

ORIGINAL

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the matter of:

COMMISSION MEETING

Fiscal Year 1985 End-
of-Year Report

(Public Meeting)

Docket No.

Location: Washington, D. C.

Date: Thursday, November 7, 1985

Pages: 1 - 87

ANN RILEY & ASSOCIATES

Court Reporters

1625 I St., N.W.

Suite 921

Washington, D.C. 20006

(202) 293-3950

8511180037 851107
PDR 10CFR
PT9.7

PDR

DISCLAIMER

This is an unofficial transcript of a meeting of the United States Nuclear Regulatory Commission held on 11/7/85 in the Commission's office at 1717 H Street, N.W., Washington, D.C. The meeting was open to public attendance and observation. This transcript has not been reviewed, corrected, or edited, and it may contain inaccuracies.

The transcript is intended solely for general informational purposes. As provided by 10 CFR 9.10S, it is not part of the formal or informal record of decision of the matters discussed. Expressions of opinion in this transcript do not necessarily reflect final determination or beliefs. No pleading or other paper may be filed with the Commission in any proceeding as the result of or addressed to any statement or argument contained herein, except as the Commission may authorize.

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3 ***

4 FISCAL YEAR 1985 END-OF-YEAR REPORT

5 ***

6 [PUBLIC MEETING]

7 ***

8 Nuclear Regulatory Commission

9 Room 1130

10 1717 H Street, N.W.

11 Washington, D.C.

12
13 Thursday, November 7th, 1985

14
15 The Commission met in open session, pursuant to
16 notice, at 10:07 a.m., the Honorable NUNZIO J. PALLADINO,
17 Chairman of the Commission, presiding.

18 COMMISSIONERS PRESENT:

19 NUNZIO PALLADINO, Chairman of the Commission

20 THOMAS M. ROBERTS, Member of the Commission

21 JAMES K. ASSELSTINE, Member of the Commission

22 FREDERICK M. BERNTHAL, Member of the Commission

23 LANDO W. ZECH, JR., Member of the Commission
24
25

1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE

2 R. MINOGUE

3 D. EISENHUT

4 J. ROE

5 J. TAYLOR

6 D. MAUSSHARDT

7 J. EVANS

8 R. SCROGGINS

9 P. NORRY

10 S. CHILK

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

2 CHAIRMAN PALLADINO: Good morning ladies and
3 gentlemen.

4 Commissioner Asselstine is apparently tied up in
5 traffic due to the flooding. But his office suggests that we
6 proceed without him. I hope he can get here soon.

7 COMMISSIONER BERNTHAL: He may learn to love the
8 subway yet.

9 [Laughter.]

10 CHAIRMAN PALLADINO: Yes. Unless it gets flooded.

11 The Commission is meeting today to receive the
12 fiscal year 1985 year end report on agency expenditures and
13 major program accomplishments.

14 The Staff will also indicate those activities that
15 have had to be delayed due to unanticipated higher priority
16 requirements.

17 I understand the briefing will highlight items from
18 the EDO's report provided to the Commission October 22, 1985.
19 Copies of this report are available on the table at the back
20 of the room.

21 According to this report the four major categories
22 of progress to be covered by the Staff will be: reactor
23 safety, materials safety, waste management and safeguards,
24 investigation enforcement and program direction and support.
25 From this review, I hope the Commission can provide any

1 guidance where needed for programs in the fiscal year 1986
2 timeframe.

3 Unless there are any other Commissioner remarks at
4 this time, I would propose turning the meeting over to Mr. Roe.

5 COMMISSIONER ZECH: No.

6 CHAIRMAN PALLADINO: Okay. Jim?

7 MR. ROE: Thank you, Mr. Chairman. We are giving
8 you an end of year report, which will give you a historical
9 look at our accomplishments, but will also balance it with
10 some comments concerning areas that we didn't accomplish all
11 that we had set out to do, or that we did not have resources
12 to carry out that we had wished to do.

13 I think this balance will give you a view to the
14 future that will show that we are carrying out similar, or in
15 certain circumstances expanding programs and we do have
16 either level resources or less resources to take care of them
17 in this coming fiscal year of '86.

18 The approach for the briefing today will be in two
19 major parts or sections. First of all, I would like to have a
20 section on our financial and personnel situation and then I
21 would like to have a part of the briefing that focuses on what
22 we have now developed as twelve mission areas.

23 Previously we had given you a briefing that looked
24 at an organizational situation. We feel that we would like to
25 take a look at a mission approach towards this briefing to

1 show how, from a logical integrated standpoint, all of our
2 various organizational units support these particular
3 missions. It shows how we sort of worked for our common
4 goals, and segments into the particular organizational units.

5 I think it especially will show how our research
6 program supports our regulatory mission as an essential part
7 of it.

8 These particular mission areas we are looking at are
9 still being refined. We take a look at this particular
10 mission area approach to help us in several of the documents
11 that we have been working on lately.

12 For example, we are looking at this approach for a
13 five-year plan for an approach to responding to the Senate
14 authorizations request in Section 107 -- authorization bills
15 requested in Section 107 for a report from the Commission
16 about the relevance of our research program to our regulatory
17 mission. Looking at it in the context of our PPG efforts and
18 also with somewhat of a view toward future budget development
19 activities.

20 We will, today, go through the particular report
21 that Mr. Dircks sent you earlier, and highlight those
22 accomplishments and some of the areas that we were not able to
23 accomplish because of higher priority needs, or unanticipated
24 events that we had to cover.

25 I would like to focus first on the report pages one

1 through four, which talks about our financial and human
2 resources.

3 First, on page one it shows in 1985 we essentially
4 had a total funds availability of \$458.4 million. We have an
5 obligation estimate -- and I think that this number, as we
6 come in with the actuals at the end of the year will come
7 very, very close -- of \$445 million, which gave us a carry
8 over of \$13.4 million.

9 \$13.4 million is more of a carry over that is shown
10 in our unobligated balance on page 2 than we would have
11 expected. There is one principal reason for this. If we look
12 at the past history we will see that generally we have three
13 parts of unobligated carry over.

14 One of them was unique this year. The other two are
15 unused prior year, prior to '85, deobligations of moneys that
16 we had obligated and not used all of them for the contracted
17 effort. We went back and regained that money. And that is
18 about \$3.6 million and we have had that program underway for
19 some time.

20 And then there is simply unused funds from '85,
21 which we did not use all that we had budgeted for, 5.3.

22 The unique one this year was as a result of
23 Congressional --

24 CHAIRMAN PALLADINO: You are mentioning numbers I
25 don't find on my --

1 MR. ROE: They will all come up to sum to 13.4,
2 Mr. Chairman. They are just broken down by categories, and
3 not specifically in there.

4 CHAIRMAN PALLADINO: Okay.

5 MR. ROE: The one unique area we have, or one
6 unique source of funding was as a result of the congressional
7 action there was an FY '85 Deficit Reduction Act that removed
8 from our appropriated funds, \$4.3 million.

9 Then as a result of congressional inaction to make
10 that particular Act come to fruition, we were returned the
11 \$4.3 million basically towards the end of the fiscal year
12 And subsequently carried it over.

13 We do not expect to have that occur again unless
14 there are additional congressional actions and inactions. So,
15 that is a unique \$4.3 million Basically, it was taken away
16 and then it was given back to us and we did not have the
17 opportunity to spend it.

18 CHAIRMAN PALLADINO: Are you still explaining the
19 13.4?

20 MR. ROE: Yes, sir.

21 COMMISSIONER ZECH: What is the 4.3 again?

22 MR. ROE: The 4.3 is as a result of that Deficit
23 Reduction Act, where it was removed from us and then Congress
24 didn't finally enact it. I think the time period for their
25 action expired and it had to be returned to the agencies. And

1 we just carried it over.

2 COMMISSIONER ZECH: So that is money that we have.

3 It is part of the 13.4?

4 MR. ROE: Yes, sir, it is part of the 13.4.

5 COMMISSIONER ZECH: All right. So that is a

6 windfall?

7 MR. ROE: Well, it is a windfall. We sort of had

8 it in the savings account.

9 COMMISSIONER ZECH: All right.

10 MR. ROE: It hurt us last year and it helps us

11 this year.

12 COMMISSIONER ZECH: Okay.

13 CHAIRMAN PALLADINO: This year being which year?

14 MR. ROE: '86.

15 With respect to our unobligated carry over, the

16 second line on page 2 will show you that we have certain

17 contracts that we are committed to that we did not fund in

18 '85 and we will fund out of that carry over which are about \$2

19 million. There is no major contracts, big pieces, that are

20 say a million or half million dollars each. They are an

21 accumulation of smaller contracts.

22 As a result, we estimate that about \$11-11.5 million

23 will be available for carry over to help us meet the problems

24 that we see in '86 with respect to the budget of -- [inaudible

25 due to coughing] -- reduced from either the level of \$437,

1 which accounts for our budget request of \$429 plus the \$8
2 million associated with the salary and benefit shortfall that
3 was the result of the proposal by the Administration to fund
4 salaries at only 95 percent level, which we knew did not get
5 enacted.

6 The potential uses for --

7 CHAIRMAN PALLADINO: Explain that again. We were
8 supposed to assume that the salaries were lower, but the
9 salaries are not going to be lower, and so your budget
10 preparation has to count on the basis -- has to be based on
11 the assumption or the fact that we are going to have to pay
12 the full salaries.

13 MR. ROE: That is correct.

14 The \$429 million budget that was proposed by the
15 President and sent to Congress, had included in it a salary
16 level of only 95 percent, and that was not enacted by the
17 Congress. So, we have to pay the full salaries.

18 We have two potential uses for the carry over. A
19 salary and benefit shortfall which range from about 7.5
20 million to \$9 million based on what assumptions you use. And
21 then that \$11 million that is a result of the \$418 million
22 appropriations law that we have with respect to the \$429
23 million that the Commission -- that the President proposed.

24 CHAIRMAN PALLADINO: On this page 2 I presume you
25 are showing that the sum of these two is greater than the

1 available carryover.

2 MR. ROE: The sum of the two is greater than the
3 available carryover. The carryover will help us somewhat, but
4 it still leaves a shortfall. And we recently sent you from
5 Mr. Dircks, his recommendations of how to allocate the
6 appropriation we have of \$418 million.

7 Page 3 gives you a comparison of where we stood in
8 '85 with respect to total funds available for use and where we
9 stand in '86. I think this points out the fact that we have
10 fairly stable, or in some circumstances, expanding programs.
11 And we have a receding budget.

12 The summary shows that in '86 we will essentially
13 have \$25 million less to spend on our programs than we did in
14 '85.

15 CHAIRMAN PALLADINO: Are you on page 3?

16 MR. ROE: On page 3, yes, sir.

17 CHAIRMAN PALLADINO: Why is that number 13.4 instead
18 of 11.4 that you just showed on the previous page?

19 MR. ROE: The 13.4 is our carry over from '85 to
20 '86. On the previous page the number that we had of 11.4
21 already shows you that we have to utilize the \$2 million that
22 we will use in the next fiscal year.

23 CHAIRMAN PALLADINO: Well, I still am not sure why
24 it is not 11.4. The effective carry over sounds like it
25 is 11.4 not 13.4 million.

1 MR. SCROGGINS: Mr. Chairman, the actual total
2 unobligated funds is over \$13 million. There was approximately
3 an over \$2 million of efforts that were committed that were in
4 the process of being obligated, but were not actually obligated
5 as of September 30.

6 So that the full amount of unobligated is the 13
7 million. But the effective availability is essentially 2
8 million less than that. Because as those contracts now are
9 obligated -- they really were 185 contracts, but they just did
10 not get actually officially obligated prior to the end of the
11 fiscal year.

12 CHAIRMAN PALLADINO: I understand that. On slide 2
13 you showed the effective carry over at 11.4.

14 MR. SCROGGINS: Available carry over.

15 CHAIRMAN PALLADINO: This one shows 13.4 and I was a
16 little confused as to why one was 11.4 and the other was
17 13.4. And I guess I still am.

18 COMMISSIONER ZECH: It is a bookkeeping way the
19 budgeteers do it.

20 CHAIRMAN PALLADINO: Okay. Maybe it is beyond the
21 scope of a Commissioner.

22 [Laughter.]

23 [Commissioner Bernthal left the room.]

