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U.S. NUCLEAR REGULATORY COMMISSION

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COMMISSION MEETING

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ALL HANDS MEETING

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TUESDAY,

MAY 27, 2008

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The above-entitled matter convened at 1:30 p.m. in
Salons A-C of the Marriott Bethesda North Hotel, 5701 Marinelli Road,
Rockville, Maryland.

COMMISSIONERS PRESENT:

DALE E. KLEIN, Chairman

GREGORY B. JACZKO, Commissioner

PETER B. LYONS, Commissioner

KRISTINE L. SVINICKI, Commissioner

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ALSO PRESENT:

BILL BORCHARDT, EDO

DALE YIELDING, NTEU

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

1:31 p.m.

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3 MR. BORCHARDT: Good afternoon. Welcome to
4 the 17th Annual All-Hands Meeting of the Staff and the Commission.
5 I'd like to thank each of you for attending this meeting and especially
6 Chairman Klein, Commissioner Jaczko, Commissioner Lyons and
7 Commissioner Svinicki for taking the time to meet with the staff and
8 provide this opportunity for discussion of topics that are of high
9 interest to all of us. We place a high value on the full participation and
10 I want to thank you for your continued support of this important
11 meeting.

12 My name is Bill Borchardt, the Executive Director for
13 Operations. Over the last five years, we have all benefitted from
14 having Luis Reyes as the EDO and I'm sure as you know Luis agreed
15 to defer his retirement and stay with the NRC by moving back to
16 Region II as the Regional Administrator. I would like to thank Luis for
17 his exceptional leadership as the EDO and to thank his family for the
18 sacrifice that they have made over the last five years. No one will
19 miss Luis more than I.

20 (Laughter.)

21 I look forward to working with you in my new position
22 and welcome your comments and ideas on how we can continue to
23 make the NRC the premier nuclear regulatory agency in the world and
24 a great place to work.

25 In addition to the Headquarter staff attending this
26 meeting, the staff in the regions and at the Technical Training Center

1 are able to view the meeting by video broadcast and the resident
2 inspectors are receiving the audio portion of the meeting.

3 The purpose of this meeting is to facilitate
4 communication between the Commission and the Staff and for the
5 Commission members to share their perspectives on
6 accomplishments and challenges and to provide specific insights
7 through answers to your questions. The Chairman and each
8 Commissioner will begin the meeting by making some remarks.

9 The remainder of the meeting is for questions and
10 answers. There are microphones placed throughout the room for your
11 questions. We have also handed out question cards if you would
12 prefer to write your question. You can pass it to one of the volunteer
13 staff and these questions as well as those phoned in from the regions
14 and from the sites will be read by our volunteers.

15 Our volunteer readers today are Susan Cusseaux,
16 Jeffrey Mitchell, Quynh Nguyen, Susan Smith, Renu Suri and Mauricio
17 Vera. Thank you for your help today. Our sign interpreter is Sara
18 Forbes from Partners in Sign, Inc. And I'd also like to thank all of the
19 ushers who are helping make this meeting possible. I'd like to
20 acknowledge the senior staff seated in the front rows and the officials
21 of the National Treasury Employees Union that are here with us today.

22 It is now my pleasure to turn the meeting over to
23 Chairman Klein.

24 (Applause.)

25 CHAIRMAN KLEIN: Well, thank you, Bill, and good
26 afternoon and I thank all of you for coming. If our agency continues to

1 grow, we may have to put a balcony in order to fill the auditorium to its
2 maximum.

3 Let me also welcome as Bill did those from other
4 regions that are watching either on the video or by webcasting. I won't
5 speak that long today. As most of you know from being in the
6 academic world, I'm sort of programmed to speak in 50 minute
7 increments. But I'll keep those much less than that today. We have
8 some comments from other Commissioners that we all want to hear
9 from and then Dale Yielding from the Union will have a chance to
10 make some remarks at the end.

11 This is the first All-Hands Meeting in quite some time
12 that we have not had Ed McGaffigan here. So that's certainly a sad
13 aspect for us beginning the activities. I think we all miss Ed. If
14 nothing, it was always with great anticipation to anticipate what he was
15 going to say at meeting like this. As those of you who have worked
16 with Ed know, he didn't pull any punches. I would ask SECY how
17 she's going to translate all of these napkins and pieces of paper into
18 his official records. But I'm sure that she's working hard to do that.

19 Ed would be very gratified with our newest
20 Commissioner, Kristine Svinicki, that she pursues technical details
21 and technical excellence just like he did. I think those of you who
22 have met Kristine certainly realize what a valuable asset she will be to
23 this agency and we're certainly glad to have you aboard, Kristine.

24 Kristine brings a lot of experience to the NRC from the
25 Wisconsin Public Service Commission at the Department of Energy
26 and also Senator Craig's office, Idaho Operations Office and the

1 Senate Armed Services Committee. Kristine mentioned to me
2 recently how impressed she was with the responsiveness and the
3 expertise of the Staff.

4 This reinforces what we already knew. That is the
5 greatest strength of the NRC is not our physical resources or
6 equipment and certainly not our office space at the moment. Our
7 greatest strength always has been and always will be our people.
8 That's what makes us really the great agency that we are.

9 On that point, I'd like to say a few words about the
10 reordering of the senior management at the NRC. As Bill indicated,
11 Luis has gone back to Atlanta, joined with his family, and so I'm sure
12 Luis is listening today. We clearly just made it a one-way mike so that
13 --

14 (Laughter.)

15 -- we would get on with the program so to speak. But
16 it really was an honor to work with Luis and still work with Luis in his
17 capacity at Region II. As Bill indicated, he really did an excellent job
18 as EDO and trained Bill well to accomplish his activity.

19 As you know, Bill is new in his position of EDO, but
20 he's not new at the agency. We also have announced Jim Dyer as
21 our Chief Financial Officer and again he's new in that position but
22 certainly not new at the agency.

23 The Commission has a great deal of confidence in all
24 of the changes we've made recently with our senior management. As
25 I told a group of industry executives recently in Chicago, a lot of
26 people might think this changing in staff would indicate a weakness,

1 but I think what it really demonstrates is a strength this agency has in
2 succession planning. We have a lot of people in the great depth and
3 talent of this agency.

4 Speaking of the NRC strength, let me say a few
5 words about our reputation for scientific excellence and technical
6 independence and how we should protect that reputation. You've
7 probably heard a lot of people will comment that the NRC is too close
8 to industry. A lot of people will say that no matter what our actions
9 are. But we need to be aware and not feed that perception.

10 Recently, the challenges that the FAA has had in
11 some of their activities, and regardless of the merits of those
12 accusations and the reaction to the FAA, I think it's very important to
13 realize that we make our decisions and our regulatory actions based
14 on risk-informed decisions and so while I can't decide, or second
15 guess, how the FAA makes their decisions, I do think that we have a
16 strength in how we conduct ourselves.

17 It's not good enough just to be objective. We also
18 have to demonstrate that we are objective. As a lot of you know, living
19 in Washington, D.C., the old saying that perception is reality and
20 sometimes perceptions carry a little bit too strong at this area.

21 I think what's really important about the NRC is that
22 we really have a team player approach at the agency. This is a
23 commitment to open collaborative working environment and
24 encourages all employees to promptly voice differing views without
25 any fear of retaliation. We want the staff to promptly raise concerns,
26 fairly consider the opinions of others and respect their fellow

1 employees and I think we really do a very good job in this area as an
2 agency.

3 In addition to maintaining the technical excellence of
4 our staff, as some of you know, I focused on some of the business
5 practices for the agency. Last year, I talked about upgrading our
6 communications technology and so in addition to now having
7 BlackBerries or as some people refer to them as "CrackBerries" since
8 you can never get away from them, is that we have also done our
9 migration to Outlook and I'd like to compliment Darren Ash and his
10 team for that smooth of a transition I think as one could have when
11 you make changes like this.

12 As you know, this is a part of our larger goal of getting
13 modernized business systems and technology for the agency and
14 what this really is is what we want to do is we want to give you all the
15 tools and resources so that you could be productive in the
16 environment that you're in and continue doing such a good job.

17 I would also like to see a clearer path to White Flint 3.
18 Whether or not we're moved in by the time my term ends I certainly
19 hope concrete is being poured so that we will have a little bit more
20 space and we also need to address the space needs of the regional
21 offices as well. We don't have an unlimited budget. So we have to
22 make choices, but I think we can still make a lot of progress in this
23 area.

24 Let me thank you for what you do for the agency and
25 for the American people. What you do touches the lives of millions of
26 people, not only in the electrical power generation but in medical

1 applications and additional applications of radioactive materials. So
2 with that in mind what I would like to do is have other Commissioners
3 have an opportunity to say a few words and then what we're really
4 here today is to hear from you the people that make this such a great
5 agency.

6 Thank you very much.

7 (Applause.)

8 Commissioner Jaczko, would you -- Are you going to
9 stay there?

10 COMMISSIONER JACZKO: I'll just make my remarks
11 from here. I think this is always one of the more enjoyable times I
12 have at the NRC is the opportunity to have this meeting and while it is
13 still somewhat of a formal affair, I certainly look forward to the
14 opportunity to hear from the Staff and hear your questions. And I
15 really encourage you to ask questions because this is, I believe, one
16 of the few opportunities we have to really have a question and answer
17 session with the staff in a situation in which the Commissioners are
18 answering the questions rather than asking them.

