUILDING PUBLIC TRUST AND CONFIDENCE

Docket Number: N/A

Place of Proceeding: WASHINGTON, D.C.

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

Corbett Riner

CORBETT RINER
Official Reporter
Neal R. Gross and Co., Inc.

U.S. Nuclear Regulatory Commission

Strategic Assessment and Rebaselining Initiative

Overview and Status Briefing

Stakeholders Meeting

Washington, D.C.

October 24-25, 1996

Program Agenda

THURSDAY

8:00-9:00am
Opening Remarks

9:15-11:30 am
STRATEGIC ARENA: Building Public Trust and Confidence
- **DSI-14**
- **DSI-13**
- **DSI-23**

1:00-4:30pm
STRATEGIC ARENA: Assuring the Safe Use and Handling of Nuclear Materials
- **DSI-2**
- **DSI-4**
- **DSI-7**

1:00-2:30pm
STRATEGIC ARENA: Providing Research Expertise
- **DSI-22**

2:45-4:30pm
STRATEGIC ARENA: Supporting NRC Domestic Mission and National Objectives in the International Area
- **DSI-20**

Program Agenda

FRIDAY

8:00-11:30am
STRATEGIC ARENA: Assuring Safe Operation of Nuclear Reactors
- **DSI-10**
- **DSI-11**
- **DSI-12**
- **DSI-24**

1:00-4:30pm
STRATEGIC ARENA: Assuring Safe Management of Nuclear Waste
- **DSI-5**
- **DSI-6**
- **DSI-9**

4:30-5:00pm
Closing/Wrap-Up

1:00-2:30pm
STRATEGIC ARENA: Managing NRC Finances
- **DSI-21**

Strategic Assessment and Rebaselining

- ★ Introduction
  - Purpose of Strategic Assessment
  - Organization
    - ◆ Steering Committee
    - ◆ Support Group
    - ◆ Contractor: Public Strategies Group, Inc.

Strategic Assessment and Rebaselining

- ★ Overview of Strategic Assessment and Rebaselining Phases
  - Phase I - Strategic Assessment
    - ◆ Review of Activities
    - ◆ Strategic Issues
    - ◆ Direction Setting Issues (DSIs)
  - Phase II - Rebaselining and Development of Decision Papers
    - ◆ Issue Papers (DSIs)
    - ◆ Stakeholder Involvement

Strategic Assessment and Rebaselining

- Phase III - Strategic Plan
  - Commission Decisions on DSIs
  - Strategic Plan
- Phase IV - Implementation and Budget
  - Performance Plan/FY 1999 Budget
  - Outyear Plan FY 1999+
  - Other Implementation Activities

Phase II

- ★ Key Documents
  - Issue Papers (16)
  - Strategic Planning Framework Document
  - Stakeholder Involvement Process Paper
- ★ Stakeholder Comments Are Important
  - Preliminary Commission Views
  - Comments will be Utilized as part of Making Final Decisions on Issue Papers
  - Issue Papers and Commission Decisions will be Utilized to Develop the NRC's Strategic Plan

Issue Paper Summary

DSI	TITLE
★ DSI 2	Oversight of the Department of Energy
★ DSI 4	NRC's Relationship with Agreement States
★ DSI 5	Low-Level Waste
★ DSI 6	High-Level Waste and Spent Fuel
★ DSI 7	Materials/Medical Oversight
★ DSI 9	Decommissioning - Non Reactor Facilities
★ DSI 10	Reactor Licensing for Future Applicants
★ DSI 11	Operating Reactor Program Oversight

Issue Paper Summary

DSI	TITLE
★ DSI 12	Risk-Informed, Performanced-Based Regulation
★ DSI 13	Role of Industry
★ DSI 14	Public Communications Initiatives
★ DSI 20	International Activities
★ DSI 21	Fees
★ DSI 22	Research
★ DSI 23	Enhancing Regulatory Excellence
★ DSI 24	Power Reactor Decommissioning