24 MR. ROE: Page number 4 --

25 CHAIRMAN PALLADINO: Don't leave page 3.

1 This 2.0 million --

2 MR. ROE: Let me explain that.

3 CHAIRMAN PALLADINO: Is that different?

4 MR. ROE: That's different. As we continue our
5 program of looking at our contractual effort of the past
6 years, we will continue to take and remove funds that were not
7 used, or we continue to deobligate.

8 It is just an estimate that we will gain about \$2
9 million during this year to use from deobligation of prior
10 year funds.

11 CHAIRMAN PALLADINO: If you look at the bottom line
12 -- I know we are supposed to be looking at '85, and I will get
13 off of '86 in just a moment -- but the bottom line for '86
14 looks like, golly, we were expecting 429, here we got 433, so
15 I wonder why the cuts in '86.

16 MR. SCROGGINS: Salary and benefits shortfall.

17 The 429 actually equates to about a 437 requirement
18 because of the fact of the difference in the salary and
19 benefits which was in the President's budget and the actual
20 pay rate. So the requirement was really a 437 million
21 requirement in '86.

22 CHAIRMAN PALLADINO: Were it presented that way I
23 guess it would not raise my question. But it looks like
24 anybody walking away from this meeting with this handout would
25 say, "By golly, they only needed 429, they got 433, we didn't

1 cut them enough."

2 MR. ROE: I hope they don't have that view.

3 [Laughter.]

4 CHAIRMAN PALLADINO: The presentation is very
5 important, because that is the impression one gets from
6 looking at this. And my question is, well, then we don't have
7 to cut anything in '86.

8 So are you saying it is 429 plus 8 that we really
9 needed to budget for, and this 433 should be compared with
10 437.

11 MR. ROE: Another way to look at it is we should be
12 really looking at, to carry out the programs that were
13 presented in your budget to Congress, you need \$437 million.
14 We were fortunate to carry over funds to fund the '86 programs
15 of \$11 million. So that reduces somewhat the impact.

16 We expect a potential of \$2 million additional
17 sometime during the fiscal year as far as deobligations. That
18 is an estimate.

19 So, we did mitigate somewhat the action, but it
20 still means that we had to cut out the programs or defer the
21 programs in our recommendation to you.

22 CHAIRMAN PALLADINO: But you see my problem, what
23 has been handed out gives the impression that we have no
24 problem in '86. And I think it is worth making sure that when
25 we presented the story that we don't draw the conclusion that

1 I was about to draw, that "Good Lord, we don't need to cut in
2 '86 at all."

3 MR. ROE: From that perspective, if you take a look
4 at the program that we conducted for the Commission in '85 and
5 what is expected for us to be conducting in '86, we have \$25
6 million less if you consider all the sources of the funding.

7 CHAIRMAN PALLADINO: I appreciate that. But I was
8 drawing the conclusion just on '86.

9 MR. ROE: Just simple numbers is that you had 429
10 in your President's budget. Now you have 433 potentially to
11 use. So what's your problem?

12 CHAIRMAN PALLADINO: That's right.

13 So it is worth in future tabulation to try to make
14 that clear.

15 MR. ROE: Yes, sir.

16 CHAIRMAN PALLADINO: Okay. Go ahead.

17 MR. ROE: On page 4 you see the Staff utilization.
18 I think here that the numbers speak for themselves. There is
19 nothing that concerns us as far as -- the deviations are from
20 around 100 percent that we saw in the various programs or
21 support offices.

22 CHAIRMAN PALLADINO: I had a question on I&E since
23 I&E is an area that has a lot of activity. Was there some
24 particular problem why there we didn't make our full authorized
25 --

1 MR. TAYLOR: During this year we have been hiring to
2 staff up the vendor, the shift in the vendor program. That
3 continued into this fiscal year. Plus, we have the problem of
4 a hold on hiring at the 14 level, which we imposed because of
5 the grade problem. And that restricted several potential
6 entries.

7 We expect to catch up. We are close now.

8 It was really impacted -- remember the vendor
9 program transferred a year ago during this year, and a lot of
10 people did not come. So, we carried a large number of
11 vacancies into this year as we began to hire. People did not
12 transfer. They retired. Some of them were reassigned within
13 region.

14 That was a big load of hiring that we carried into
15 this past fiscal year.

16 [Commissioner Asselstine arrived.]

17 CHAIRMAN PALLADINO: I wonder if I could bring
18 Commissioner Asselstine up to date.

19 We are on slide 4. But on slide 3 it raised the
20 question, if you look for 1986 -- although I know we are not
21 looking at 1986, I couldn't help but draw an observation that
22 this slide implies, in slide 3, that for 1986 we have 433.4
23 million. Our budget was at 429, so why do we have to do any
24 cutting.

25 And they point out that the comparison number is not

1 433, as far as what we need, it is -- I'm sorry, it is not 429
2 it is 429 plus 8 for the salary situation. So, 433 should be
3 compared with 437, which is 429 plus 8.

4 COMMISSIONER ASSELSTINE: I apologize for being
5 late. I think it would have been faster to swim to work this
6 morning.

7 [Laughter.]

8 CHAIRMAN PALLADINO: We speculated on where you
9 were, that you were tied up in traffic.

10 MR. ROE: I would like to now go to the discussion
11 highlighting the Commission areas.

12 Pages 6 through 8 of our report address overseeing
13 operator reactor performance. I think we should highlight
14 that we do have currently 95 power reactors licensed to
15 operate, 93 which have full power license and 2 with low power
16 licenses.

17 With respect to the plant specific operating reacting
18 licensing actions, we were able to carry out and complete
19 approximately 1900 versus an 1800 that we planned. So a little
20 bit ahead of it.

21 However, we are still concerned, and I think the
22 Commission is, that we have a large inventory and we have not
23 been able to make any sizeable dent in reducing --

24 CHAIRMAN PALLADINO: Which bullet are you talking
25 about on that page.

1 COMMISSIONER ASSELSTINE It is really on page 7

2 MR. ROE It is really on page 7.

3 COMMISSIONER ASSELSTINE Third bullet from the
4 bottom.

5 MR. ROE: Okay. Before you get to page 7, I was not
6 sure I understood what the outage program came as. If we are
7 going to go page by page --

8 MR. TAYLOR: I'll tell you about that.

9 MR. ROE: Jim, would you like to address the outage
10 program?

11 MR. TAYLOR: This is a program which the Commission
12 approved by which -- we were concerned basically about changes
13 in the plants that have taken place over the years of operation
14 in operating reactor plants. And the concept here was to take
15 some design trained engineers with people who were skilled in
16 viewing the installation of changes and repairs at the plants.

17 We started that program at Ft. Calhoun. You approved
18 funding for this program. I can't remember the funding numbers
19 right off the top of my head. That program is started, and
20 what we are doing is looking at safety system modifications.
21 And we will be giving you a brief on that program, I think,
22 within the next several months.

23 The second phase of the program is beginning at
24 Dresden. Notice, these are two older stations and we are
25 looking very hard at what is being changed in those safety

1 systems, what was changed, what is the impact, reduction in
2 safety margins, that type of thing. How is the work being
3 controlled.

4 So, we will be -- we are on schedule, or will be
5 scheduled to brief you when we have some more results on that
6 program.

7 CHAIRMAN PALLADINO: All right. Thank you.

8 I'm sorry, Joe. Now do you want to lead us to where
9 you were focusing.

10 MR. ROE: Yes. Basically what I want to do is
11 highlight some of the activities we feel most important on
12 pages 6 and 8. I won't go and address every particular
13 bullet, but just those that I think are important, and make
14 some comments about them.

15 We continue to desire to bring down the inventory of
16 both plant-specific and multi-plant licensing actions. I
17 think you are aware of that in our discussions about the
18 budget. But, as you are aware when we have in the higher
19 priority or unanticipated activities in this area, normally
20 that technical expertise is drawn to the unanticipated events
21 and we don't get to accomplish as much in reducing that
22 inventory as we can.

23 It is simply one of financial and human resources.

24 Next, is that we highlight the fact that we used
25 about the same level of inspection resources as we had last

1 year. We feel that it is adequate what we are doing now
2 But, it is aware that the special cases that are coming to our
3 attention are heavily occupying our management and our senior
4 level staff. As a result, some of the mid- or lower-level
5 priority with respect to our mission sometimes does not get
6 the effort that we wish to because the effort is drawn to the
7 higher priority.

8 Some of the examples of the things that we are not
9 to accomplish at the same rate as we would wish to, because of
10 resources, is review and update of our inspection manual,
11 policy and procedures, to have counterpart training and
12 meetings on policy and technical issues between our local
13 headquarters people and our regional counterparts, to be able
14 to carry out somewhat routine management visits to sites and
15 overview the quality of our work by the resident inspectors,
16 to be able to have a joint program, carry it forth at a little
17 bit more rapid speed between I&E headquarters office and our
18 regional component, and to improve our inspection program, to
19 check up on the effectiveness of the generic communications
20 that we send out to the industry on the various problems that
21 are occurring, and to be able to have greater initial and
22 refresher training of all of our people, especially our
23 Inspection Enforcement individuals.

24 As you are aware, we do want to expand the coverage
25 of resident inspectors at our single-unit sites. And we are

1 taking the first big step at that in '86. And we are planning
2 if we receive sufficient resources in '87 to complete that, to
3 have essentially, with the exception of a couple of
4 smaller-power sites, have a second resident inspector at each
5 one of the single-unit sites.

6 With respect to the vendor program, I think you
7 are aware that we have continued to emphasize hardware and
8 quality of the product of the vendor shop versus the paper
9 work aspect.

10 Though it seems long ago, I would like to highlight
11 the fact that we put a new operations center into effect in
12 February, and we have used it on multiple occasions now.

13 In addition, we are all aware that we have initiated
14 the NRR reorganization which we believe will bring us more
15 consistency in approach towards the workload shifts and
16 license reviews to the oversight of operating reactors.

17 Basically that is the highlights I had on that
18 particular mission area.

19 I would like to now go on to the Analyze Reactor
20 Operational Experience, which is --

21 COMMISSIONER ASSELSTINE: Before you do that, let
22 me ask a couple of questions.

23 You talk about responding -- page 7, responding
24 effectively to unanticipated operating events such as those at
25 Fermi, Farley, Susquehanna, Sequoyah, McGuire and Davis-Besse.

1 I gather we don't budget specifically for those
2 kinds of efforts at the outset.

3 MR. TAYLOR: That's right. We are never quite sure
4 how big that is going to be. Obviously, let's take
5 Davis-Besse, that has been an enormous -- and will continue.
6 And if you want to mention special cases that are dominating
7 the field, there is a perfect example. Not only what applies
8 to Davis-Besse, but what it means across the board in operating
9 plants.

10 And the senior staff is trying to read that story,
11 and I just was in Region III the other day at the Residents
12 Meeting. It has had a profound impact as people worry about
13 the fact, you know, what are the things that with our one or
14 two guys at a plant, what are the things that we should be
15 looking at.

16 We will be changing things in this next year.

17 The TVA problem is another unanticipated. And we
18 really didn't realize that was going to burgeon. The amount
19 of staff time in Region II and headquarters going into TVA is
20 going up at a phenomenal rate.

21 I don't have an answer.

22 Those are the kinds of things that are very difficult
23 to budget for. But they are problems that cannot be ignored.

24 COMMISSIONER ASSELSTINE: I guess what I was
25 wondering was both for the regions and for I&E and NRR, how

1 that affected the rest of your programs. What did that do in
2 terms of disrupting the things that you wanted to accomplish
3 during this past year?

4 MR. TAYLOR: Jack cited some of the things that we
5 haven't done quite as much as we would have liked to.

6 We would have liked to have gone faster in updating
7 our inspection manual. Our idea is to put together an
8 operating reactor inspection -- our manual is quite ponderous
9 if you have seen it. All of it necessary. But, we are trying
10 to streamline it and improve the operating reactor, and that
11 is where we are going. We have effort underway on that. We
12 would have liked to have gone faster.

13 We would have liked to have spent more time, as Jack
14 mentioned, going out to individual residents, you know, out of
15 headquarters. More time out at the sites.

16 We ran quite a few mini-pats this year, which have
17 proved an effective way to look at a small part of the
18 program. We have some escalated enforcement coming out of
19 that at some of the sites.

20 The interface with INPO and our ability to accompany
21 INPO. We haven't done as much of that as we would have
22 liked. Although we use a lot -- I'm just talking about the
23 routine evaluations. We did get out to one corporate visit to
24 observe the corporate -- I think it was at Kewaunee this year.