19 This will be now, I believe, my fourth All-Hands
20 Meeting at the NRC and, as the Chairman indicated in his remarks,
21 I've come to learn more and more that I'm here that really the greatest
22 asset that we have as an agency is the people that work here. And
23 I'm always amazed when I have an opportunity to talk to people to
24 hear about their backgrounds and the expertise that they bring to this
25 agency.

26 Ultimately, it is the work that all of you do that allows

1 us to succeed and to fulfill what is in my view an extremely important
2 mission and responsibility that this agency carries out on behalf of the
3 American people. So, with that, I certainly thank you for your
4 dedication and then I look forward to hearing your questions and
5 hopefully engaging in interesting discussion.

6 Thank you.

7 (Applause.)

8 CHAIRMAN KLEIN: Commissioner Lyons.

9 COMMISSIONER LYONS: I'd like to add my
10 welcome to all of you who are joining us both in the room and in the
11 regions around the country. I very much appreciate the interest that
12 you are displaying by your participation today.

13 Our Chairman already mentioned the absence of Ed
14 McGaffigan, an absence that we all sorely feel on a daily basis. I'd
15 also like to join the Chairman in congratulating our newest
16 Commissioner, Kristine Svinicki, and congratulating Commissioner
17 Jaczko on his second term. So those are two Commissioner slots that
18 will be providing some long-term stability for the Commission looking
19 into the future.

20 I certainly want to save the majority of time for your
21 comments and questions and I just jotted down a few of what I would
22 call accomplishments and challenges as I look back on the last year or
23 so. Just to list accomplishments first, I'd start with the safe operations
24 of reactors and materials licensees. That's certainly our overriding,
25 overreaching responsibility and one that we obviously have taken
26 very, very seriously.

1 I also noted the progress that has been made on
2 some very, very challenging materials issues in conjunction with the
3 Agreement States where we're looking at very difficult issues such as
4 the fingerprinting and another I'd mention would be the development
5 of the National Source Tracking System. The reactor teams have
6 been doing a fabulous job on docketing new applications as they
7 come in and that also carries over to some of the applications that will
8 be coming in in the materials area as well.

9 And I guess the last of the accomplishments that I
10 jotted down would be the accolades that all of you received on the
11 NRC being a great place to work. I think clearly it is a tribute to
12 everyone in the organization starting with -- just covering the entire
13 organization from the administrators, Office of Administration, through
14 the technical people. You all have vital, challenging roles that keep
15 this organization functioning and well respected.

16 In the way of challenges, at least some that I jotted
17 down and we all have our own lists, but some that I jotted down, the
18 GAO sting certainly has led to a number of challenges in the materials
19 area. I jotted down a number of reactor challenges which on the one
20 hand you would say are licensees' challenges, but they certainly in
21 many cases reflect on the NRC and provide challenges to us, too.
22 Just the ones I jotted down would be Palo Verde in Column 4, the
23 Vermont Yankee cooling tower, the sirens at Indian Point and the
24 Peach Bottom inattentive guards. And any of you could come up with
25 other lists or longer lists.

26 And another challenge would be the space issues

1 which are clearly impacting many of you. We have a path forward.
2 Again, our folks in Administration have done a fabulous job there in
3 trying to move ahead in that direction, but space issues are a real
4 challenge for the organization.

5 I'll close just by noting that we have a fabulous staff. I
6 have been constantly impressed as I have been here now about four
7 years with the caliber and the dedication of that staff. And I thank
8 each of you for your own personal contributions to safety and security
9 of radioactive materials across the country. Thanks.

10 (Applause.)

11 CHAIRMAN KLEIN: Thanks, Pete. Commissioner
12 Svinicki.

13 COMMISSIONER SVINICKI: Thank you, Mr.
14 Chairman, and thank you for the kind remarks you made at the
15 beginning. If I reflect on it, I'm very humbled to have my services as a
16 Commissioner even mentioned in the same breath with Ed
17 McGaffigan. I am constantly aware of the individuals who've come
18 before me and now I serve alongside three gentlemen who I respect
19 so deeply.

20 And I do have an anniversary of sorts coming up
21 tomorrow. It will be two months that I've been here.

22 (Laughter.)

23 So I know that the agency has a lot of new staff. I
24 would comment that I feel a special kinship with being a new person
25 here and learning the culture and meeting the people.

26 On that point, I have to second what the Chairman

1 has already indicated is I suspected it before I got here because of the
2 reputation of this agency is well-known in Washington, D.C., but every
3 day it's re-verified for me the excellence of the staff here and I can tell
4 you that it makes my day-to-day job of trying to learn what it is to be a
5 Commissioner and to be a Commissioner that much easier. So thank
6 you for removing something that might have been a worry or a
7 concern of mine. But I have so much help and support and everyone
8 has been so welcoming. So I'm very grateful for that.

9 I am still -- maybe this is something I shouldn't admit,
10 but two months in, I'm still very much in a mode of listening and
11 learning and I am learning so much from all of you. It isn't my style to
12 come in and say that I know all the answers. Folks who are here,
13 many of you have worked here for a very long time and I'm guided by
14 your wisdom and experience. So thank you for sharing that with me
15 and being candid about, in your view, what needs to be done and
16 where we should go from here.

17 So today is about listening more than talking and I get
18 to listen to us talk an awful lot. So thank you, Mr. Chairman.

19 (Applause.)

20 CHAIRMAN KLEIN: Thanks, Kristine. Now we'll
21 come to that part of the program that's always fun for us as well as I
22 hope for you and that is to hear what your questions and concerns
23 are. My understanding is that there's two microphones at the front
24 and they're supposed to be working and for those that would like to
25 pass your questions via card I think we have some of those available
26 as well.

1 We'll start with my left.

2 PARTICIPANT: Yes, sir. In light of the rapidly rising
3 estimates for new reactors, some as high as \$16 billion for dual unit,
4 1400 megawatt reactors, do you anticipate some of our new combined
5 license applicants backing out of these projects due to their inability to
6 finance their construction?

7 CHAIRMAN KLEIN: You know, when I think you look
8 at the new reactors, there's a lot of unknown unknowns out there and
9 one of those is being cost and with the high cost of commodities,
10 that's going to be, I think, a challenge for the utilities. As most of you
11 know, there are two broad categories, actually three, I guess, that we
12 should look at for utilities, those that are still regulated and then the
13 merchant plants and then you have those that are in the Public Power
14 Association. I think those that are still in the regulated environments
15 are the ones that we will probably see forward motion the quickest. I
16 think loan guarantees will help.

17 It's not clear who will be the first to actually turn the
18 dirt and which reactor will be the first to turn out electricity. But I think
19 we will have some bumps in the road. Our job as a regulator as you
20 know is not to be a promoter or an opponent of nuclear power. But I
21 think we will see some twists and turns as the plants go forward.
22 Ultimately, I believe most of the plants that we received the COLs on
23 will go forward, but some may get slowed down a little bit due to
24 uncertain economies.

25 Any comments from my fellow Commissioners?

26 COMMISSIONER JACZKO: I guess I would just say I

1 think that probably the answer to that question is I think there will be
2 some that because of the cost will probably not move forward.

3 Particularly I think with the new Part 52 process, we have switched
4 around the process so you license first and build second which
5 changes the financial risk equation significantly because the licensing
6 is a much less of a financial burden, I think, on any entity.

7 So I think for many of those COL applications that
8 we're looking it certainly won't be built on the timeframe that they
9 came in as applications and I suspect that many projects won't be
10 constructed, if again, if the licensing process is successful because of
11 the cost.

12 COMMISSIONER LYONS: If I could just add. I
13 certainly agree with what my colleagues have said. But in my own
14 mind, I'm guessing that the COLs that we're anticipating for the most
15 part will proceed. For the most part, I think the licensees have largely
16 completed the bulk of the investment in the COL process. So I'm
17 anticipating the majority of them coming in on schedule.

18 But I agree with my colleagues that once the COL is
19 in hand, then there will be other realities, other uncertainties, that
20 come in. Commodity prices will certainly be one of them. I wouldn't
21 be at all surprised to see some stretching perhaps in the construction
22 schedules, but that will be up to industry and I think we'll just have to
23 wait and see what happens. But at least for the foreseeable future
24 which is our COL challenge, my guess is we're not going to see any
25 dropouts in the near future.

26 CHAIRMAN KLEIN: Commissioner Svinicki.

1 COMMISSIONER SVINICKI: I'm not sure I have any
2 specific predictions to add to that, but I think in my brief observation
3 what's comforted me is that the agency appears to be very much
4 leaning forward and not allowing uncertainty or skepticism to guide its
5 own readiness to execute what will be necessary in the years to come.

6 CHAIRMAN KLEIN: Next question to the right.

7 PARTICIPANT: Okay. I have a question from Region
8 I. Is the agency strongly considering four day work weeks in light of
9 the gasoline prices?

10 (Laughter.)