Stakeholder Meetings

- ★ Internal Stakeholder Meetings
  - – Series of Meetings with NRC Staff
- ★ External Stakeholder Meetings
  - – Meetings Scheduled To Discuss Issue Papers
    - ◆ October 24-25 Washington, DC--Washington Hilton
    - ◆ October 31-November 1 Colorado Springs Sheraton
    - ◆ November 7-8 Chicago, Il--Ramada O'Hare

Review of Comments

- ★ Written/Electronic Comment Period Closes November 15, 1996
- ★ Sponsors/Lead Writers Collate and Review All Comments (Stakeholders Conferences, Written, and Electronic)
- ★ Stakeholder Interactions Report
  - Brief Analysis of Comments By Individual Issue Paper
  - Identify Substantive Comments That Have Direct Bearing on Commission's Preliminary Views
  - All Comments will be Provided to Commission in Stakeholder Interactions Report on December 6, 1996 - Report will be Available to All Internal and External Stakeholders (Internet and PDR)

Strategic Plan Development (Phase III)

- ★ Phases I and II provide foundation for Strategic Plan.
- ★ Strategic Plan
  - – Sets direction for Agency
  - – Meets requirements of Government Performance and Results Act
  - – Periodic Updates will be Made
- ★ Implementation (Phase IV)
  - – Budget and performance plan
  - – Other actions

NRC's Strategic Plan

- ★ What Is It?
  - Brief document to guide program and resource decisions at all levels
  - Delineates our important goals and objectives
  - Provides strategies for achieving our important goals
  - Living document subject to periodic change
- ★ What It Is Not?
  - A budget
  - A detail tactical operating plan
  - An exhaustive listing of Agency work

External Stakeholder Meetings

- ★ Conference Format
  - Plenary Session
    - Summarize Strategic Assessment and Rebaselining Initiative
    - Describe Stakeholder Involvement Process
    - Conference Objectives
  - Issue Paper Discussions by Strategic Arenas
  - PSG Involvement in Planning and Conducting Conferences & Meetings
  - Meetings Transcribed

Expectation for Comments

- ★ What Is Being Requested From Stakeholders
  - Soliciting Stakeholder's Views and Comments on:
    - Important Considerations That May Have Been Omitted
    - NRC's Assumptions and Projections For Internal and External Factors
    - Commission's Preliminary Views
    - Specific Questions on Individual Issue Papers Per SRM Direction
  - Comments May Be Provided by Mail, or Electronically--All Comments Docketed by SECY
  - Comment Period Closes November 15, 1996

2

Direction Setting Issue No. 14
Public Communication Initiatives

October 24-25, 1996

Sponsor: Karen D. Cyr, OGC
Writer: Roger K. Davis, OGC

DSI 14

- ★ What Approach Should NRC Take to Optimize Its Communication with the Public?

Key Factors

- ★ NRC has a strong program of public communications
- ★ Factors suggesting new opportunities
- ★ New NRC Initiatives involving public in enhanced rulemaking, revised 2.206 process, and enforcement conferences.

Key Factor 1 - a strong program of public communications

- ★ NRC policy favors public disclosure of information & broad public involvement
- ★ PDRs, LPDRs, Internet, Federal Register, NRC Regulations, FOIA, Public Affairs, Congressional Affairs and OGC's public liaison function

Key Factor 2 - Developments suggesting new opportunities

- ★ Legislation and Executive Orders promoting new technologies
- ★ Decommissioning and major rulemakings suggest need for more public involvement
- ★ New challenges facing industry such as deregulation & competition may present new regulatory challenges

Key Factor 3 - NRC innovations and initiatives on which to build

- ★ Enhanced participatory rulemaking
- ★ Rulenet
- ★ Open enforcement conferences
- ★ NRC Citizen's Guide

Options

- ★ Continue Existing Approach
  - Focus on Maximizing Effectiveness and Economy
- ★ Place a Priority on Early Identification of Public Concerns and Methods for Public Interaction
- ★ Place a Priority on Expanding General Public Outreach