25 Generally, it is confirming that that part of the

1 INPO evolution, you know, they are carrying out their basic
2 mission. Those are the kinds of things that we have not done
3 as much as we would like to.

4 We would like to spend more time assessing the
5 effectiveness of some of the regional programs. We have to
6 struggle to do that each year for EDO.

7 MR. EISENHUT: If I could just second what Jim
8 said. If you look at just these events listed here, you are
9 probably talking ten to twenty FTEs right off the top.

10 Then, if you look as we get to one of the next
11 slides, you will see there are the OL cases, the Comanche
12 Peaks, the Diablo Canyons, the Waterfords. I think in the
13 last year we have put in something out of NRR, something over
14 twenty FTEs above what was budgeted just on those cases.

15 In addition, it has a tremendous impact on our
16 technical assistance budget. I think Comanche Peak alone has
17 now cost us close to \$10 million technical assistance. When
18 you are talking of budget, a yearly budget of \$30 million
19 under contract, that is a sizable impact, especially when none
20 of that was budgeted in the first place.

21 COMMISSIONER ASSELSTINE: I take it that the 10
22 million doesn't get recovered by license fees, does it?

23 MR. EISENHUT: Some of it might.

24 COMMISSIONER ASSELSTINE: Even though it is pretty
25 well directly attributable to that case.

1 MR. EISENHUT: The kind that is directly attributable
2 --

3 CHAIRMAN PALLADINO: The country doesn't get it.
4 Even if they paid it, we wouldn't get it.

5 MR. EISENHUT: Right.

6 COMMISSIONER ASSELSTINE: Well, that may be. The
7 government --

8 MR. EISENHUT: That's right. So we could recover
9 it.

10 Let me comment on the impact, on two things. One
11 is, certainly the special programs that Jim mentioned, where
12 we are going out and participating with I&E or participating
13 with a major effort of design, design implementation. That is
14 an impact, because we are not doing as much as we would like
15 to -- followups on Turkey Points, followups on various places

16 But, there are other things that we have just barely
17 touched. One area that we are quite sensitive to is overall
18 performance indicators.

19 We really don't have a way today to monitor -- at
20 least in my opinion -- to monitor real performance at the
21 plant until the plant has gotten to the point where it is
22 pretty bad. And you start seeing the SALP program which gives
23 you SALP 3s for repeated years, and then it is also monitoring
24 what I always call the secondary parameter. It is monitoring
25 things after the fact in terms of, it looks at escalated

1 enforcements, it looks at how the HP record is. It doesn't go
2 back -- we are not specifically tracking the original
3 performance.

4 So, it is an area that we really need to look at to
5 give you an earlier indicator of the problem. And then more
6 importantly, so you can take the early steps to resolve the
7 problem.

8 COMMISSIONER ZECH: But that information is available
9 now.

10 MR. EISENHUT: That information, a lot of it is
11 available. Some of it is at the NRC's disposal, other isn't.
12 It really doesn't come to the NRC in any way.

13 COMMISSIONER ZECH: We can get it, though.

14 MR. EISENHUT: That's right. One of the things we
15 would like to do is sit down, develop the program, figure out
16 what we want to get, how to put it together.

17 But, when you turn to the Staff we have the
18 difficulty because the Staff we would want to turn to is off
19 working some of the projects. And that is how it hits us from
20 a resource standpoint.

21 It certainly is something --

22 COMMISSIONER ZECH: It is doable, is what I mean.

23 MR. EISENHUT: It is doable. We believe it is
24 something we have to come to grips with.

25 But there is even another step down in the thing we

1 are not doing that bothers us. For example, Jim Taylor just
2 mentioned he and I were both in Chicago this week, met with
3 all the Region III staff, met with all the Residents.

4 The thing we are not doing is developing and training
5 our staff. I, personally, believe the staff we have is
6 probably the most valuable asset we have. We are not training
7 them.

8 We train them technically in terms of going to a
9 program, going to a course. But, we don't really train them
10 in the lessons learned. If you go to a Region III, you get a
11 lot of questions from the residents about Davis-Besse. You
12 get the kind of questions of:

13 Why don't we have the time any more to get all the
14 Residents together on B&W plants, get all the PMs together on
15 B&W plants, get them to sit down with B&W and figure out, here
16 are the Rancho Seco issues, here are the Davis-Besse issues,
17 these are the issues we all ought to be more sensitive to, we
18 all ought to work on, we ought to just be more aware of.

19 COMMISSIONER ZECH: That is doable, too.

20 MR. EISENHUT: They are all doable.

21 MR. ROE: They are doable.

22 MR. EISENHUT: They are doable, they are clearly
23 workable, and they are probably very valuable things to do.
24 It is just that we don't get there from a resource standpoint.

25 COMMISSIONER ASSELSTINE: I gather they are not

1 doable if what we have to do is spend our time reacting to
2 brush fires everywhere.

3 MR. ROE: That is part of the problem.

4 MR. EISENHUT: One of the real problems is just
5 that. We respond to the Davis-Besse's. At some point we are
6 going to be actually put a lot more resources on Davis-Besse
7 than we need to, because I personally think that Davis-Besse
8 is not my biggest concern.

9 COMMISSIONER ASSELSTINE: It is the other one out
10 there.

11 MR. EISENHUT: I don't think the new management at
12 Davis-Besse is going to fix the problem. But, it is a matter
13 of, when you go through the thorough process, we really have
14 to look now at what we are learning from it, and go forth and
15 bring that plant back to where it should be.

16 So, they are all doable, but it comes up under the
17 resource connotation because to do some of those things you
18 have to extract them from somewhere else. We are already
19 extracting them from some key programs to the point where we
20 feel those are pretty critical.

21 We are keeping up with licensing actions, we are
22 keeping up with most of the critical issues we need to do
23 but, you look at plants today that have SAMP III ratings year
24 after year after year, should we be doing more? The answer is
25 probably yes.

1 COMMISSIONER ZECH: My view is those things you have
2 told us are doable within current resources.

3 MR. EISENHUT: With some judicious reallocation.

4 COMMISSIONER ZECH: Sure.

5 CHAIRMAN FALLADINO: I think it is worth examining
6 our budget in light of your comments, if we can't bring about
7 some improvement and provide you some funds to do those
8 things.

9 MR. EISENHUT: An observation either Harold or I
10 made last year is, it is hard for us to argue, to go out and
11 resolve new generic issues if you are not implementing the old
12 resolutions of generic issues. It is the same kind of thing.
13 I think that is an area in the long-time scheme of things we
14 have to come to grips with as an agency.

15 COMMISSIONER ZECH: I agree.

16 COMMISSIONER ASSELSTINE: Let me ask Lando's question
17 a little differently to both Darrell and Jim.

18 If year after year after year we have a TVA problem,
19 a Davis-Besse problem, a Rancho Seco problem, a Turkey Point
20 problem, if that continues each year, are you ever going to be
21 in a position where you can devote the time and attention to
22 setting up a system like performance indicators so that you
23 can spot the weaker problem areas early on, before they
24 manifest themselves in more serious problems?

25 If we don't fix that problem fairly soon, aren't we

1 always going to be in a reactive mode where we are spending
2 our resources attacking things that have gotten pretty bad
3 after the fact, rather than getting them early on?

4 MR. TAYLOR You had the people here yesterday with
5 NUMARC, that are the key to that problem, because they
6 essentially presented to you a program and they talked about
7 maintenance and what they are doing in maintenance.

8 I want to tell you that our review of maintenance,
9 part of the problems and part of the limits to SALP are the
10 limits of our own inputs to it. It is an NRC view of the
11 performance.

12 Darrell's suggestion is, you take a lot of what they
13 may have, like the number of outstanding work orders at a
14 site. Now, that can be one of those double-edged indicators,
15 because it is in the bookkeeping. But, to try to expand the
16 SALP to encompass a lot of this data --

17 But the situation, the real situation in our program
18 is that we do about once a month, maintenance observation by
19 Residents or regional people who are out there, which is a
20 very short capsule of a pump that is down, and is the procedure
21 there, and is the bearing going back in properly, type of look

22 The problems that we are faced with out at a place
23 like Davis-Besse is a series of engineering problems, a lack
24 of tests -- it goes beyond what the usual term "maintenance"
25 means.

1 That is one of the lessons out of that. And that is
2 one of the reasons we have gone off on this unbudgeted effort,
3 which we did at Turkey Point, which, if you have looked at the
4 report, surprised me. People responsible for that were here
5 yesterday.

6 COMMISSIONER ASSELSTINE: That's right.

7 MR. TAYLOR: And we are off to look at other plants

8 But, that takes -- that is a resource-intensive
9 inspection which really takes engineering and NRR and
10 contracting. And it takes people experienced with operations
11 and maintenance. And it is a tough effort to do. Very
12 expensive for us.

13 CHAIRMAN PALLADINO: Still, I think it deserves
14 attention, and looking and looking at the revision in the 1986
15 budget, we will look to see if we can't identify some funds to
16 help this effort.

17 MR. TAYLOR: He mentioned training. We are getting
18 a lot of people into this program. We are hiring entry-level
19 people to become Resident Inspectors.

20 We are hiring entry-level people at the GS-11, 12 --
21 you know, at the entry level to ultimately get out there to be
22 Residents. That is a real challenge in training. These are
23 people who have the basic academic credentials, but don't know
24 the difference between a globe valve, a gate valve and so on.
25 And, to make them understand the hardware types of things --

1 you know, they have the basic education -- is a tremendous
2 challenge.

3 We have normally taken people into that type of
4 program who are, what I would call, seasoned. They have been
5 out and kicked hardware, they have been in plants, they know
6 how the pumps run, they know what the different bearings are,
7 and all the other kinds of stuff, that you only get through
8 experience.

9 So, there are these kinds of challenges to our
10 programs. But, in terms of -- I mentioned yesterday the
11 people sort of said they are doing many, many things. There
12 are many problems out there that I don't think the industry
13 has unearthed yet.

14 COMMISSIONER ASSELSTINE: What is behind the -- what
15 is the driving force behind moving to more entry-level people
16 for Residents, rather than the more seasoned ones that, as you
17 say, we have used in the past?

18 MR. TAYLOR: It is both the combination of the grade
19 problem in the agency and availability of people. It is a
20 combined thing.

21 We can't get some of the people that we want. That
22 is one of the reasons why I&E didn't make its FTE. I had some
23 people, but the only way I could get them was a mid- or
24 high-grade 14 at entry, to even compete --

25 MR. EISENHUT: We had the same problem.

1 Particularly, our biggest turnover is in the project management
2 area, where you try to have your most qualified people. And,
3 the reason we have perpetually been at 90 percent is because
4 from the time the person announces that he is leaving, to the
5 time you recruit and can find one and bring him in, there is
6 always a dead bend, and with the high turnover rate, you always
7 miss out on some -- even if you are planning ahead, and try to
8 stay ahead of the curve, you don't want to end up beyond it

9 It is remarkable that we stayed as close as we did
10 But, we are having the same problem. We are recruiting
11 certainly the backup project manager, we are bringing in
12 entry-level people, running them through a multi-year training
13 program, bringing them up to speed. It is a major challenge.

14 But, the availability of people that you can get,
15 who are qualified, that you can entice into the job, is
16 getting lower and lower. So, the combination of that is, you
17 can get the person with the good academic credentials, bring
18 them in and put them through a training program, but you have
19 to work on these physical parameters. You have to physically
20 get them out to places.

21 So, we are working a major effort along those lines
22 to do it, too.

23 CHAIRMAN FALLADINO Do you have an adequate training
24 program underway for these people?

25 MR. EISENHUT: We are developing an adequate training

1 program. Again, in that case you run into budget constraints,
2 for example, even from travel.

3 One of the first obvious things you want to do, you
4 want to physically get them out somewhere.

5 I often tell utilities and negotiate package deals
6 where I want the project manager to be able to spend weeks in
7 a plant. Spend weeks with the Resident, not a couple of days
8 here and a couple of days there.

9 That, clearly, has a major resource implication, and
10 it is something the industry is strongly behind, because
11 clearly, I think, in the overall end product, you end up with
12 a more effective staff than you would have in either -- not
13 just more effective in terms of productivity, but more
14 effective in understanding what is going on from both
15 standpoints, the NRC's and the industry.