11 CHAIRMAN KLEIN: Good question. You know, I
12 think the agency has flexible work already in place, flex schedules. I
13 think all of us feel the pain so to speak when we pull up to the pumps.
14 But I think again we let a lot of those decisions be made on
15 telecommuting and how you do that to the project managers. We
16 have a process in place that allows that.

17 I'm not sure that any of the regional offices
18 necessarily will go to a four-day work week. I've always thought that
19 what's great about a four-day work week is that it sort of gives the
20 excuse maybe take a little bit of time off now and then. I always
21 harass my staff that I only have to work 12 hours. You know, the
22 government pays me for 24. So I only have to work 12 hours a day.
23 So I only have to work half-days.

24 I think we will take advantage where appropriate on
25 the flexible schedules. But again, I would leave that up to the program
26 managers.

1 Question to the left.

2 PARTICIPANT: Given all the hearings, briefings,
3 correspondence and day-to-day interactions we have with Congress,
4 what is our relationship with Congress? Is it appropriate for what's on
5 our plate and how does it compare to other agencies?

6 CHAIRMAN KLEIN: I think one of the strengths we
7 have as an agency is being proactive with our 535 advisors. What I
8 have often told Becky Schmidt who heads up our Office of
9 Congressional Affairs that I never want to go see an elected official for
10 the first time with a problem. I want to already have a relationship
11 established so that they know what we do and how we do it and why
12 we do what we do and that we do it very well, explain to them our
13 process and procedures to the extent that they want to know those.

14 But I think in general I think we have a good
15 relationship with Congress. We obviously have those that are not as
16 supportive as others. But I think the classic example of having a good
17 relationship was the inattentive guard issue on Peach Bottom when
18 we had the hearing. We obviously didn't do as well as we would have
19 liked internally as an agency. It didn't look good on the industry to
20 have inattentive guards.

21 But Senator Carper had spent an entire day with me
22 at Peach Bottom going through and looking at issues. So we spent a
23 lot of time in trying to educate not only the Congressional elected
24 officials but their staffs on what we do and that's an area that I think
25 we have to continuously be proactive and that and also the Public
26 Affairs Office to let people understand how we operate, what we do.

1 But I would say right now that clearly the Oversight
2 Committee is the Oversight Committee and they have a job to do and
3 we have a job to do as well and then the three most important things
4 we can do are communicate, communicate and communicate.

5 COMMISSIONER LYONS: I would only add that I
6 certainly concur with what the Chairman has said. I also think that
7 outreach in the regions at their level, to the state offices of the
8 Congressional delegations, and to elected officials within the particular
9 regions is also very appropriate and very useful in terms of helping
10 them to have a broader understanding of what the NRC is all about.

11 COMMISSIONER SVINICKI: Well, having so recently
12 arrived from Capitol Hill, I would say to the last question which was a
13 comparison with other departments and agencies, the answer would
14 be the relationship is better than most.

15 CHAIRMAN KLEIN: Next question.

16 PARTICIPANT: I understand that ADM, HR and
17 SBCR will no longer report directly to the EDO but to the CIO. Can
18 you please address the organizational philosophy and benefits?

19 CHAIRMAN KLEIN: Well, for one thing, that's not
20 quite true. I think for the moment we will continue having HR and Ren
21 Kelley's organization report to the EDO. I think any time there's a
22 change including the four of us sitting here at this table we often times
23 ask why, why are we structured a certain way and is there a way we
24 can do it better. And I think certainly with Bill Borchardt coming in as
25 the EDO he needs to look at the organization that he has that he
26 believes will be the most effective.

1 We probably will have ADM likely report through
2 Darren Ash. We have not made that decision yet, but I think for the
3 moment I feel comfortable having both HR and Ren Kelley's activities
4 reporting directly to the EDO. For one thing, I think it sends a signal
5 that those functions are very important and therefore it goes directly to
6 the EDO. At the same time, if there's a better way to do it, we always
7 want to look at that.

8 And again, I think we should listen to our employees.
9 If you think there's a better organization, that we can do things in a
10 better way, we'd like to hear it because what we want to do is continue
11 to be the best place to work and also be efficient in the process.

12 Question on the left.

13 PARTICIPANT: Employees are being encouraged to
14 speak out on matters of professional concern without any fear of
15 retaliation. Can you expand on what is currently being done and what
16 more could be done to ensure that managers at all levels including
17 first line supervisors listen to concerns that are voiced and take them
18 seriously?

19 CHAIRMAN KLEIN: I think in an organization,
20 particularly a regulatory organization, it's very important that
21 individuals always feel that they can bring up issues with no fear of
22 retaliation. I think that is extremely important for us and I think we
23 need to demonstrate that in all ways that we can.

24 That doesn't mean that there will still be unanimous
25 consent. As I've heard many times, honorable individuals have a
26 legitimate difference of opinion. But I think as an agency what we

1 would like to do is make sure that those differences, if they are, that
2 they're aired, they're discussed, and at the end of the day we need to
3 make decisions and move forward. I think that we do this.

4 I know when I meet with the senior management we
5 talk about this all the time. I know when we go out to the regions we
6 always talk about that and we certainly expect at the nuclear plants
7 that those individuals also have the ability to raise issues with no fear
8 of retaliation.

9 I think for us as a regulatory agency we need to
10 ensure free communication both at the plants and within our own
11 agency and I think we do that very effectively as a group and, again, I
12 think you should not expect always to have your view always win
13 because people will have a different view. But we definitely want to
14 hear those views and make the best decisions we can.

15 COMMISSIONER JACZKO: I guess I would just add
16 that since I've been at the Commission one of the significant changes
17 that I think I've seen has been the inclusion of a non-concurrence
18 process in the concurrence process, I guess, to say it that way and I
19 think that's really been an enhancement that will provide an
20 opportunity for some of these differing views to more easily find their
21 way up to the Commission.

22 We've always had the Differing Professional's Opinion
23 Program and Differing Professionals' Views Program, well, not always,
24 but we've had that for a much longer period of time and I think that
25 program provides a more formal mechanism to address differing
26 technical views. But I think that the introduction of the Non-

1 concurrence Program will really provide a less rigorous manner in
2 which to raise differences and there have already been a series of
3 papers that have come to the Commission that have had non-
4 concurrences on them and I think it has added certainly to the debate
5 at the Commission level and provided for better decisions.

6 CHAIRMAN KLEIN: Commissioner Jaczko had
7 mentioned the Non-concurrence Option and that was a program that
8 worked, I think, very well at the Department of Defense. When
9 documents were coming forward, it would have basically a track or
10 statement that had people's opinions if they non-concurred. That
11 didn't mean that a non-concurrence stopped the process. That meant
12 that that non-concurrence was noted. People would move that to the
13 next level and continue on and I think that will make us a stronger
14 agency having that aspect work.

15 It doesn't need to be very necessarily, a rock solid,
16 formal program. But it does give, I think, all the managers and the
17 Commissioners more information.

18 Next question.

19 PARTICIPANT: Would the Commission clarify where
20 we stand with respect to the risk-informed and performance-based
21 regulatory initiatives taken in the 1990s?

22 CHAIRMAN KLEIN: I think from my perspective risk-
23 informed regulatory activities have been a key strength to our agency.

24 It lets us concentrate on those issues that have the most impact and I
25 think all of the Commission, I'll let my fellow Commissioners speak for
26 themselves, but I think it makes us a better regulatory agency to do

1 those on a risk-informed performance basis because that way we can
2 concentrate on those issues that would have the most impact.

3 COMMISSIONER JACZKO: I think -- where do we
4 stand? I'm not sure. We probably have made less progress in areas
5 that some people think we should of and perhaps more progress in
6 areas than people think we should have. So I think it depends a little
7 bit, I think, on what your perspectives are.

8 The issues that I continue to see, I think, with the risk-
9 informed regulatory approach has really come down to the limitations
10 of our ability to do a lot of sophisticated calculations at this point and I
11 don't mean that in the sense that we don't have the ability to do them.

12 I think we don't really yet have the full kinds of analysis tools that we
13 would like in order to really be able to fully incorporate risk-informed
14 processes into our decision-making.

15 We still in the reactor arena are by and large an
16 agency that has a regulatory infrastructure that is built upon this so-
17 called deterministic regulations. We have an oversight process that is
18 rooted a little bit more in the risk-informed, but that's the oversight
19 process not necessarily the underlying regulatory infrastructure. So I
20 think progress will continue to probably be slow and I think it will
21 probably continue to be slow mostly because the model development
22 and the probabilistic risk analysis technology which is really the basis
23 for this new wave of risk-informed regulation is probably not as
24 advanced as it could be to really move more in this direction.

25 And I think I would just add that I think it's also
26 important to keep in mind that we do have to do this with some caution

1 because there is a lot of -- there is far more ability to calculate
2 numbers out there, I think, than there is really the ability to understand
3 what it is that we're calculating and it's very important not to substitute
4 the ability to calculate from really the ability for that analysis to have
5 meaning when it comes to our regulatory decisions.

6 So I think there's still a ways to go for developing the
7 infrastructure and for developing the kinds of tools and technologies
8 and techniques that we really need to make this work.