Commission's Preliminary Views

- ★ Priority on early identification of public concerns and methods for public interaction
  - The term "public" to be interpreted in broadest sense
  - Bilateral formal & informal communications covered
  - The role of technology should be carefully examined
  - Planning & coordination for public involvement should have a central focus
  - Implementation is responsibility of program offices

Commission's Preliminary Views (cont)

- ★ Maximize Effectiveness and Economy
  - NRC should have a consistent methodology and coordinated planning
  - Focus on examination of the highest cost activities
  - Perform better assessments of proposed improvements

Direction Setting Issue No. 13
Role of Industry

October 24-25, 1996

Sponsor: Edward L. Jordan, AEOD
Writer: Stuart D. Rubin, AEOD

DSI 13

- ★ In Performing Its Regulatory Responsibilities, What Consideration Should NRC Give to Industry Activities?

Key Factors

- ★ Activities specifically ordered by legislation cannot be delegated
- ★ Potential conflict-of-interest in industry "self-oversight" activities
- ★ Assuring public access to industry safety information
- ★ Improved reactor performance; nonreactor trends less clear
- ★ Effects of economic competition on licensee safety decisions

Key Factors

- ★ Licensees concerns over impact of regulatory activities
- ★ Codes and standards development require industry participation
- ★ Declining resources challenge development and implementation activities for new safety framework

Options

- ★ Continue the Current Program
- ★ Expand the Role of Industry
- ★ Increase Accreditation and Certification of Licensee Activities
- ★ Increase Interaction With Industry and Professional Groups
- ★ Use a "Designated Industry Representative"

Commission's Preliminary Views

- ★ NRC should move as expeditiously as possible, within budget constraints, to evaluate on a case-by-case basis, initiatives proposing further NRC reliance on industry activities as an alternative for NRC regulatory activities

Commission's Preliminary Views

- ★ NRC should increase its focus and emphasis on interacting with both industry groups and professional societies and technical institutes to develop new codes, standards, and guides needed to support efficient, effective, and consistent performance of industry activities important to safety
  - Initial activities should focus on standards development in probabilistic risk assessment and the medical use area

Commission's Preliminary Views

- ★ Although not a preferred option at this time, the use of a designated industry representative may have some potential use for large broad scope materials licensees where NRC oversight through inspection is not frequent

Direction Setting Issue No. 23
Enhancing Regulatory Excellence

October 24-25, 1996

Sponsor: Edward L. Jordan, AEOD
Writer: Stuart D. Rubin, AEOD

DSI 23

- How Can NRC Enhance Regulatory Excellence Through Maintenance of Regulatory Standards, Rules, and Requirements?

Key Factors

- ★ NRC has endeavored to improve the effectiveness of its regulatory framework through routine reviews and periodic internal self-assessments
- ★ NRC has been responsive to external lessons aimed at improving its regulatory framework
- ★ Recent initiatives may inadvertently create an attitude among the staff that regulatory efficiency is a priority objective as an alternative to the fundamental commitment to regulatory excellence and effectiveness in implementing NRC's health and safety mission

Key Factors

- ★ Changes that improve the efficiency of regulation for the NRC and the efficiency of compliance for licensees have been of particular interest to licensees; licensees have not emphasized changes specifically focused on enhancing regulatory effectiveness
- ★ A declining agency budget could result in fewer resources being available for improving the effectiveness of the infrastructure of NRC's regulatory framework

Key Factors

- Recent events have revealed lapses in the agency's oversight activities; as a result of these occurrences, the credibility of the NRC as an effective regulator appears to have declined.

Options

- ★ Continue Current Approach
- ★ Initiate a More Proactive Approach to Improvement

Commission's Preliminary Views

- ★ NRC should develop and implement strategies designed to improve its own internal performance and proactively pursue making its people and processes function with a goal of excellence
- ★ A more proactive approach to improvement should be broadly applied to all NRC activities in support of NRC's mission