16 So, it is something we are really working.

17 CHAIRMAN PALLADINO I think you brought up a number
18 of very important points, and I think we need to follow up on.

19 Okay.

20 MR. ROE: Let me continue on to discuss this area of
21 Analysing Reactor Operational Experience.

22 We have prepared and issued a multitude of reports.
23 I would like to highlight some of the numbers to indicate the
24 amount of technical effort that we have had involved.

25 We have prepared and issued five AEOD case study

1 reports, 32 engineering evaluation reports, and 24 technical
2 review reports of operational events.

3 We have issued three reports of trend and pattern
4 analysis of various classes of operational events.

5 A trend and pattern analysis report of LEM data from
6 '81 through '83.

7 We have also provided the Commission two semiannual
8 reports, fairly extensive reports on AEOD activities.

9 Also, we have issued approximately 100 information
10 notices, including 14 vendor-related, compared to about the
11 same number that we did in 1984.

12 Also, we have issued a comparative assessment of
13 U.S. and foreign dose experience at nuclear power plants.

14 We are continuing to evaluate INPO's progress in
15 improving the nuclear plant reliability data system.

16 With respect to some of the contributions we have
17 had from our research office to meet our regulatory mission,
18 we have confirmed licensing decisions based on INPO,
19 information from our safety research program, to allow
20 short-term operation of BWRs with weld-clad overlay repairs
21 in their stainless steel piping.

22 These weld-clad repairs have been demonstrated by
23 tests to require about four times the normal operating pressure
24 plus excessive bending before they have a potential failure.

25 In addition, we have, based on information through

1 the safety research program, completed advanced ultrasonic
2 inspections of the Dresden 3 and Vermont Yankee primary piping
3 to provide a basis for NRR decisions on restart, and also to
4 resolve some conflicting results from previous inspections.

5 The next section I would like to highlight, is that
6 --

7 COMMISSIONER ASSELSTINE: Before you leave that one,
8 you mentioned we issued about 100 information notices. How
9 many bulletins did we issue?

10 MR. TAYLOR: We didn't issue any bulletins. You
11 will be happy to know that we issued an emergency bulletin
12 Tuesday night.

13 We also had two other bulletins which just came
14 out. One of them is a follow up to an INPO SOER, where the
15 follow up was not adequate, where we -- this is on the
16 temperature auxiliary feed pump discharge. Monitoring their
17 -- I won't get into that, it is a flash loss of pump capability
18 -- were we reviewed the followup in the industry. And we told
19 INPO. We told them what we were doing. Follow up what the
20 industry had done.

21 We found it pretty good. But we found some plants
22 -- at least two plants that hadn't done anything. And a bunch
23 of plants that had not incorporated into their procedures, and
24 so forth. So we issued a bulletin.

25 And, we are also preparing a bulletin on the valve

1 problem at Davis-Besse. So, we are -- the traffic was awfully
2 low this past year.

3 COMMISSIONER ASSELSTINE: The emergency bulletin was
4 the one on the breaker problem, right?

5 MR. TAYLOR: Breaker problem. DB50s at D. C. Cook.

6 COMMISSIONER ASSELSTINE: Also you say you evaluated
7 INPO's progress in improving NPRDS.

8 How are they doing on NPRDS?

9 MR. ROE: It has been approved, but we don't think
10 they have gotten to the point where they should be.

11 MR. TAYLOR: That is really Jack Heltemus's area.
12 But that is our perception, too. That has been a tough
13 struggle for them to get everybody to work in that system. It
14 is much better than it was.

15 MR. ROE: We are still communicating with them about
16 what we consider is the full performance level, full
17 participation. I think Bill recently sent a letter to Zack
18 Pate about that particular issue. But, it has definitely
19 improved. But, it has still got a little ways to go.

20 COMMISSIONER ASSELSTINE: Okay.

21 MR. ROE: If I can proceed with licensing current
22 future reactor designs --

23 CHAIRMAN PALLADINO: Slide 11?

24 MR. ROE: It is on pages 11 and 12, yes, sir.

25 One of the things I think that we should realize is

1 the basis for our current licensing of current and future
2 designs is the extensive research program that we have carried
3 out.

4 I think those who have been involved in the past
5 years of our program to license some of these plants, realize
6 that the program that is carried out by research has given us
7 a lot of information that has been used as a basis to proceed
8 with licensing these plants. And I think we should realize
9 that.

10 With respect to recent accomplishments, we have
11 issued initial licenses for ten reactors, eight of which were
12 granted full-power authorizations. And also three reactors
13 licensed for low-power operation in prior years have now
14 received in this year, full-power authorizations.

15 With respect to our inspection activities at plants
16 under construction, we have maintained basically a level
17 program. And as you are aware, we now have at least two
18 construction residents at all active sites.

19 With respect to standardization, we have continued
20 support for that program. We have amended the GESSAR II FDA
21 to address severe accident policy statement issues.

22 And we are continuing to work with EPRI on standard
23 plant requirements.

24 In licensing of the new reactors, we have taken on
25 approach to support a readiness review concept as a method of

1 structuring a program, and that is being carried out with
2 respect to the Vogtle plant, and I believe the WPPS 3 --

3 MR. TAYLOR: WNP 3.

4 MR. ROE: -- as the first plant of a possible
5 two-plant WPPS program.

6 This year we conducted five CAT inspections.
7 However, there are some things that we did not do in this
8 particular area that I think that we wished to do but we just
9 did not have the resources and had to fall at the lower level
10 of priority. And one of those is that we have done no work,
11 essentially, for QA for future plants.

12 Darrell brought up one of the areas, about unbudgeted
13 requirements. In '85 we had budgeted to work on the licensing
14 of plants, Diablo Canyon, Waterford, Comanche Peak, Wolf Creek,
15 TMI-1 restart Approximately 27 FTEs and \$1.3 million.

16 We have expended on those projects, far more than 42
17 FTEs, or basically double, and at least \$7 million, which is
18 \$6 million more than we expected or had budgeted for. And it
19 is obvious that comes out of part of the other program. And
20 that will be seen in some of the other mission areas as we
21 highlight things that we did not --

22 CHAIRMAN PALLADINO: You talked about QA for
23 future plants, which future plants? Way out, new plants?

24 MR. ROE: New plants.

25 MR. TAYLOR: Way out.

1 MR. EISENHUT: I was going to point out also, when
2 you look at those numbers, remember that those numbers are --
3 the numbers expended on these projects are not quite five.
4 Our total program -- it stretches over five years of an OL
5 review -- equates to something like 20 FTEs for the entire
6 review over those five years.

7 So you can see, if you look at some of these
8 expenditures over a five-year period over some of these
9 projects, it is far, far -- we are probably up to 60, 70 FTEs
10 on Diablo Canyon alone. And we are up to \$30-some million,
11 and millions and millions on Comanche Peak.

12 CHAIRMAN PALLADINO: I just want to make a comment.
13 With all the budgetary needs, QA for future plants, that has
14 to be a low priority.

15 MR. ROE: It goes to the bottom, but it is something
16 that we had expressed an interest in doing.

17 MR. EISENHUT: It is the kind of thing that got
18 deferred, obviously. That is how it is on there.

19 But, I will give you another data point though of
20 the kind that is deferred. For the last year or some, we
21 have been trying to look at a program of what should we be
22 doing to maintain mothball plants? That is, those plants with
23 CPs today, the Marble Hills, the Midlands, the WNP units.
24 There are 20 of these around the countryside.

25 Should we be looking at them? What should we be

1 doing just to maintain, make sure we are staying on top of
2 inspections? And, should we clean up the loose ends?

3 And, those kinds plants, we brought to a screeching
4 halt with putting a hold on the plant. And, if you look at a
5 Midland or a Marble Hill, if they should walk in the door, if
6 that should happen at some subsequent time, we are no farther
7 along, and probably further back on the technical issues we
8 were in the throes of resolving at that time because we
9 dropped the ball. And we would have to start all over where
10 we are.

11 So, while on the one hand we could clearly say that
12 is a very low priority, and we did drop at least 20 plants, it
13 is an issue that ultimately could get us.

14 Another one I know research is just starting to
15 look at, or starting to look at and the industry is looking at
16 is, many of these plants have 40-year licenses, the 40 years
17 stretching from the date of the construction permit to start
18 with, not from operation. And, if it is a long window between
19 CP and OL, there is an effort that they can automatically
20 under the regulations already get some more years of plant,
21 that is the kind of effort we are not doing.

22 But even then, the life extensions of 40 years and
23 beyond, that is an area research, for example, is starting to
24 look at, the EPR/AIF industry is looking at. They have been
25 working on it for the last year or so. That is an area that

1 is going to get us ultimately, in my opinion, because the --

2 CHAIRMAN PALLADINO: That is something that requires
3 research now.

4 MR. MINOGUE: That's right.

5 MR. EISENHUT: It is just getting started.

6 MR. MINOGUE: We are working. As Darrell says, there
7 is a lot of industry activity going on in this area. So,
8 actually the stage we are in right now is, we are scoping out
9 the nature of the problem, working with these various groups
10 which he named, to really define what the problems and issues
11 are.

12 Some parts of this are going to be straightforward,
13 some will be difficult. We are trying to identify which is
14 which. So, we are really in the very first stages. This is a
15 very serious --

16 CHAIRMAN PALLADINO: It also contributes to whether
17 or not those plants that are operating, whether they will make
18 their 40 years.

19 MR. MINOGUE: In a sense you could see this as piggy
20 backing on the current aging program. But, it carries a lot
21 of new elements, too.

22 This is a very serious proposal. The indications we
23 are getting is, that this is a very significant industry
24 intent. And given that there may be things that one has to
25 do in the last years of the normal operating life in the way

1 of extra surveillance programs and so on, that we need to
2 identify fairly promptly.

3 So this, for us, is a high priority, but long-term
4 program.

5 MR. EISENHUT: So, if you look at the plants that
6 started operating in the early '60s, they are well into the
7 years and may, Bob, as you said, there may be things that
8 the utilities should be doing today.

9 Of course, the classic example is the problem with
10 the radiation of the pressure vessels. So, there may well be
11 things that utilities should be doing now to preserve the
12 plants if they want to go further. So, we look at this as an
13 area that is going to be a major effort that has to get
14 undertaken in a short timeframe.

15 MR. MINOGUE: I think a lot of the work in terms of
16 the research to support will be done by the industry, because
17 there is a very serious interest. EPRI is involved, AIF is
18 involved, and the ASME as a professional society, is heavily
19 involved in this area.

20 COMMISSIONER ASSELSTINE: Are we putting any
21 inspection now on the mothballed plants?

22 MR. TAYLOR: It is essentially maintenance type
23 inspection going on in Marble Hill, with their cancellation,
24 as an example.

25 MR. EISENHUT: I think they go in periodically to

1 see that it is being preserved.

2 But, I ask the questions, if you go one step further,
3 what about QA records and preservation of QA records? When you
4 mothball plants, quite often they lay off hundreds and
5 thousands of people, and they walk out the doors. How are you
6 going to know just where all the paper is when you come back to
7 make sure things were sorted through? And many of these plants
8 were not preserved in that manner.

9 CHAIRMAN PALLADINO: You mothball the records, too.

10 MR. EISENHUT: We have asked it from even an NRC
11 standpoint, where were we at the time? Quite often, the
12 people get up and two or three years later, they have left the
13 agency. So, it is very difficult to resurrect all the old
14 records.

15 COMMISSIONER ZECH: Don't we have any provision for
16 when they stop work on a plant to require a certain amount of
17 documentation and records? Don't we have anything that we
18 do? Do we just let them walk away?

19 It seems to me that perhaps if we don't have them,
20 we ought to have some kind of a documentation of the status of
21 the plant.

22 MR. TAYLOR: I think where a utility has continued
23 in business and has not folded up its nuclear mission, that
24 you would find that they have kept them.

25 The biggest worry has been in places like Marble

1 Hill, where Public Service -- there have been discussions
2 between the regional administrator and the company out there
3 to try to do the best they can.

4 COMMISSIONER ZECH: It seems to me it is a very
5 serious requirement, when we are thinking about perhaps going
6 back in and resuming construction and so forth, that we have
7 to have a basis to go on. And if we don't have some kind of a
8 program --

9 MR. TAYLOR: I don't believe there is a requirement.

10 MR. EISENHUT: No, there is not. As a matter of
11 fact, it is totally in the hands of a utility whether or not
12 he wants to terminate the license.