9 COMMISSIONER LYONS: I certainly strongly
10 support the continued move wherever possible towards risk-informed
11 and performance-based initiatives. As Commissioner Jaczko said,
12 some would say we haven't moved as quickly as we could. But there
13 are real challenges in doing so and continuing to develop the models
14 that underpin the PRA analyses are certainly one of perhaps the
15 pacing items in how fast we can move in this area.

16 One that I have been and remain particularly
17 interested in looking into the future is what the Commission may
18 eventually decide to do on 50.46a which to me is a particularly
19 interesting one and has had quite a number of years of analysis at the
20 staff level and certainly at the Commission as well. I don't know
21 exactly when that will be coming up, but that will be one of the
22 challenges that the Commission will be looking towards in terms of
23 possible further expansion of the risk-informed, performance-based
24 activities.

25 CHAIRMAN KLEIN: Next question.

26 PARTICIPANT: What has been done to promote

1 educational curriculum in academic institutions so that technical
2 expertise can be sustained?

3 CHAIRMAN KLEIN: That's a great question coming
4 for someone who spent a lot of time in higher education. If you look at
5 the demand for people just on the existing reactors when you look at
6 the number of retirees that are coming and then you look at retirees in
7 other agencies like the Department of Energy, the National Labs and
8 certainly we're all familiar with the retirees in our own agency, by 2009
9 we will have one-third of our agency will have three years or less
10 experience and so we're going through a fairly significant transition
11 which means we need to hire both experienced and new graduates.

12 One of the programs that is one in which I think we
13 have an opportunity to excel in and that's the program that was moved
14 from the Department of Energy to the NRC for fiscal year `08. This is
15 an education program and it also includes trade schools and some
16 new faculty initiatives. This is a \$15 million program and one of the
17 things that really, I think, will help us as an agency is that it will get our
18 name out more in the university environment so that we can continue
19 to recruit the best and brightest.

20 In terms of the academic programs, a lot of academic
21 programs that had cut back or even curtailed in nuclear engineering
22 are now being revived. The same thing for health physics. But as we
23 look towards the total workforce area that we really need to watch and
24 that is where will we get the nuclear CEOs at the plants. As I've told
25 my colleagues when I speak at nuclear conferences, you don't take
26 someone in a power plant, send them to charm school for two weeks

1 and just make him a nuclear CEO. We really need to have, I think, as
2 a nation a program much like the flag officer program in the military
3 that really grooms people for these positions over a number of years.

4 In addition, we also need to look at the skill craft that
5 are starting to build these facilities whether it's the refurbishment of
6 things like Browns Ferry Unit 1, the MOX facility at Savannah River.
7 There will be construction activities. And so it's going to be a
8 challenge, I think, for the nation to meet this new workforce.

9 When I met with the individuals at Browns Ferry Unit
10 1 when they were going through the refurbishment, they were 75
11 welders short of what they wanted and what that meant is that it
12 stretched out the schedule. As we move forward with the licensing
13 process and the utilities start constructing these new facilities, then
14 we'll have to look at the manpower needs as this continues. But I
15 think for us in the near term is having an opportunity to further the
16 educational program through this nuclear engineering/health physics
17 program that Congress provided in fiscal year `08.

18 But I think all of the Commissioners, when we give
19 speeches, we certainly encourage both men, women and minorities to
20 go into the sciences and engineering because as a nation we really
21 will have a shortage of that. For us, the nuclear and health physics
22 slice of that is certainly a critical one. But as a nation, we don't turn out
23 nearly as many individuals that we would like to see in the sciences
24 and engineering and that will have implications of competitiveness in
25 the future.

26 So this one program gives us an opportunity in a

1 narrow area to help. But I think all of us need to encourage certainly
2 women and minorities to go into the science and engineering fields
3 because if we don't do that we're going to be missing a great talent
4 pool that we will need as a nation.

5 COMMISSIONER SVINICKI: I'm not sure this is
6 exactly to the question or to what they were getting to but I want to
7 add to what the Chairman just said. I had an opportunity last week to
8 meet with Ren Kelley and to view some of the posters and printed
9 materials for HBCU and minority-serving institution outreach and I was
10 so impressed. I know from what I understand, Ren, if I'm
11 remembering this right the program is only about a year old and has
12 already been recognized, I think, by the White House as a very
13 effective outreach program. So I credit the folks who are working on
14 that and I would encourage us to move forward with those programs
15 and I was so impressed with what I saw last week.

16 COMMISSIONER JACZKO: I guess I would just
17 touch a little bit on what the Chairman said and I think in general
18 certainly as a nation we do lack, I think, an interest in moving into
19 math, science and engineering fields which as he indicated is
20 extremely important. And we're often asked questions, I think, of this
21 nature and it's important to remember that we rely on a whole host of
22 engineering and science and health physics professions as the
23 Chairman indicated to ensure that we can do the work that we have to
24 do as well as computer scientists and a variety of other different fields.

25 And I'm always shocked when I hear the statistics
26 and, in particular, in computer sciences and computer engineering that

1 the decreasing enrollments in universities is really, I think, something
2 that as a nation we have to take a look at. Because it will ultimately
3 affect our ability to be competitive and to continue to excel as a nation.

4 So in many ways these questions are beyond the responsibility that
5 we have as a regulatory agency, but they certainly are important
6 issues that, I think, we address as a nation.

7 COMMISSIONER LYONS: To just add a little bit to
8 what my colleagues have already said, I think all of us on this side of
9 the table receive invitations to speak at universities and colleges
10 around the country. If I'm remembering correctly, our Chairman may
11 have spoken at what at least three universities in the last just couple
12 of weeks. Those are extremely important opportunities and I think we
13 all take those very, very seriously, certainly, as my colleagues have
14 said, to try to encourage interest in science and technology but also to
15 make folks more aware of the mission of the NRC and the career
16 opportunities within the NRC.

17 And then one other area that hasn't been mentioned
18 from the standpoint of the general question of promoting educational
19 curricula, I think we shouldn't lose track of the fact that we have a very
20 strong internal training program at the NRC. We need to continue to
21 evaluate that program to make sure that it's providing the
22 opportunities for appropriate education for the young folks who may
23 be coming in with somewhat less senior standing in this area. Those
24 internal educational programs, I think, are very, very important and
25 really are a significant part of the overall educational curriculum that
26 benefits the agency and along with that would be the Knowledge

1 Management Program which whether you count it as part of an
2 educational curriculum could be debated. But it's certainly a key way
3 by which we are intending to transfer knowledge between generations.

4 CHAIRMAN KLEIN: Next question.

5 PARTICIPANT: As the NRC strives to become as
6 flexible as possible helping employees obtain work-life balance, why
7 do we still close off certain programs to groups of employees? One
8 good example is why is the Leadership Potential Program not open to
9 part-time employees.

10 CHAIRMAN KLEIN: A good question and I have no
11 idea.

12 (Laughter.)

13 I think in terms of, and Commissioner Lyons indicated
14 that, we really are in a lifetime learning mode. I know when I finished
15 my bachelor's degree I thought, "Great. I'll never have to take a class
16 again." That was sort of short-sighted. So it turns out that I think if
17 you look at what we need to do as an agency and Commissioner
18 Lyons indicated we have a lot of training programs within NRC and if
19 there are areas in which we need to do it better we need to hear about
20 it and we'll take a look at it.

21 Next question.

22 PARTICIPANT: Procurements and DOE agreements
23 for amounts greater than \$1 million require Chairman approvals. Has
24 there been any consideration to increasing the dollar amount requiring
25 Chairman approval particularly given the increase in the administrative
26 burden required to obtain it?

1 CHAIRMAN KLEIN: I could have written that
2 question.

3 (Laughter.)

4 COMMISSIONER JACZKO: Maybe I should answer
5 that.

6 (Laughter.)

7 CHAIRMAN KLEIN: You know, I was surprised when
8 I came to the NRC and, as Kristine indicated, she is approaching her
9 two months as I approach -- July 1 I will be here two years. And my
10 budget at the Pentagon was \$6 billion a year and that's with a B. And
11 so I was a little surprised when I saw that I needed to look at contracts
12 of that magnitude because it was just not what I had expected.

13 We are hoping that through the lean Six Sigma
14 process that we can expedite those areas in that the Chairman will not
15 need to look at all of those contracts. There was some guidance
16 given before I came and I think probably two of my fellow
17 Commissioners were here at the time. But there were some questions
18 about contracting aspects, whether we're looking at those
19 systematically as opposed to just a single shoot.

20 And so the question was who then should look at
21 them in a systematic way rather than just one single contract at a
22 time. I think I drew the short straw on that one. So, therefore, the
23 current procedures that we have is to look at those. But that is an
24 area that we need to examine and see if I'm really adding that much
25 value every time I look at those contracts.

26 What I had hoped when I first saw those was look at

1 the data and find out were there shortcomings in the contractual
2 process and there were more errors in those contracts than I had
3 expected and so what we really need to do is work on the contractual
4 process in a more integrated way so that I won't have to look at those
5 and we still will do the right things.

6 I can tell you that more people have gotten in trouble
7 on financial aspects than any other things. So clearly we want to do it
8 right. We want to do it accurate and we want to do it timely and we
9 are looking at ways in which we can be more accurate, more timely
10 and still do it right.

11 COMMISSIONER LYONS: Well, I certainly agree
12 with the Chairman on the need for accuracy and that we do it in a
13 timely fashion. As one of the Commissioners who was here when this
14 came in, I felt then and I continue to feel that it should not require the
15 Chairman's review on contracts of that magnitude. So I'm trying to
16 save you some work.

17 CHAIRMAN KLEIN: Thanks.

18 COMMISSIONER JACZKO: I would just say that
19 certainly from my perspective I think contracts is one of the areas
20 where we probably have the biggest degree of challenge still as an
21 agency. We have as an agency grown very quickly and I think in
22 particular in the area of contracting I think we have some work to do
23 catch up a little bit and I actually -- I believe I predated the initial
24 decision or the initial decision of the \$1 million/\$3 million threshold, \$1
25 million for Chairman review and then \$3 million and above, I believe,
26 is also made visible to the Commission, not for review, but for

1 information and that decision, I think, was affirmed since I've been a
2 Commissioner and certainly while the figures may require some
3 updating simply because of inflation and other aspects like that, I
4 certainly still continue to believe that contracting is something that is
5 important for the Commission to see as we continue to improve our
6 entire fiscal management system looking at not only how we budget
7 money but then also how we spend money in accordance with those
8 budgets. So I certainly think it will be one that is always worth re-
9 examining, but at this point, I think it's still one that's an important
10 threshold and a program to have in place.

11 CHAIRMAN KLEIN: Next question.

12 PARTICIPANT: Do you feel that we are on track with
13 industry's expectations for new reactors?

14 CHAIRMAN KLEIN: You know, we probably will
15 never be on track to meet industry's expectations. But, on the other
16 hand, I think we're on track to meet our expectations. I think what we
17 do is we want to make sure we do it right and we want to do it timely
18 and we want to do it in a predictable fashion.

19 So I believe that the processes that we have in place
20 for these new applications I think we have a structure in place. I like
21 the fact that as Commissioner Lyons indicated we have to maintain
22 those 104 reactors running every day to make sure that those are
23 operated safely and securely and the Office of New Reactors is
24 significantly staffed up. They're going through that process and it may
25 take a little bit longer on the first one because we want to do it right
26 rather than just do it quick. We have something to learn as well as the

1 industry on how we go through these processes. But at this point in
2 time I see no major slippages of schedules that we are holding
3 ourselves accountable to. Again, the first few may be a little longer.

4 One of the things that's, I think, challenging on the
5 COLs is that what we had expected as the process moved forward
6 that the design certs would be already completed. So we're really
7 having to do some things almost in parallel which was not what we
8 really expected but we were sort of overcome by events. So I think as
9 a regulator we just need to do our job the best we can but not totally
10 be driven by external schedules. But we certainly need to be aware of
11 those.

12 When we all meet with our elected officials, that's a
13 question that they often times ask as well is what do we need to make
14 sure we do it timely, accurately and so our 535 advisors are also
15 asking us, you know, are we on track to meet those as a nation's
16 energy needs continue to grow.

17 COMMISSIONER JACZKO: I guess I would just say I
18 certainly agree with, I think, a lot of what the Chairman said and I think
19 it's important to keep in mind that as an agency our focus is on doing
20 the reviews and doing the reviews properly and that schedules are
21 important, but they're not the primary driver for the decisions that we
22 make whether they be external schedules or even internal milestones
23 that we've established.

24 And I think the question perhaps if I were to be able to
25 ask it I would have said is the industry meeting its expectations for
26 schedules and I think asked that way the answer is no and I think what

1 we continue to see is an over promising of the ability to defend and
2 support license applications. We've seen that with design certs. We
3 saw that with early site permits, issues with applications, and I think
4 we're seeing that as well with the COLs that there is still a lack of, I
5 think, clear understanding of what is expected of an applicant when
6 they come forward despite what I think has been a tremendous effort
7 on the part of this agency to provide clear and very comprehensive
8 guidance documents on how to prepare those applications.

9 When I first came to the Commission, one of the very
10 first Commission meetings I ever came to I remember one of my staff
11 persons at the time, Terry Reis, who is now an SES manager, put a
12 little question in for a hearing and I had been here about the same
13 time as Commissioner Svinicki. So I pretty much read what they gave
14 me and there was a question there about guidance documents and
15 updating guidance documents and he told me that some of our
16 guidance documents hadn't been updated in 20 years and I said that
17 couldn't be possible. I mean, the agency was only 25 or 30 years old,
18 about over 30 years old at the time, and sure enough that was the
19 case.

20 In the last couple years we have really made a
21 concerted effort to get those guidance documents updated and I think
22 that has been a tremendous effort on the part of this agency. It's not
23 the kind of things that gets a lot of headlines and gets a lot of
24 attention, but it's the kind of work that laid the groundwork for us to
25 really be able to have a successful program for reactor review. So I
26 think that was an important effort and we have similar kind of work to

1 do in the materials arena now as well. I think there we find ourselves
2 with the same kinds of issues of having guidance documents that are
3 very out of date and need to be updated.

4 COMMISSIONER LYONS: I think I'd react the same
5 as our Chairman did that our job is not to meet industry's expectations
6 and Dale referred to meeting our expectations which I do agree with.
7 But I think as an agency, too, we're constantly challenged to make
8 sure that our expectations are mirroring citizens' expectations and
9 probably the best way that we can, well, probably several ways, but
10 one of the best ways we stay in touch with that is that Annual
11 Oversight Hearings with the EPW Committee and hopefully that can
12 help us calibrate and make sure that the citizens' expectations are
13 reflected in our expectations.

14 COMMISSIONER SVINICKI: Well, it's one of those
15 where everything has been said, but not everybody said it. So I'll
16 throw in my two cents as well. But Commissioner Lyons and I were at
17 McGuire last week and I don't know. Maybe I'm not supposed to tell
18 these stories, but we are asked a question. We were addressing
19 some plant personnel at lunch and the question they had was what
20 keeps you up at night and I think I'm telling this story because I
21 actually had a good answer; whereas, you always think later of your
22 nice pithy answer that you had for that.

23 But I said what's keeping me up at night quite literally
24 are the stacks and stacks of NRC documents that I take home every
25 night and every weekend to read to try to learn all that I can about the
26 issues before the agency. But the more serious answer to the

1 question was what keeps me up or what I worry about is over
2 promising and I think again what are our expectations for ourselves
3 and I think we need to communicate clearly that it will not be easy to
4 achieve what it is we've laid out for ourselves, the schedules which
5 we've laid out externally.

6 So my commitment to all of you and it's the same as
7 all of my colleagues up here, but I'm newer to it so I'll mention it is to
8 be a forceful advocate for anything that you need to do what's
9 expected of you and what you've committed to do. So I would just
10 add that.

11 CHAIRMAN KLEIN: We'll take one more question.

12 PARTICIPANT: Does the increasing number of
13 rehired annuitants indicate that our succession planning efforts are
14 struggling and what is being done to move people into these positions
15 permanently and avoid rehired annuitants?

16 CHAIRMAN KLEIN: I just got corrected. We go to
17 3:30 p.m. and not 2:30 p.m. So we have time for lots more questions.

18 (Laughter.)

19 I think the rehired annuitants is really a good activity
20 for us. (1) We need it to train a lot of the individuals we're having
21 come in. So I think taking a proper advantage of rehired annuitants is
22 good for a lot of those that retire. They don't want to work their normal
23 40 or 60 hours a week, but they still want to be engaged. So I think
24 the rehired annuitants have helped us in our training activities. At
25 some point in time though we will probably wind that one down as our
26 training is increasing. But I think the proper use of rehired annuitants

1 will make us a better agency.

2 I think the challenge in any organization is you don't
3 want to retrain bad habits. You want to just keep the good stuff. So
4 the challenge, I think, any time you have rehired annuitants is to sort
5 of filter out and make the positive changes that will make us a better
6 agency and not do some of the things that did not necessarily make
7 us a better agency and that I think is a challenge for the senior
8 management of the agency is to use that selective rehired annuitants
9 so that we can focus our vision on where do we want to be in 10 and
10 20 years and what actions do we need to take now to get there.

11 COMMISSIONER LYONS: The question as I
12 understand it asked whether the use of rehired annuitants reflects a
13 problem of succession planning and I can't help thinking that there
14 may be a point here that our succession planning as time goes on and
15 I would say also as part of our Knowledge Management Program can
16 be extended to levels of expertise within the organization that we need
17 to be building.

18 So in that sense I think I would probably agree with
19 the questioner that at least that one part of our succession planning
20 could use some strengthening. At the same time I see any number,
21 just countless, examples where rehired annuitants bring very, very
22 special strengths to the organization, expertise that may not have
23 been effectively transferred, opportunities for mentoring newer staff
24 and I see the rehired annuitants as being a very key part of knowledge
25 management as well.

26 But I do think that if the question is viewed from the

1 perspective of perhaps through the Knowledge Management Program
2 can we do a little bit better job of anticipating some of the staff
3 expertise that we may lose to retirement in the future. Maybe we can.
4 Maybe that is something to look at.