13 COMMISSIONER ZECH: Doesn't the license provide any
14 kind of a provision for this event, in case he doesn't complete
15 the plant that he has to do certain things to tell us, at least
16 record it for history, the status and documentation?

17 MR. EISENHUT: He has to do things under NEPA for
18 site redress.

19 COMMISSIONER ZECH: We don't require any of that?

20 MR. EISENHUT: We do from the site redress
21 standpoint, but we don't from safety records.

22 Let me give you an example. We are not picking on
23 PSI. I just happen to mention this one.

24 There was a big debate for a while whether PSI could
25 afford the security to even maintain the site secure. And

1 they had quite a bit of debate in Indiana --

2 MR. ROBERTS: You mean there was a question about
3 their --

4 MR. EISENHUT: Because if their intent was that they
5 were never going to use the plant, they were going to terminate
6 their CP, they were in fact anticipating making a legal filing,
7 because they were in a hearing, to -- and maybe they are still
8 in hearing. But anyway, they were considering making a filing
9 to terminate their CP, because they had pretty well concluded
10 they were not going to use -- Public Service of Indiana pretty
11 well stated that they were not going to use that site for a
12 nuclear plant, period, because of financial considerations.

13 CHAIRMAN PALLADINO: But it is their responsibility
14 also if they wanted to come back.

15 MR. EISENHUT: So, if they wanted to do something
16 else they would have to maintain it. And ultimately they
17 ended up maintaining the security of the site, and maintaining
18 some provisions down the line.

19 It is just that kind of question, and it varies
20 around the country. Some sites did not.

21 COMMISSIONER ZECH: I'd suggest if we don't have
22 such a program, that the Staff look into it.

23 MR. EISENHUT: Yes, sir.

24 COMMISSIONER ASSELSTINE: I would think whether we
25 need a requirement or not is somewhat of an open question.

1 But at the least, we ought to put people on notice that if
2 they want to resurrect some of these projects, this is what
3 they better be able to show us. Otherwise, they are not going
4 to be able to get an operating license.

5 MR. ROE: We are working on that.

6 CHAIRMAN PALLADINO: And that is where I think we
7 can make effective use of resources, because again on
8 priorities if nobody is asking for these plants to be brought
9 back on the line, it is difficult to justify extensive
10 expenditures when other things that are very urgent and more
11 current are going underfunded.

12 COMMISSIONER ASSELSTINE: That's right.

13 CHAIRMAN PALLADINO: But I do think this point of
14 making sure that the utilities understand that if they are
15 going to come back asking for these plants to be reinstated,
16 that they better have the records.

17 MR. EISENHUT: I do too. In fact, that is why I
18 highlighted it, because it is that kind of an effort that
19 everyone really has got to appreciate. Five years from now it
20 may be a whole new situation and cast of characters.

21 MR. ROE: I think it is one of the principal focuses
22 on our project for WNP 3; what was the status of construction,
23 what is the documentation status, what do we need to do to
24 proceed again with construction of that facility.

25 MR. TAYLOR: They have done a pretty good job out

1 there, because that plant was fairly complete. And they
2 always had in the back of their mind that there was a potential
3 -- you know it is still not a given at all, but they have come
4 to the Agency and asked us to be ready to participate.

5 That is what we have been doing. We are setting
6 programs in place out there. But, the financing hasn't
7 permitted them to actually rework.

8 But they have done a job of really doing that.

9 COMMISSIONER ASSELSTINE: I imagine it gets more
10 difficult and complex if you have a site where there was
11 significant open safety issues at the time that things stopped,
12 like in Midland.

13 MR. ROE: Uh, huh.

14 CHAIRMAN PALLADINO: Shall we try to go on?

15 MR. ROE: Yes, sir.

16 Next mission area I would like to address is,
17 Predict Safety Impact of Abnormal Operating Conditions, which
18 is addressed in our report at pages 13 through 15.

19 To highlight this area, I think we can say that
20 research results were used to provide technical information
21 for resolution of regulatory issues such as pressurized
22 thermal shock, decay heat removal, performance of emergency
23 core cooling systems and pump operation after small break
24 LOCA.

25 In addition, results of pressure vessel research

1 provided the basis for the Commission's decision that enabled
2 the continued operation of 11 PWRs that had been thought of to
3 be at near-term risk from brittle vessel fracture

4 Next, the completion of pressure testing of our
5 1/8th scale steel containment models to show that the model
6 was able to sustain a pressure of over four times the design
7 pressure, and that upon failure, the results demonstrated the
8 adequacy of the ASME code for steel containment designs.

9 And this particular area is one that we normally
10 have impacted by our resource constraints. Some of the things
11 that we did not conduct, and I would like to highlight those,
12 but these are among a much longer list. And I am sure that
13 Bob Minogue could probably take the rest of our time here in
14 the afternoon to discuss those things that we have dropped
15 over the years that we could be pursuing, and possibly should
16 be pursuing.

17 First of all, in tests needed to resolve boiling
18 water reactor severe fuel damage issues have been delayed.
19 These include some in-pile tests of the effect of boron
20 carbide control rods on the aerosol and stainless steel --
21 aerosol generation and stainless steel oxidation.

22 We have delayed full length in-pile tests of H2
23 generation. And this raises an issue with respect to our
24 relationship and technical discussions with IDCOR because they
25 argue that the fuel debris from an accident will block steam

1 flow and therefore cut off or reduce hydrogen production. And
2 they theorize that therefore, hydrogen production will not be
3 a significant problem in BWR severe accidents.

4 Well, we believe that regulatory action may be
5 needed since we cannot sustain through testing, IDCOR's
6 position. But we are deferring that work.

7 Modifications to severe accidents codes to analyze
8 effects of boiling water reactors have been delayed with
9 results that some BWRs, notably Peach Bottom, may be identified
10 as having a worse source term case because we have not been
11 able to complete the modeling as we desired because simply of
12 resource constraints.

13 With respect to the operation of our semi-scale
14 facility in Idaho the steam line feedwater break series have
15 been curtailed from that requested of 14 by NRR to 5, that
16 results in a number of accident sequences not being verified
17 by our TRACK and RELAP codes, simply because we have not had
18 sufficient resources to carry them out.

19 Next, I would like to highlight the --

20 COMMISSIONER ASSELSTINE: Before we leave that
21 point, Jack, you know Bob and I chatted about this briefly
22 after the American Physical Society Source Term Report.

23 I think it would be helpful if we could, to get
24 maybe a paper with an expanded discussion of the kinds of
25 research efforts that we had originally had underway, or that

1 we would have liked to have done, that have been deferred, and
2 what the impact of that is. Because you know, I think Bob, as
3 we discussed, the American Physical Society said there were a
4 number of things you haven't done that you really need to do
5 to get to the bottom of this source term question.

6 And the reaction of the Commission, I think, was
7 well, gee, why aren't we doing these things?

8 And I think that many of those things, if not most
9 or all, were actually in our research program, but were
10 deferred or cancelled out because of budget considerations.
11 And I think in many respects, the Staff assumes that the
12 Commission fully understood that those things were being
13 cancelled or deferred, and what the significance of that was,
14 and that the Commission had made an informed judgment that
15 well, we can do without that information and still reach the
16 conclusions that we need to reach to carry out the job.

17 I am not sure that is true, certainly, at least in
18 my case.

19 I think unfortunately for many reasons, research
20 becomes an inviting target for when we have to allocate the
21 budget reductions. And at least we ought to understand quite
22 clearly what the effects of those decisions are on some of
23 these major outstanding questions.

24 Maybe others felt more comfortable about those kinds
25 of things. But I think after the American Physical Society

1 experience, my own feeling was, well, I had not given enough
2 attention to those kinds of questions and really understanding
3 what the impacts of deferring or cancelling some of those
4 research efforts really were. And I would like to have a
5 better feel for that.

6 CHAIRMAN PALLADINO: As a matter of fact, I think
7 one of the benefits of using groups like the American Physical
8 Society is to call attention to these needs so it helps the
9 agency develop a better program.

10 But we do have a question always of priorities, and
11 we are not always going to be perfect in picking the right
12 one. But we sure have to work at it.

13 Also, somehow, as I sit here I keep thinking, boy, I
14 wish some of our Appropriations Committee people were listening
15 to the discussion, and it says to us we have got to think a
16 little bit better how to get some of these facts to the
17 Appropriations Committee ahead of time.

18 [Commissioner Roberts left the room.]

19 So, the concept that everything has to be cut is
20 moderated before it gets started.

21 COMMISSIONER ASSELSTINE: I agree very much with
22 that. And I agree, sooner or later -- and actually whether
23 it is for '86 or '87, we have to make some very tough
24 decisions. All I am saying, I think at least for myself, I am
25 not sure that our past decisions, or at least mine have been

1 as informed as I would like. I really want to understand
2 better up front what the impacts of those things are

3 It is good to have a review like APS that comes in.
4 But they came in after the fact. And quite frankly, if I had
5 known the significance of some of those items before and had
6 known those were the things that were being deferred or
7 reduced, I might have looked at other places to find some of
8 the money.

9 None of them are easy choices, that is for sure.
10 Whether it comes from Research, I&E, Inspection Program or the
11 Reactor Safety Program, they are not easy choices.

12 CHAIRMAN PALLADINO: But I should caution, that had
13 we had them earlier they probably would have pointed to the
14 needs for some of the programs that we already had done, and
15 they would have had these as new items later. So there is
16 always a balance.

17 But, I agree with you, research tends to be the
18 place where we tend to cut when the going gets tough.

19 COMMISSIONER ASSELSTINE: And often I think without
20 understanding perhaps as much as we need to, what the
21 implications are.

22 MR. MINOGUE: I would like to comment. I will try
23 to be brief. I think you have to realize a lot of these
24 decisions are irrevocable, because if you look back over a
25 span of five years -- in fact, a rather extensive program, had

1 a large element of parametric assessments in doing tests under
2 somewhat different conditions to get a lot of data points. It
3 was cut back to a program that fundamentally ran through and
4 got one set of data.

5 I think this gives you reasonable confidence that
6 you have identified all of the important processes and the
7 important parameters. What you pay for this is some very
8 substantial amount of uncertainty that has a lot of
9 significance, either in terms of the way you characterize the
10 phenomenology or uncertainty in some of the Code applications.

11 This is the kind of stuff that APS tended to
12 highlight. A lot of that is irrevocable. If the facilities
13 are gone and out of service you can't say, gee, I wish we had
14 run four more tests. That is water under the bridge.

15 The paper that Commissioner Asselstine talked about,
16 or the subject will be addressed. We are looking very hard now
17 at the whole question of uncertainties, and what the
18 significance of that is. We are looking at sensitivity
19 assessments of the importance of various parameters. So that
20 this whole area of severe accidents is really moving into the
21 licensing arena right now.

22 And I think as that goes forward, we are doing what
23 we can to help people understand how much assurance they can
24 place on some of this stuff. It is a fact of life that the
25 price we paid for the way it was done, there is a substantial

1 residue of uncertainty that is going to be there, it cannot
2 be removed.

3 And further, that what you look at in terms of
4 the physical description is a bit of a mix, because in some
5 cases we terminated programs because we knew we could define a
6 limiting case. It might be too conservative, but we knew what
7 was conservative. We were not unsure of what was conservative.

8 So what you really look at, you look at the
9 phenomenology as a mix. In some cases, it is best estimate.
10 In some cases it is known conservative-limiting cases. And,
11 to a scientist looking at that, it makes him feel kind of
12 uncomfortable because they are saying, gee, this model, that
13 is right on, we understand that. But, over here you have
14 treated this process this way and that is not really quite the
15 way it happens.

16 So, I think to some extent this is all water under
17 the bridge. We are trying to deal with that in the documented
18 assessment of the whole -- of the sensitivity studies and the
19 whole assessment of uncertainties, and in these baseline
20 plants that we are looking at.

21 We are going to try to lay all that out, so when you
22 make a decision eventually, when my friends in licensing make
23 a decision, they will at least know what they have got and
24 what they haven't got. We do not have a complete understanding
25 of all the phenomenology. In fact, that was never our goal.

1 Even in the original program that was never any thought that we
2 would understand all the phenomenology.

3 The question really was to understand it well enough
4 to make the licensing judgments.

5 What we gave up on, I think, was not a question of
6 identifying the important phenomenon. I am confident we did
7 that well. I feel good about that. What we did give up on
8 was narrowing some of these uncertainty bands.

9 You gentleman are just going to have to deal with
10 that. You are going to take the consequences of decisions of
11 past years.