5 CHAIRMAN KLEIN: Next question.

6 PARTICIPANT: Do you think there is more we could
7 do to improve the NRC's image with the general public?

8 CHAIRMAN KLEIN: You know, I think, that's a great
9 question in terms of when I talk to a lot of groups, I think that the
10 employees have a lot to do and can do a lot and not necessarily
11 tooting our horn as to what we do, but to better explain things nuclear.

12 Radiation is one of those areas where you can't see it,
13 you can't smell it, you can't taste it, and so a lot of times people's
14 imaginations get a little carried away on what's really occurring. And
15 so I think one of the things that all of us can do, and that is to talk to
16 our friends, neighbors, areas where we go to church, or shopping, or
17 whenever you have an opportunity, to basically explain what we do
18 and how we do it, so that people will have more confidence in us and
19 the uses of radioactive materials.

20 For those of you that probably were watching it, if you
21 recall when MRIs were first created, they were called NMRs, nuclear
22 magnetic resonance imaging. And so that word was changed to take
23 the "nuclear" word out and created just MRI. And, again, that was
24 because people really had a false understanding and an image of
25 things nuclear. So I think certainly the Commissioners, the senior
26 staff, and all NRC individuals can play a role in helping educate

1 people on energy issues.

2 I'm still amazed when I go out and give talks at a lot of
3 the questions that are asked that we take for granted, because we live
4 in this world, and so things that we just take for granted is not
5 necessarily the case in the general public. So I think we can all be
6 more proactive in helping explain what we do with things that are
7 radioactive.

8 Probably the area that most people will start seeing in
9 the next 10 years things nuclear will be medical applications, because
10 that's the one that will impact them directly. When they flip the switch,
11 you don't necessarily see that blue glow of the electrons coming out.
12 And so they don't really think about where that electricity is coming
13 from.

14 But when you have a medical diagnostic technique,
15 then you really start thinking about the radioactive uses. But I think
16 one area that we can all do is help educate in that regard.

17 COMMISSIONER JACZKO: Well, I think one of the
18 areas specifically where perhaps we can improve is really in our ability
19 to communicate to a non-technical audience. I think that continues to
20 be an area where any regulatory body like ours will always have
21 challenges, because it's very easy to fall into the regulatory speak,
22 and because it's the world in which we live and it's the world in which
23 we make decisions.

24 But for most members of the public, it isn't the world in
25 which they live. They live in a world in which they communicate in
26 very different terms and with very different means than we do.

1 And so I think that is probably the most crucial thing
2 that we could do is to -- if there's training or other opportunities, to
3 learn to talk in technical language -- or to learn to express technical
4 ideas in a less complex way technically. That has perhaps not been
5 said in the best way by me, but --

6 (Laughter.)

7 So it -- and I think, as the Chairman said, the other
8 issue is I think once we've fully mastered the first skill is to do more
9 communication. And I think the Chairman mentioned it when he
10 talked about members of Congress. The first time you want to see a
11 member of Congress isn't when they have an issue and they want to
12 explain it to you.

13 The first time to communicate with the public is not
14 when there is a problem or a perceived problem, at a power reactor, at
15 a materials site, it is before that, when we can talk about what we do
16 and talk about how we protect their safety and their health on a daily
17 basis, so that when something does happen they have a trust, they
18 have an understanding.

19 So I think the first step -- the skill of communicating
20 technically complex issues, and then, secondly, doing it more.

21 COMMISSIONER LYONS: I would only add that we I
22 think should give kudos to our Office of Public Affairs as I think they
23 strive, and are very effective, in helping us to better communicate with
24 the public.

25 CHAIRMAN KLEIN: Since I'm an engineer, I often
26 times use this as an example. As Commissioner Jaczko indicated,

1 sometimes we give too much information. If someone asks us what
2 time it is, we tell them how to build a watch, and so what I think we
3 need to do is learn how to communicate in a way in which people
4 understand readily what the issues are. But that's easier said than
5 done, and I think all of us can probably work on those skills.

6 Next question.

7 PARTICIPANT: Rotational job opportunities are
8 routinely announced. However, first-line supervisors hesitate
9 approving staff rotations because of FTE shortages and workload
10 considerations. How can we overcome these barriers?

11 CHAIRMAN KLEIN: Well, I think in terms of rotational
12 assignments, again, that's where the best thing to do is communicate.
13 You know, find out, what are the opportunities and talk to your
14 supervisors about what can you and should you be doing in two years,
15 three years, five years?

16 I believe from the workload standpoint that we're
17 pretty well staffed at the levels that we had wanted to achieve at about
18 3,800 total workforce. As you know, we are growing at a net of 200
19 for '06, '07, and '08, so we're about I think at the level of staffing that
20 we need to be. And so, then, we need to look at, how can we best
21 utilize those resources?

22 I think for rotational assignments the best thing to do
23 is talk to your managers, find out what opportunities exist, and if you
24 don't get the answer you want, you can always harass Jim
25 McDermott, the head of HR, and find out what options are there.

26 One of the things, again, I think the strength of an

1 organization our size is that we do have rotational assignments where
2 we can give a lot of cross-training. And so if there's a particular -- if
3 you didn't get one rotational assignment, it might not mean that
4 someone was either out to get you or that you weren't eligible, or
5 whatever.

6 But these opportunities will come up frequently and
7 take advantage of those when it will help both you and the agency.

8 Next question?

9 PARTICIPANT: Can you share the time limit details
10 of the new White Flint Three building, and will it have sufficient office
11 space to consolidate all employees into a three-building scenario?

12 CHAIRMAN KLEIN: You know, probably I should let
13 Tim answer that question accurately. And so I will answer it first, and
14 then he can correct me later. Our goal is to have a White Flint Three
15 that will house all of the needs at the headquarters.

16 Now, the thing that I think we learned in the process,
17 there is an advantage of having the training offsite, because if training
18 is held within, you know, the White Flint One or Two, and you happen
19 to have an issue that the phone rings, get an e-mail, you have a
20 tendency to want to run and solve the problem, as opposed to going
21 through the training.

22 So I think when we look long term at where the
23 agency will be with White Flint Three we certainly hope we have buffer
24 space and we have all of the space that will handle most of the
25 functions. But as we look towards that, I think there is an advantage
26 of not co-locating the training, just because when you're offsite you

1 can concentrate on that activity.

2 So other than those areas that we may want to have
3 remote for a reason, I'm hoping that White Flint Three will let
4 everybody come back to the same location. And the square footage
5 that we are putting out for bids, expression of interest, and so forth,
6 will let us do that.

7 Like I said, I hope at least if you're not totally moved in
8 when my term ends, I certainly hope the concrete is being poured. I
9 will feel a lot better when I see those concrete trucks doing White Flint
10 Three.

11 This whole process has been a real challenge, getting
12 another building. To say it's bureaucratic is probably an
13 understatement, but you have to deal with a lot of different agencies
14 and a lot of issues. But the good news is we are seeing some light at
15 the end of that infamous tunnel.

16 Next question.

17 PARTICIPANT: Chairman, in this morning's Industry
18 News, there was a comment by a Westinghouse representative that
19 the first AP-1000 would be built in China. First, I was a little bit
20 surprised that they were that far ahead, given where we are. But I
21 know you've had some discussions with them, and I know they are
22 asking for help. Could you comment on our interactions and what
23 help we may be providing and what that means for the AP-1000?

24 CHAIRMAN KLEIN: Well, I had an interesting trip to
25 Beijing in January of this year. It certainly gave me an appreciation of
26 the clean air we have in this country. It was astounding to see the

1 pollution in Beijing.

2 But as you indicated, Ed, the schedule is that very
3 likely the first AP-1000 will be in China. We had a very good meeting
4 with their regulator, Li Ganjie, and what we hope to do is help China
5 have a strong independent regulator, much like we are here, and
6 where they can basically ensure the high quality operational and
7 construction activities.

8 We hope to have an exchange program where we
9 can send inspectors there. They can come and see how we inspect.
10 So we definitely are engaged with a lot of countries, China just being
11 one of many. The international programs is really a dynamic area,
12 and the international area is one in which the NRC is very well
13 perceived.

14 We are viewed as the best regulator in the world for
15 having good systems in place, good inspections, good requirements,
16 and so where we can we certainly want to help other countries have
17 that same vision that we have for our agency. Again, we have to do
18 that within limited resources.

19 China would like us to train a lot of people, and we
20 simply cannot do all of the training that they are requesting. And so
21 what we would like to do for China is get to the point of training the
22 trainer, so that we can sort of teach them how to train the individuals
23 that they need.

24 If you look at the expansion of the Chinese market,
25 and the market in India for that matter, there are going to be a lot of
26 plants being built in those two countries. And it's in the best interest of

1 us to help ensure that, to the extent that we can, so that it's safe,
2 secure, and well done.

3 Again, another area that we are working with China is
4 vendor inspection programs. Shanghai Boilerworks recently received
5 a nuclear stamp, the N stamp. That's a good sign. And so we need to
6 share information with them on the vendor inspection and quality
7 control that really is demanded in the nuclear industry.

8 So we have a very active, engaged program with
9 China, as well with other countries. And if they stay on the schedule
10 that they intend, the first AP-1000 that goes into operation probably
11 will be in China.

12 Next question.

13 PARTICIPANT: How does the Commission plan to
14 handle the expected spike in HLW applications in light of the recent
15 budget cuts and zero growth for fiscal year 2010?

16 CHAIRMAN KLEIN: Well, as I have often said in my
17 academic humor mode, we cannot review an application we haven't
18 received. But I think this year we will actually -- it will happen. I do
19 believe this time the Department of Energy will submit the license
20 application for Yucca Mountain, and then we will go through our
21 normal process of seeing whether it's docketable, if it is sufficient in
22 detail.

23 Clearly, we do have a challenge in not just 2010 but in
24 '09 funding, if the application comes in. And we really will have to get
25 some further guidance. As you know, Congress wanted the NRC to
26 make an evaluation of that application within three years, and with one

1 additional year if there were unusual circumstances. So that means
2 four years.

3 In order for us to do that, we will have to receive the
4 appropriate funding to make our technical analysis. And either we will
5 have to receive the funds to do that or the schedule will slip, because
6 one thing that we will not do as an agency is compromise the quality
7 of our review. And if we have limited funds, then it will just simply
8 have to take longer than the three to four years.

9 Again, as most of you know, this is one of those years
10 divisible by four. When that happens, budgets don't always get
11 passed on time. This is clearly a year in which people are indicating
12 we will probably not see the '09 budget until early in '09. So rather
13 than October of '08 seeing the '09 budget, it could be in the February
14 timeframe. And we will just have to do the best we can with the
15 resources that we're given.

16 COMMISSIONER LYONS: I would just add that it's
17 important that, as an agency -- and I think we've been doing it -- to be
18 sure that Congress understands the financial requirements that we will
19 have, if we are going to proceed with that evaluation on schedule.
20 And then, as the Chairman said, it will be up to Congress to decide if
21 those resources are provided for '09 and beyond.

22 CHAIRMAN KLEIN: Next question?

23 PARTICIPANT: This question is for Chairman Klein
24 and Commissioner Jaczko. The agency has made, and continues to
25 make, progress in oversight of license safety culture. However, the
26 same concern has not been evidenced relative to internal safety

1 culture. Some believe that the OIG's safety culture survey is not an
2 adequate safety culture survey, and the agency should undertake an
3 independent safety culture assessment. What are your thoughts?

4 CHAIRMAN KLEIN: Do you want to start?

5 COMMISSIONER JACZKO: No, you can start.

6 (Laughter.)

7 CHAIRMAN KLEIN: No, you take it.

8 COMMISSIONER JACZKO: I would be happy to
9 evaluate the --

10 CHAIRMAN KLEIN: You know, safety culture is a
11 very important concept, but hard to measure. You know, as I learned
12 when I was at the Pentagon, they always talk about metrics. And they
13 would oftentimes say that you're only as good as what you can
14 measure. But measuring a safety culture is a little bit challenging, so
15 what we tend to do is we tend to have little surrogates that we look at.
16 You can, can people bring issues forward? Do we encourage
17 issues? And I think the non-concurrence is an area.

18 So I think the best thing that we can always do for
19 safety culture internally, as well as external, is to practice what we
20 preach -- in other words, to demonstrate that we hold safety in high
21 regard, and communicate that to our employees every opportunity that
22 we have.

23 But it is important that not only those that we regulate,
24 but also the agency itself, we should look internal as well as external.
25 And we should also have an awareness of safety.

26 And I haven't seen anything from my time here that

1 demonstrates that we're not doing that. I believe that our employees
2 are certainly well aware of safety, and they do their best job to make
3 sure that it's done. And not only in what we do, but those that we
4 license.

5 COMMISSIONER JACZKO: I guess I would say,
6 specifically on the issue of I think the IG safety culture survey and the
7 need perhaps to do more than that, to look more comprehensively at
8 internal safety culture, I would say that that's something that I would
9 be supportive of.

10 I certainly think the IG survey is an important measure
11 for us to get a handle on our internal safety culture, but it may be
12 limited. There may be other approaches we need to take, and I'm
13 always hesitant to try and refer to an SRM, because by the time the
14 Commission is done with them it's often hard to remember what is
15 exactly in there.

16 But I do believe we are -- there were some -- and I'm
17 saying this with some degree of skepticism, because I don't remember
18 the exact language, but I do believe there was some language in a
19 recent SRM following the recent Commission meeting we had to look
20 at all of our program areas where we put some language in to do a
21 look more comprehensively at internal safety culture.

22 And I think that is something that will be an important
23 program to implement and to follow through and find, you know, again,
24 a better understanding of what exactly our safety culture is and our
25 internal safety culture is here, because it is important. And it's one
26 that we hold the licensees with a high expectation in this area -- and I

1 think we need to make sure that we're providing the same kind of
2 focus and attention at our own agency to make sure that people do
3 feel comfortable raising views and having those views heard.

4 CHAIRMAN KLEIN: And even though that was
5 directed at the two of us, Commissioner Lyons, would you like to
6 comment?

7 COMMISSIONER LYONS: I do think that the safety
8 culture survey is very important and needs to be done independently.
9 And for that reason, I was very pleased when I got here to find that the
10 IG had undertaken that challenge. That does assure the
11 independence that we all want, and I have been -- I have been very
12 impressed with the product that the IG has turned out in those
13 surveys.

14 CHAIRMAN KLEIN: Any comments?

15 (No response.)

16 Next question.

17 PARTICIPANT: What's the latest word on filling the
18 fifth Commission vacancy?

19 CHAIRMAN KLEIN: The latest word on filling the fifth
20 Commission spot is probably silence.

21 (Laughter.)

22 I think if you just look at the focus right now of
23 Congress, November is staring at everybody's radar screen. And so I
24 don't believe, personally, there will be any movement to try to fill the
25 fifth position until after the election.

26 Next question?

1 PARTICIPANT: What plans, if any, are in place to
2 make the NRC a green place to work as well as a great place to work?

3 In particular, is there a plan in place for the agency to adopt an
4 environmental management system? And, if so, when might we
5 expect to see it implemented?

6 CHAIRMAN KLEIN: Well, I think the area of green is
7 one in which it seems to come and go in what it means. If you recall,
8 in the late '70s, early '80s, there was a lot of focus on energy
9 conservation. And so now sort of the word, you know, green builders,
10 green buildings, and these sorts of things are the area in which people
11 are talking about.

12 I believe Tim Hagen, through the Administration
13 office, always looks at things in which we can be greener and do
14 things more efficiently and more friendly to the environment.
15 Certainly, recycling is something that we can all do. When you go out
16 a room, if there's a light switch, you can turn things off.

17 We have a lot of motion detectors. And I keep seeing
18 a lot of people crawling around different floors, replacing light bulbs
19 that are more friendly to the environment. And so I think, as an
20 agency, we definitely would like to be as green as we possibly can.

21 And if you have any specific recommendations, I'm
22 sure Tim would like to hear those. So I think we do want to be viewed
23 as green, as well as a good regulator. So I think if there's any
24 specifics, certainly we would like to hear from our employees on how
25 to do it better.

26 Next question?

1 PARTICIPANT: This is actually two separate
2 questions from the same person. There are thousands of Legacy
3 documents on microfiche. Do we have any plan to convert these
4 documents to pdf files to make them available online? And then, the
5 second question is, our telephone handsets have no message
6 indicating lights. Are there any plans to replace age-old telephone
7 systems?

8 (Laughter, followed by applause.)

9 CHAIRMAN KLEIN: It turns out at our most recent
10 Commission meeting we talked about telephones and message lights
11 and headsets, and there is a plan that will be implemented I think so
12 that employees will have better use of, as Commissioner Jaczko said,
13 not necessarily into the 21st century, but maybe the 20th century. So
14 we definitely want to make the telephones better.

15 One of the challenges I think that we all have is
16 sometimes we wait for the perfect solution, and so while you're waiting
17 for that perfect solution you tend to get further and further behind on
18 technology. But in terms of the phones, there is a plan.

19 The Commissioners all I think commented on that at
20 our last meeting, and that one should see that one being
21 implemented. I won't put Darren or Tim on the spot to give an exact
22 date of when it will be finished, but we intend to attack that one as
23 vigorously as we did the switch to Microsoft Outlook. And so that one
24 is in place.

25 In terms of the documents on microfiche, I'm not
26 aware of those issues. I guess from the standpoint, if we are not

1 using them, I don't know what value it would be to convert them. So I
2 think first we should look and see, what are the documents? Do they
3 really need to be converted? And, if so, we should do it?

4 But, again, I would leave that to the senior managers
5 to probably come up with a recommendation on that one.

6 COMMISSIONER JACZKO: If I could just add, on the
7 telephones, there is specifically money in the '08 budget to begin the
8 telecom conversion. The money was essentially split between fiscal
9 year 2008 and fiscal year 2009, and to do the voice modernization and
10 the voice upgrade. That was -- when the Commission originally put
11 that language in there, it was specifically to do two things. One was to
12 get telephones that had a message waiting light indication and caller
13 ID.