12 CHAIRMAN FALLADINO: We are all going to have to
13 deal with that, both sides of the table.

14 MR. MINOGUE: By "you gentlemen," I am including my
15 colleagues in Licensing. They are my customers.

16 [Laughter.]

17 MR. ROE: Let me address the next mission area that
18 Resolve Reactor Safety Concerns. That is contained on pages
19 18 through 19 of our report.

20 First of all, to highlight the multi-plant reactor
21 licensing actions, we accomplished more than we had planned,
22 950 versus 800. However, in the balance that total multi-plant
23 licensing actions inventory still is about 2000, and we should
24 take efforts to reduce it if we have the resources.

25 [Commissioner Roberts returned to the meeting.]

1 We maintained a higher inventory than we preferred,
2 just simply as a result of the budget that we had available,
3 and also unbudgeted requirements that draw our technical
4 experts away from these matters to ones that are unanticipated.

5 We have initiated the integrated safety assessment
6 program with the two plants. As you know, that is reduced
7 from what we had desired to do before planning, but it is what
8 we can afford with respect to the various priorities.

9 With respect to the issues of unresolved safety
10 issues and generic safety issues, we have completed technical
11 resolution of 23 generic safety issues. We have issued
12 proposed resolution for two U.S. sites for public comment and
13 submitted proposed resolution, one to the Commission.

14 We have in fact issued a final rule on pressurized
15 thermal shock. However, some of the unbudgeted activities
16 that Darrell has discussed and some that we have not discussed,
17 have caused delay in the resolution of some of our high and
18 medium-priority safety issues, because the technical experts
19 and the Staff have been drawn to other issues that we need to
20 address.

21 As you are aware, we have developed and submitted to
22 the Commission a revision to 10 CFR 20, the Radiation
23 Protection Standards. We have prepared a final rule and
24 submitted it on hydrogen control for Mark III BWRs and Ice
25 Condenser PWRs.

1 One of the aspects of our research program to
2 address reactor safety concerns has come out with some very
3 interesting results. That is the one that we looked at pipe
4 rupture of the guillotine breaks, and found that it was highly
5 unlikely for pressurized water reactor primary coolant loops.

6 We have been able to define improved approaches with
7 respect to pipe restraints which will improve the safety of
8 those plants. In addition, we have been able to eliminate the
9 requirement for these very costly devices, which will save the
10 industry literally, hundreds of billions of dollars. And
11 also, untold amounts of avoided radiation exposure.

12 Next, we have completed the development of the
13 difficult task which is simplified analytical methods to
14 estimate seismic margins and seismic risks for all the
15 operating plants in the United States.

16 One thing that I would like to highlight with
17 respect to our probabilistic risk assessment program is that
18 we have completed the review and analysis --

19 CHAIRMAN PALLADINO: Is that on page 18?

20 [Commissioner Bernthal returned to the meeting.]

21 MR. ROE: Yes, sir, it is on page 18. It is the
22 first bullet under plant operations and risk analysis research.

23 Here we have taken the Arkansas PRA and our
24 inspections modules for that plant and used it in a package
25 that is on a personal computer for prioritizing our inspection

1 activities. It is a really interesting and novel application,
2 one that can be used on a day to day basis by the resident
3 inspector.

4 I know that I have, and several other senior managers
5 have taken a look at this project, and it shows where we have
6 used a research and development probabilistic risk assessment
7 category and actually put it to fruition where we have
8 implemented it in the field. We are looking at it on a
9 pilot basis with the hope of expanding it to facilities.

10 The next mission area that I would like to highlight
11 is the one on License and Monitor Materials Licensees/Fuel
12 Cycle Facilities, which is on pages 20 to 22.

13 CHAIRMAN PALLADINO: We are moving now to Materials
14 Safety?

15 MR. ROE: Yes. We are basically going to materials
16 safety --

17 CHAIRMAN PALLADINO: Let me ask the Commission how
18 long it wants to go. And how much time you think we are going
19 to need.

20 MR. ROE: I think that we can complete within half
21 an hour.

22 COMMISSIONER ROBERTS: I have to leave at --

23 CHAIRMAN PALLADINO: All right.

24 On page 19, you list some final rules, and I didn't
25 see backfit rule in there.

1 MR. ROE: I believe the reason why we haven't
2 brought that is that we tried to focus on the fiscal year
3 without expanding it past there. And I don't recall exactly
4 the date that that was passed, but I think it was the first
5 week or so of October.

6 We could include it.

7 CHAIRMAN PALLADINO: You have answered my question

8 COMMISSIONER ASSELSTINE: Put that in next year's
9 achievements.

10 [Laughter.]

11 CHAIRMAN PALLADINO: Go ahead. You have answered my
12 question.

13 MR. ROE: Focus on Materials and Fuel Cycle --

14 CHAIRMAN PALLADINO: Incidentally, as you go through
15 if there are particular pages or points that we can follow
16 on, call them to our attention, it makes it easier.

17 MR. ROE: Okay. The first thing I will address is
18 the licensing case work, which will look at the various
19 aspects, and we will sort of go through the package here. We
20 will talk about materials, fuel cycle and uranium.

21 COMMISSIONER ZECH: What page are you on now?

22 MR. ROE: I'm going from 20 to 22, depicting the
23 various categories. And we will try to give you an approach
24 towards, here is the casework.

25 With respect to casework in this area, we were on

1 target. In materials we did 5800 cases that were completed.
2 It sounds very positive. I think in balance I have got to
3 tell you we still have a significant amount of backlog with
4 respect to material licensing. We are keeping up with the
5 fast-flowing stream, but there is still a lot still coming.

6 Fuel cycle facilities --

7 COMMISSIONER ASSELSTINE: What is the backlog?

8 MR. ROE: Don, do you know what we have as a backlog?

9 MR. MAUSSHARDT: I don't have an exact number. I
10 believe it is in the range of about 4000 amendments of that
11 type.

12 MR. ROE: So, as you see, many times when we express
13 a backlog, you can see that the backlog is about a year or so
14 worth of our effort.

15 COMMISSIONER ZECH: What are we projecting for next
16 year?

17 MR. MAUSSHARDT: About the same amount. No
18 progress. We just don't have the resources for that, sir.

19 CHAIRMAN PALLADINO: You always have a certain
20 number of backlog.

21 MR. ROE: I think it is what I call a working
22 inventory.

23 COMMISSIONER ZECH: What do you consider as a good
24 number for a working inventory?

25 CHAIRMAN PALLADINO: That is a good question.

1 COMMISSIONER ASSELSTINE: Zero?

2 MR. MAUSSHARDT: We do have a bit of an interesting
3 situation. The regions are very vigorously pursuing, trying
4 to eliminate the backlog, and on what I call small licenses
5 such as medical and those type, they have eliminated them
6 pretty effectively.

7 The problem is coming in on the big facilities like
8 Erwin, where there are many amendments. It is now under a
9 time renewal, and staff is working to "reissue a new license"
10 in this area.

11 Now we have a whole deck of what I call amendments
12 in backlog with Erwin, for example, that we are trying to
13 straighten out.

14 CHAIRMAN PALLADINO: So how old are these -- I don't
15 mean you have to answer right at the moment. The question
16 that has to be faced is, how old are they compared to how long
17 it takes to process them.

18 If you are talking about backlogs that are going
19 into three years, I think that is unacceptable. If you are
20 talking about backlogs of six months --

21 MR. ROE: I think there is a range of them. It is
22 clearly more than should be, and more than time to bring them
23 through the process.

24 I think back to some detailed information we gave
25 you on the reactor amendments, some of them have ages of two,

1 three years, which is fairly long. Here I think the ages are
2 slightly shorter. However, the complexity is not as great as
3 some of them. And there is the issue of timely renewal.

4 COMMISSIONER ASSELSTINE: It sounds like the easy
5 ones are getting processed. The tougher ones are the ones
6 that languish.

7 MR. MAUSSHARDT: That's right. That has been a
8 problem.

9 COMMISSIONER ROBERTS: Explain to me what is the
10 impact of this multi-year delay? What is the impact to the
11 Licensee?

12 COMMISSIONER ASSELSTINE: Demoralizing, and probably
13 affects safety negatively.

14 CHAIRMAN PALLADINO: On materials licenses they
15 didn't say they were multi-year.

16 MR. ROE: Not as much. No, no. Many of them were
17 much shorter.

18 MR. EVANS: The materials licensing backlog, you are
19 talking in terms of months rather than years.

20 CHAIRMAN PALLADINO: That is right. That was my
21 impression.

22 MR. EVANS: The thing from a priority standpoint
23 that winds up being delayed are renewals. We take care of the
24 new actions, we take care of the amendments, and the renewals
25 get delayed.

1 The Licensee is under timely renewal as long as he
2 gets the application in on time. So the impact on the Licensee
3 is nil.

4 The question that you have is a delay on our
5 examination on what the Licensee is now doing. These things
6 come up for renewal every five years, basically. You are
7 delaying your examination of that renewal for a period of some
8 time. And that is the real impact. The impact of us not
9 being able to review this as quickly as we would like to
10 review the programs on the licensing facilities.

11 COMMISSIONER ZECH: I would like you to send me a
12 paper on that. Maybe my colleagues would like that also.

13 COMMISSIONER ROBERTS: You don't shut somebody down
14 and say "sorry, we haven't gotten to you."

15 MR. EVANS: That's correct, we do not.

16 COMMISSIONER BERNTHAL: The problem is, and the
17 reason I am still baffled by this apparent reversal of position
18 on the significance of the Sholly procedure, the problem, for
19 example, is the kind of thing that I ran into when I visited
20 San Onofre 1, and I am sure that there are others like it,
21 where they are telling me they have 70 pending licensing
22 efforts, many of which are rather small tech spec changes.

23 But, given a capable utility that feels, and we feel
24 they know what they are doing, nevertheless, here they sit
25 with 70 licensing efforts. Now that isn't right. And in my

1 judgment, we have to figure out a way to do something about
2 it.

3 It is demoralizing, and I think it has a negative
4 impact on safety.

5 I still don't understand why Sholly is such a
6 non-problem if that is the situation.

7 MR. ROE: We will provide you with a paper.

8 COMMISSIONER ASSELSTINE: It would also be useful
9 on the renewals to list how long those have been pending,
10 because while I think you are technically correct that they
11 can continue to operate as long as they have the timely
12 renewal, I seem to remember not too many years ago us coming
13 under -- or the agency coming under substantial criticism on a
14 low-level waste facility that had been operating under a
15 timely renewal literally for years.

16 It is not such a good situation to let that go on
17 for long periods of time.

18 CHAIRMAN PALLADINO: Again I agree. I think you
19 should provide us with additional information as Commissioner
20 Zech indicated.

21 MR. ROE: The next aspect is, we have transferred
22 the majority of this licensing casework, about 95 percent, to
23 the regions and they are doing well.

24 The level of our inspection at materials and fuel
25 cycle facilities is about the same as we did last year. We

1 have increased the emphasis on criticality, safety and health
2 physics at fuel cycle facilities.

3 We are looking at the issue of general licenses.
4 And we have completed the gauge portion of that particular
5 study, which showed a need for rule change.

6 We are looking at other generally licensed areas and
7 continuing our study there.

8 We have completed our response plan for materials
9 contamination incidents. We have effectively handled several
10 materials contamination events, including steel weld casings
11 from Brazil, instrument packages from Belgium, and the
12 J. C. Haines facilities.

13 With respect to the J. C. Haines and some of these
14 others, it is apparent we have diverted resources from other
15 areas. We have put substantial staff and management effort
16 into that particular cleanup program, and it has had an impact
17 on our overall inspection program and some of the licensing
18 program that we probably had not done all that we wished to
19 do.

20 We have published the final rule on Non-Resource
21 Conservation and Recovery Act, the RCRA regulatory changes to
22 conform to the EPA mill tailings standards.

23 We have concluded an agreement with the Department
24 of Energy and ourselves to interface on DOE's uranium mill
25 tailings and remedial action program. We have provided

1 comments to DOE on 17 major publications for six mill sites
2 under that program.

3 The scope and the schedule for that particular
4 program continues to strain NMSS. I think they are using our
5 Uranium Field Recovery Office for help. But, we are continuing
6 to divert resources from lower-priority licensing case work,
7 and not removing this backlog.

8 With respect to our Agreement State Program, we
9 have reviewed 27 radiation safety programs and provided safety
10 courses to numerous state personnel.

11 I would like to next highlight the area of regulating
12 high-level waste, which is contained on pages 23 and 25.

13 CHAIRMAN PALLADINO: 22 -- are you going to get to
14 22?

15 COMMISSIONER ASSELSTINE: I think they have covered
16 it.

17 CHAIRMAN PALLADINO: Can I ask you a question about
18 it?

19 On the top of page 22, you say completed 45
20 transportation certification cases. Could you explain just
21 what you mean? You are not talking about certification of
22 casks, I presume? Or, are you?

23 MR. MAUSSHARDT: I think that is in part, sir,
24 accurate, yes. That is casks.

25 CHAIRMAN PALLADINO: That is casks. Okay, thank

1 you.

2 COMMISSIONER ASSELSTINE: Another one, Don, before
3 you go on to high-level waste.

4 On the Radiography Steering Committee, what were
5 they interested to accomplish this year in terms of making
6 some changes, both in the way radiography people or operators
7 are trained and regulated, and also in terms of the safety of
8 the devices, themselves.

9 MR. MAUSSHARDT: I believe -- didn't we forward a
10 report?

11 MR. ROE: Yes, we provided a report to you. We are
12 working on it. And I think we also see a need for some
13 regulatory activity in the hardware area.

14 MR. MINOGUE: There is also a rule being developed
15 in post-performance requirements used by the designers to make
16 the equipment more foolproof.

17 COMMISSIONER ASSELSTINE: Oh, good. Good.

18 MR. ROE: In respect to the high-level waste area,
19 the Commission has been very involved in this particular
20 aspect of our activities.

21 One of the things I should give you is our view of
22 what is happening with respect to resources. Simply, in the
23 past we have been able to keep up with the program because of
24 the department slippages. We now see that slack is coming to
25 an end.

1 [Commissioner Bernthal left the meeting.]

2 We also see that we are carrying out more activities
3 than we planned. For example, the nine Draft Environmental
4 Assessments we got, we only planned to have five. And the
5 scope, depth and the volume of the EA material was much
6 greater than we planned.

7 So, this is one program that I think is now starting
8 to get strained considerably.

9 MR. MAUSSHARDT: I might want to add one thing
10 here. This was a very interesting effort, because we
11 originally only programmed to use about six to seven people on
12 this effort for the five that we were going to get.

13 In reality, it required close to 19 FTEs to do that,
14 and this involved not only just NMSS, but also involved staff
15 from Research and from NRR. Just to give you a snapshot, NRR
16 has provided three people -- eight people last year for a
17 short period of time, which averaged out to about three people
18 for the year to support this effort. So, it has been an
19 agencywide effort.

20 We have been able to draw on other offices in peaks
21 and valleys, but we are losing that elasticity right now. We
22 are at sort of a null point.

23 MR. ROE: I think you know with respect to the spent
24 fuel storage area, we are expecting a formal proposal from DOE
25 to us to review on their MRS. It is coming in December and

1 they are required to make a submittal to Congress in January
2 of '86. It is going to require an intensive short-term effort
3 on our case.

4 COMMISSIONER ASSELSTINE: How far away are we from
5 -- I see what you said here about the dry storage casks. How
6 far away are we from approval of the dry storage casks?

7 MR. MAUSSHARDT: We issued an approval for a topical
8 report for the GNS casks. It was a German cask. It was
9 undergoing some additional testing out at ICOR. It was
10 discovered there were cracks in the basket. They were thermal
11 related. Apparently not structural, though, in nature.

12 The problem is this work is in a holding pattern
13 until we unload the casks. We have issued, actually issued
14 the approval. But unfortunately we want the thermal cracking
15 question resolved before we are going to allow them to go
16 ahead.

17 So, we have done our work. Now we want the Licensee
18 to respond to what the explanation is for that problem.

19 We have got four other topical reports that we are
20 working on right now. And I can give you a complete rundown
21 on those, which the Staff is reviewing right now.

22 COMMISSIONER ASSELSTINE: Is the GNS cask the cask
23 that Virginia Power proposes to use?

24 MR. MAUSSHARDT: That's correct.

25 MR. ROE: Yes, it is.

1 If I could, to go to Regulate Low-Level Waste. I
2 think this is an area here that we have had a great deal of
3 Commission interest. I would just like to make a couple of
4 comments with respect to resources here.

5 We have accomplished a great deal in the past with
6 the limited amount of resources in low-level waste. One of
7 the assumptions we could propose is that because there will be
8 an extension to the time, that this gives relief to the
9 Commission.

10 I think that is absolutely wrong. I think that
11 if we take a look at what is proposed, it means additional
12 work for us. We have to carry out the work we would have had
13 to in '86, and also we are going to have additional
14 responsibilities to meet whatever will pass the Congress to
15 expand that.

16 So, I think we are going to find in low-level waste
17 that because of congressional action, and also the issue of
18 alternative methods for disposal of low-level waste, that we
19 will be strained much further than we can, and there will
20 have to be reorientation of priorities in the NMSS program,
21 possibly, and the Commission may meet these needs.

22 CHAIRMAN PALLADINO: Jack, this business of
23 alternative ways of treating low-level waste I think is an
24 important item to consider on the generic basis -- because I
25 think -- insofar as possible -- because I think you are going

1 to get a request for that kind of evaluation from many states.
2 And, it is something you ought to address forthrightly and be
3 prepared to answer their questions.

4 MR. MAUSSHARDT: We have a technical study underway
5 right now using the Corps of Engineers, sir.

6 Maybe to summarize something Jack said, if Congress
7 does not act, we are going to have a situation where we will
8 have to have hundreds of licensing actions to have our various
9 facilities store the waste.

10 If Congress does act with the new potential House
11 bill, we are going to be in a very massive effort there on
12 basically licensing disposal sites.

13 So, we are sort of in a -- you might say caught
14 between two points here. Whatever happens in January, we are
15 going to have a tremendous workload build in this area. We
16 really can't quantify it right now. I can't come to you and
17 say, well, we need more resources for relicensing for storage,
18 because I can't really estimate that is going to be. We could
19 be several hundred licenses. Whereas, if we do a cut on what
20 we need for the new bill -- you know, we traditionally have
21 never gone in for additional resources until we know how
22 Congress is going to react.

23 MR. ROE: I would like to now go and focus on the
24 safeguards --

25 CHAIRMAN PALLADINO: That's a very important point

1 we have got to remember in our budget planning process

2 COMMISSIONER ASSELSTINE: That's right.

3 One thing is for sure. We can't be in the posture,
4 I think, of being responsible for derailing this schedule in
5 the kinds of efforts that the states are going to be
6 undertaking, particularly in the alternate technology areas.

7 CHAIRMAN PALLADINO: Especially when they are just
8 trying to lay the tracks.

9 COMMISSIONER ASSELSTINE: That's right. And they
10 all seem to be going in different directions.

11 MR. ROE: The next is our Safeguards Regulatory
12 Activities, which are addressed on page 27.

13 The highlights there is that we have completed 18
14 regulatory effectiveness reviews, and submitted an annual
15 report to the Commission on that program.

16 CHAIRMAN PALLADINO: You skipped the one you say
17 completed 200 fuel cycle facility safeguards licensing cases
18 versus 100 planned.

19 Why such a big difference, I guess is my question?

20 MR. MAUSSHARDT: We have had a tremendous amount of
21 activity with Erwin and other type facilities like that.

22 We had last year, of course, the incident with the
23 scrubber accumulating significant amount of material on that.
24 It required us, for example, in this area to change our
25 inspection requirements because this was outside the protected

1 area. And you know, right away it required bringing that
2 material into a protected environment.

3 So, there has been a much higher level of attention
4 paid to the field facilities on a generic basis.

5 CHAIRMAN PALLADINO: It was because of the demand.
6 Not that we had excess people doing things.

7 MR. MAUSSHARDT: No, not at all. It was the demand.

8 CHAIRMAN PALLADINO: Thank you.

9 MR. ROE: As you are aware, we discussed with you
10 the comparison of the DOE threat protection and NRC threat
11 protection.

12 If we do make any change, I think it is readily
13 apparent that we do not have the resources currently in the
14 budget to make any changes, and we see that any changes,
15 because of the number of power reactors we have and I think
16 the complexity of the issues with respect to change, would
17 have a real significant impact on the resources.

18 We also have organized a safeguards interoffice
19 review group to review all the safeguards rules and guidance
20 for consistency. But we have again not defined any resources
21 to implement the findings that come out of that review group.

22 The level of our inspections of safeguards activities
23 are not the same as last year.

24 With respect to reactor safeguards licensing cases,
25 I think I should address why we had 300 completions versus 340

1 planned.

2 CHAIRMAN PALLADINO: Which item is this?

3 MR. ROE: It really is on page 27, your first
4 bullet.

5 It looks like we had a shortfall. We actually
6 completed what we expected to, after we realized that the
7 insider rule did not get published in the time period we
8 expected. Therefore, we would not have submitted. So, we
9 didn't have a shortfall in cases where we would have put the
10 safeguards at risk.

11 I think the overall summary with respect to these
12 programs in safeguards is that any change that is expected, is
13 unbudgeted at the current time. If there is significant
14 change, it will have significant resource considerations.

15 Next, I would like to highlight the area of
16 Investigations and Enforcement, very quickly.

17 First of all, Allegations, and Review Allegations
18 Conduct Investigations on page 28.

19 We have received about 900 allegations and completed
20 review of about 750 of those.

21 As you are aware, we have issued policy statements
22 for reviewing and handling late-filed allegations. In OI they
23 have performed about 180 cases of investigations and inquiries
24 of allegations.

25 Enforcement Actions, highlight what is on page 29.

1 I think that the sort of numerical factor here is that we
2 processed 149 enforcement cases. We proposed 70 civil
3 penalties. And we have a value of those civil penalties of
4 approximately \$2.7 million.

5 We are still working diligently to try to process
6 them as quickly as possible. We are not quite meeting our
7 goal, but I think it is more one of the complexity of some of
8 these enforcement cases, and the need to really resolve issues
9 versus overriding resource constraints.

10 COMMISSIONER ASSELSTINE: How did we do in comparison
11 with '84 in comparison with the target?

12 The target was eight weeks, wasn't it?

13 MR. TAYLOR: Yes. That would allow six weeks in
14 region for preparation, and two weeks in headquarters. That
15 is a very tight target.

16 COMMISSIONER ASSELSTINE: Right.

17 MR. TAYLOR: Outside of the complex cases, we have
18 improved our performance. We are hitting about ten weeks. If
19 I accept cases like Grand Gulf, some of the great big cases,
20 and those cases that have to come to the Commission, those
21 time and targets don't include your work.

22 COMMISSIONER ASSELSTINE: That's a good thing.

23 [Laughter.]

24 MR. TAYLOR: So, I decided that I had to account for
25 your work, too.

1 Seriously though, we have turned up the gain on
2 Staff and Regions, and the performance is improving. And what
3 I call the regular cases, those are the ones without major
4 controversy, or big action that we may have to come to you.

5 COMMISSIONER ASSELSTINE: That's very good.

6 MR. EISENHUT: But, Jim, it is starting to develop a
7 pretty significant number of them that are quite complex.
8 Where I&E and NRR is doing quite a bit of discussion as to
9 what is the design, how should it have worked, what was really
10 meant by the tech spec.

11 Some of these get quite complex. Please appreciate
12 they go well beyond this --

13 MR. TAYLOR: Some we are currently considering.

14 CHAIRMAN PALLADINO: Do we have any report from the
15 Ad Hoc Committee on Enforcement Policy?

16 MR. TAYLOR: No, you don't yet.

17 They are working -- they are in the stage, as I
18 understand it, of finishing their final drafts collectively.
19 I think their target is sometime later this month.

20 CHAIRMAN PALLADINO: Yes. Their contract, as I
21 recall, ran out on November 15th, or their appointment. I was
22 wondering, has that been extended? Or, will it be extended?

23 MR. TAYLOR: ELD will have to answer that. I do
24 know they are about to wrap up their report. They are on the
25 final drafts, and they are working with ELD staff to finish

1 Now, they may finish such that they have a draft --
2 you know, a report done by the 15th, and then transmit it to
3 you. I don't know the answer.

4 CHAIRMAN PALLADINO: I don't know who should check
5 on this, but --

6 MR. CHILK: We are working on that and we will
7 either extend it or get another way of getting the people back
8 here for the report.

9 CHAIRMAN PALLADINO: Okay. Thank you.

10 MR. ROE: The last area in our mission that I would
11 like to highlight is that which we manage and support our
12 technical programs.

13 We have a significant amount of effort that supports
14 our technical programs on a day to day basis. I think it is
15 essential that they are carrying out their role.

16 I would like to highlight some of the things that
17 are done, and also to, in balance, tell you that in the past
18 I think you are aware that because of the priorities we have
19 had for technical programs, we have on many occasions gone
20 to the support administrative type of programs and removed
21 resources.

22 I think now I have seen, and I think there is some
23 agreement that we have gotten down to the point where they are
24 now at a very, very tight point, also. And that we need to
25 keep that in mind as we juggle our priorities.

1 As you are aware, we have continued to have a great
2 deal of effort on our billings consolidation program, and hope
3 to see some end to that fairly soon

4 With respect to license fees, this is a program that
5 has increased to put money into the U. S. Treasury.

6 Our billings in 1985 were \$86.3 million, of which we
7 have collected about \$77.3 million.

8 COMMISSIONER ASSELSTINE: Why the difference? Who
9 has not paid you?

10 [Laughter.]

11 CHAIRMAN PALLADINO: And how far in arrears are
12 they?

13 COMMISSIONER ASSELSTINE: That's right.

14 MS. NORRY: There have been some questions raised
15 about some of the bills. And data have been requested as
16 backup. And that is being provided. That provides the lag
17 time

18 COMMISSIONER ASSELSTINE: That is fine.

19 CHAIRMAN PALLADINO: They can pay us while they are
20 arguing.

21 [Laughter.]

22 One company did.

23 MR. ROE: The straightforward is that interest
24 continues to accrue while we are working with them in certain
25 cases.

1 Our legal area. We have provided legal counsel on
2 approximately 6500 administrative matters, 140 enforcement
3 cases and approximately 1200 matters requiring rule development
4 or licensing support.

5 In the ADP area this year, we have established the
6 Information Technology Services Training Laboratory in the
7 Woodmont Building, which has been subscribed to very, very
8 much. And, we have established a support center in the
9 Phillips Building basically to support people on a very, very
10 short-term basis to find out answers to questions, or coming
11 in to get help with their ADP activities. And it has been
12 very, very useful and very sought after by the Staff.

13 Administrative services and logistical support.

14 For our 3500 employees or so in 24 buildings in 23
15 different locations, we have processed 90,000 payroll
16 transactions. We have processed over 25,000 travel vouchers.
17 We have processed over 10,000 personnel actions. We have
18 processed 700 initial security clearances for employees,
19 contractors and Licensees, and 320 employing consultant
20 reinvestigations, 230 change of station moves, provided
21 training for a multitude of NRC employees and processed over
22 1000 FOIA cases.

23 That basically brings to conclusion this highlight
24 of the technical and management support of our programs. I
25 think that we could have list after list.

1 I gave you those numbers to give you an idea of
2 those things that are routinely processed

3 One thing I would like to say in conclusion --

4 MR. TAYLOR: Jack, could I add that the FOIA requests
5 are examples of things that do occupy some of the technical
6 staff, too, and the program line staff. They really --

7 MR. ROE: That is becoming a very significant burden
8 on the staff, is FOIA and some of these other activities.

9 In summary, I think that you can see that we have
10 accomplished a great deal of what we set out to do.

11 In balance, I think we must realize that first, we
12 have a program next year that is not dissimilar to what we
13 have this year.

14 I will have to agree with some of the Commissioners
15 about trying to do more with less. However, bring to your
16 attention that we have \$25 million less to carry out that
17 program, and we have not used any comments about the fact of
18 inflation or such. We have tried to cut back.

19 So, we have provided you with our recommendations
20 for '86 at a funding and appropriations level of 418. But
21 realize that through our programs which we have had in place
22 now for several, several months of efficiencies, and trying to
23 get the most out of it, and as you have heard hiring entry
24 level, concerns about bringing down the average grade to save
25 dollars here and there, we have had additional efforts with

1 respect to travel held at level, we still have \$25 million
2 less to carry out a program that I consider is essentially the
3 same.

4 I think it is going to be very difficult and it is
5 going to be a balancing of priorities that are no longer the
6 lower level ones. It is the mid-level priorities that are
7 difficult decisions to make.

8 CHAIRMAN PALLADINO: Thank you, Jack.

9 You did send to the Commission your proposal on how
10 the reduction in '80 funds should be handled. And I would
11 appreciate any comments from the Commissioners as they get
12 through it. But, I will come specifically to see each one of
13 you within the timeframe I indicated at agenda planning.

14 I think this has been a very worthwhile discussion.
15 I know that we rushed through it a bit. And I know we have a
16 big challenge in living within our resources. Still, as we
17 went through there were a few items that we are not doing, or
18 that the Staff feels needs attention, that we should not
19 lose.

20 We may decide not to do them again, but sometimes
21 they need to be highlighted, so that we don't fail to do them
22 by default.

23 So, I was going to request that Darrell and various
24 offices highlight those high-priority items that they think
25 deserves further attention for the next budget cycle, or even

1 for 1980. I don't mean go give us a long laundry list of all
2 the things that would be nice. But to select them so that
3 when we go through them we can hope to address them. And we
4 may have to decide no again. But at least we would know that
5 we were deciding now, and not wishing later that we had
6 studied a little more.

7 MR. ROE: I think that we can easily provide you a
8 summary report at the funding level we have for 1980, those
9 areas which are high priorities, which we just do not have the
10 resources to accomplish, or we are accomplishing at a much
11 lower rate than we wish to.

12 And even considering at that 418, we know we are
13 going to have unanticipated events that are going to defer
14 some of the things that we do wish to accomplish.

15 CHAIRMAN PALLADINO: I tried to write some of these
16 things down, but I am not sure I captured it all. For example,
17 need resources for developing performance indicators to avoid
18 the problems that we face with problem plants.

19 COMMISSIONER ASSELSTINE: That is one I agree with
20 Joe. I would give a high priority for that one.

21 CHAIRMAN PALLADINO: Yes.

22 See, that is the kind of thing that we might
23 overlook, and it gets buried. I think it should be pulled up
24 and we look at it carefully and then see what --

25 MR. TAYLOR: One of the complications of that kind

1 of thing is going to be getting complete access to individual
2 plant performance indicators that are kept and put them in the
3 public domain. Many of the companies run their records. That
4 is one of the issues on maintenance performance indicators.

5 CHAIRMAN PALLADINO: Well, again we ought, so far as
6 resources are concerned, make sure that we apply the resources
7 to try and achieve whatever it is we are going to try to
8 achieve.

9 Okay, any other comments?

10 COMMISSIONER ZECH: Just a quick one, Mr. Chairman.

11 I would like to emphasize maintenance again, because
12 Jim Taylor brought it up, and we did hear yesterday from
13 NUMARC what they are doing.

14 I think it is encouraging that they are emphasizing
15 maintenance. But, as I told those people yesterday, I think
16 there is much room for improvement and a long way to go.

17 So, I am encouraged by what you are doing. I think
18 what you have got to do -- and also your outage work. But, I
19 think we have to be a little bit careful not to do it for
20 them. Our job, it seems to me, is to give emphasis and
21 priority and make sure they are doing something in a vigorous,
22 aggressive sort of way.

23 I think that is what you are up to.

24 MR. TAYLOR: Right. We concentrated on one system at
25 Turkey Point. We looked at a few other things. But, now the

1 message to them which we have told them is, what about the
2 rest of your safety system?

3 COMMISSIONER ZECH: I think that is a very good
4 message.

5 MR. TAYLOR: And we are hoping that some of this
6 integrated look is done by the utilities themselves rather
7 than the bits and pieces. Because it is in integrating that
8 you get the safety effect.

9 COMMISSIONER ZECH: I agree. And I think it is
10 important that we follow through on that effort, which I
11 commend you for. I think it is a very important one.

12 Another, just a quick point on the plants that are
13 laid up. You know, that is a pretty serious matter, in my
14 view. You know, the Navy has had a system for many years of
15 mothballing ships. And there is rather a formal procedure of
16 doing it. You don't just put cocoons around things. But you
17 do have documentation and you do have records so when people
18 walk in years later they really have a pretty good idea of
19 what happened, when it happened, where things are, and all
20 that.

21 So, it may not relate directly to our areas of
22 responsibility, but it could have some application.

23 But the idea is, in my view anyway, we should have
24 some system and some requirement if they do that, lay up a
25 plant or delay it or stop work, that we have some way of going

1 in later, if it happens, to find out exactly what the status
2 of equipment is and what has happened, so we don't have to
3 start all over again.

4 CHAIRMAN PALLADINO: I'm surprised the utilities
5 don't see that for themselves, if they ever expect to get
6 these plants restarted.

7 I think what happens is, they say, oh, boy, never
8 again. I give up. And they don't think they are going to
9 come back and want it. And later on they come back and try to
10 dust it off. And unless we have at least cautioned that they
11 leave good records, they may not have them.

12 COMMISSIONER ASSELSTINE: I get the sense that some
13 utilities really are interested.

14 MR. EISENHUT: Don't mistake, some utilities are
15 doing it. You have got to remember there is at least 20
16 plants out there with construction permits that are in some
17 stage of --

18 COMMISSIONER ASSELSTINE: Like everything else,
19 there is a big variation.

20 MR. EISENHUT: Big variation.

21 COMMISSIONER ASSELSTINE: Some are attentive and
22 some aren't.

23 MR. EISENHUT: Some are doing a lot as a matter of
24 fact.

25 COMMISSIONER ZECH: I think we should look in to

1 see whether we, indeed, should have some kind of provision in
2 our licensing process, or some other mechanism of requiring a
3 certain amount of responsibility with plants. It is something
4 I think we should look into.

5 One last quick point. You have mentioned that you
6 are going to try to do more with less. And I appreciate
7 that. I think each of you division leaders should indeed look
8 at your whole mission.

9 We know we are not going to get all of the funds
10 that we, perhaps, want. We probably are going to have to do
11 with less. I think you should be looking at your mission and
12 see what is important and where you can focus your resources.

13 I know you do this, but I think we must be realistic
14 and recognize it is very likely that we are not getting all we
15 want. But if we do, we have got to be able to point out the
16 priorities, point out and articulate the additional risks
17 involved, the additional things.

18 So, I think that is important for you to be realistic
19 about.

20 CHAIRMAN PALLADINO: All right.

21 Well, we thank you very much. I thought that was a
22 very good presentation.

23 MR. ROE: Thank you, sir.

24 CHAIRMAN PALLADINO: We stand adjourned.

25 [Whereupon, at 12:00 Noon, the hearing was

1 adjourned. 1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF OFFICIAL REPORTER

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

Name of Proceeding: Fiscal Year 1985 End-of-Year Report (Public
Meeting)

Docket No.

Place: Washington, D. C.

Date: Thursday, November 7, 1985

were held as herein appears and that this is the original
transcript thereof for the file of the United States Nuclear
Regulatory Commission.

(Signature)

(Typed Name of Reporter) Mimie Meltzer

Ann Riley & Associates, Ltd.

9/85

TRANSMITTAL TO: ☒

Document Control Desk, 016 Phillips

ADVANCED COPY TO: ☐

The Public Document Room

DATE:

11/12/85cc: C&R
w/attachs.
(w/o SECY
papers)

FROM:

SECY OPS BRANCH

Attached are copies of a Commission meeting transcript(s) and related meeting document(s). They are being forwarded for entry on the Daily Accession List and placement in the Public Document Room. No other distribution is requested or required. Existing DCS identification numbers are listed on the individual documents wherever known.

Meeting Title: Fiscal Year 1985 End-of-Year ReportMeeting Date: 11/7/85 Open ☒ Closed ☐DCS Copies
(1 of each checked)

Item Description:

Item Description:	Copies Advanced To PDR	Original Document	May be Dup*	Duplicate Copy*
1. TRANSCRIPT .. When checked, DCS should send a copy of this transcript to the LPDR for: _____	1	1	—	—
2. <u>FY 1985 End-of-Year Report,</u> <u>10-22-85</u>	<u>2</u>	—	<u>1</u>	—
3. _____	—	—	—	—
4. _____	—	—	—	—

(PDR is advanced one copy of each document,
two of each SECY paper.)

*Verify if in DCS, and
* Change to "PDR Available."