14 Those, you know, I think as I said at a previous
15 Commission meeting, are not, in my view, real technological
16 enhancements, but those are really I think basic tools that any office
17 should have, and any individual at this agency should have right now.

18 So there is specifically money in the budget, and in
19 this fiscal year to do that, and feel free to let me know when you have
20 gotten your telephone upgraded. So, I will be keeping a list.

21 (Laughter.)

22 CHAIRMAN KLEIN: Next question.

23 PARTICIPANT: With large numbers of combined
24 license applications coming into the staff and potentially creating a
25 "perfect storm" that could overwhelm staff resources and expertise,
26 what types of actions are the Commissioners considering to prioritize

1 these reviews?

2 CHAIRMAN KLEIN: Well, we have talked a lot about
3 prioritization, if we need to. What I would expect to happen right now
4 -- we know the applications that are coming in, and we know the
5 schedule. We talked to those utilities who have not yet submitted, but
6 tell us they are going to submit the applications.

7 So I think the important thing for us to do as a
8 Commission is to let Bill Borchardt and his staff basically come up with
9 a schedule that they can meet with the workforce that we have. And if
10 we need to prioritize, one of the things that we would probably look at
11 is to focus on those utilities that actually expect to build a plant as
12 opposed to just going through the process of getting a license.

13 One of the things that was interesting to me when I
14 first came here was looking at the early site permit process. And,
15 clearly, when that program was started, it was not necessarily geared
16 to just those who intended to build it. And the classic one was the
17 Clinton site in Illinois. So some of those applications were done not
18 necessarily with in mind to actually start digging a hole in the ground,
19 but basically to demonstrate the process that we can do it.

20 I think we're at the point now that if we do see a
21 workload crunch coming on to the NRC, then we will go through a
22 process of prioritizing. And that will be probably with those that we
23 expect to actually start moving dirt.

24 COMMISSIONER JACZKO: The Commission did
25 develop a prioritization system for the staff to provide as kind of a
26 template for how to prioritize resources in the event that we had more

1 applications than our resources allowed for. And those weighed or
2 provided factors such as the Chairman indicated -- applications for
3 which there was a completed design certification, applications that had
4 undergone an early site permit.

5 The Atomic Energy Act also does provide some
6 measure of prioritization in statutory language, with a preference for
7 public power entities and facilities that would be built in -- I forget the
8 exact phrase, but areas that had high power need, or something to
9 that extent. So those two systems are in place right now ultimately to
10 provide that.

11 And I would note, the staff has done this already in
12 many ways. It's not something that I think would be a real challenge
13 to do, and I think it's a lot of credit to Bill Borchardt and the flexibility
14 that he has shown in managing the office of -- the New Reactor Office.

15 And we had several applications that didn't come in necessarily when
16 we anticipated, and, as a result, we were able to divert resources to
17 other applications that we didn't initially budget resources for.

18 So a lot of that work is going on right now, and I don't
19 necessarily anticipate that we're going to have a bigger challenge with
20 that in the future.

21 COMMISSIONER LYONS: I think some of the most
22 important actions that were taken from the standpoint of not
23 overwhelming the staff were some of the actions that -- again, Greg
24 just mentioned Bill Borchardt in his previous role. And I think when Bill
25 and his team set out the design-centered approach -- and that
26 certainly had strong endorsement from the Commission -- the design-

1 centered approach in which our philosophy was going to be -- there
2 was going to be -- to any one issue, there would be one review and
3 one NRC position.

4 Tied in with that is the standardization of applications,
5 and that falls to industry. To the extent industry truly does standardize
6 their applications, then this design-centered approach should work
7 very well. And I would hope that we don't get into a situation of
8 overwhelming staff.

9 To the extent that industry departs from that
10 standardization, and we start to see significant departures among
11 applications for similar plants, I think industry is well aware that that is
12 going to delay their application substantially. So I am very hopeful
13 that there are a sufficient number of pressures to keep the
14 standardization on track and to allow the design-centered approach to
15 continue to move ahead.

16 CHAIRMAN KLEIN: Next question?

17 PARTICIPANT: Decommissioning trusts are under
18 attack by licensees to allow for premature withdrawals. Where does
19 the Commission stand on this issue?

20 CHAIRMAN KLEIN: Well, I think on the
21 decommissioning fund issue, I think we really need to look at that in a
22 broad perspective, and make sure that there are decommissioning
23 funds available when the time comes. I have not been excited about a
24 lot of nuclear components being stored onsite.

25 I would like to see, when it's appropriate, that the low-
26 level waste is moved offsite and put in a proper storage area. So this

1 -- all of this gets into probably the area of what to do with low-level
2 waste, and the fact that there seems to be getting to be smaller and
3 smaller number of sites for where the radioactive materials can go.

4 But certainly from my perspective a lot of these major
5 components that are being stored onsite is sort of one of those
6 questions that I think the Fram oil filter had a number of years ago,
7 that you can either pay me now or pay me later. And so as long as
8 there are adequate funds available for decommissioning, I would
9 encourage the utilities to remove things like steam generators and
10 other components and place in a permanent long-term storage site.

11 But we will I think as a Commission look at that in an
12 integrated way. One of the comments that I heard recently was we
13 may need a little bit more authority in terms of, how do we require the
14 funds, and of that nature. So we are taking a look at that issue in
15 terms of, when is the right time to remove some of these
16 components?

17 COMMISSIONER JACZKO: Well, I guess I would
18 add that this is ultimately I think something that the Commission is
19 going to have to make a decision about. This issue has come up
20 specifically with a proposal to -- as the Chairman indicated, to have
21 certain large components like steam generators, pressure vessels that
22 have been removed, and are currently sitting at sites and ultimately
23 requiring or contaminating material that's going to ultimately require
24 decommissioning.

25 In my mind, the ultimate question comes about
26 whether or not those components should be disposed of at this point

1 using decommissioning funds or whether or not they can be disposed
2 of using normal operating or other equipment funds.

3 I'm not -- I'm certainly going into it with an open mind,
4 but I certainly also recognize that any of these major equipment
5 modifications required significant investment of resources, and it's not
6 clear to me why the early disposal of these equipments was never
7 budgeted in that process to begin with.

8 So it's not clear to me that the decommissioning funds
9 are the only source of funds that could be used to ultimately carry out
10 this disposal, and I think that's the policy question the Commission has
11 to look at. Is it the right thing to do from a safety standpoint? If it is,
12 then an environmental management standpoint -- and I guess as the
13 Chairman indicated, and certainly I would say, it is the right thing to
14 do, to ultimately dispose of these pieces of equipment early.

15 I don't know that that necessarily needs the
16 decommissioning funds in order to be able to do that.

17 COMMISSIONER LYONS: I certainly see benefits to
18 early movement of the large components into appropriate low-level
19 waste storage. I'll be looking forward to staff recommendations that
20 can underpin a Commission policy at the time when this actually
21 comes to us. But the general idea of moving those components now,
22 instead of later, strikes me as very positive.

23 CHAIRMAN KLEIN: Next question?

24 PARTICIPANT: Regarding telework and work at
25 home, are there plans to bring collaborative tools to the staff such as
26 web meetings, etcetera?

1 CHAIRMAN KLEIN: Well, I think in terms of our IT
2 structure in general, I think a lot of this has opportunities to improve,
3 where we can really take advantage of the state-of-the-art equipment,
4 and how we can become more effective.

5 One of the areas that that will probably be evidenced
6 sooner rather than later are just going to meetings, that the travel
7 costs we know are going to go up as the price of fuel goes up. And so
8 I think any area in which we can provide tools for our employees to
9 make them more efficient and more productive with less travel, we
10 certainly want to take a look at that.

11 So, again, I think all of us on the Commission would
12 support high tech that will let us do the job better.

13 There are certain areas that the communication really
14 needs to be face to face as opposed to a person talking to a screen.
15 And one of those is personnel evaluations. Personnel evaluations just
16 don't work well when you do it on a TV screen. You really need to sit
17 down with people and really talk out what your expectations, their
18 expectations are.

19 So certain activities lend themselves to the high-tech
20 communication. Certain areas don't. But certainly I think all of us
21 from the Commission standpoint would support the greater use of high
22 technology where we can.

23 COMMISSIONER SVINICKI: One element that hasn't
24 been here mentioned here, though, that -- is that these types of tools
25 also benefit continuity of operations and continuity of government. As
26 someone who personally experienced the anthrax attack in the Hart

1 Building and left work one day and then was not allowed back into my
2 office for four months, these types of -- in addition to providing
3 flexibility to employees, also help with that broader objective.

4 CHAIRMAN KLEIN: Assuming the phone lines work.

5 Next question.

6 PARTICIPANT: Yes. my question has to do with
7 career choices and career paths. The agency currently has a very
8 robust methodology for career advancement along the management
9 path. Will the agency consider developing a transparent, visible, and
10 repeatable senior-level service career path as another option for
11 employees at their career?

12 CHAIRMAN KLEIN: Well, I think we always want to
13 look at, how can we best motivate and use the talents of the people
14 that we have? And probably for the four of us up here it's not -- we're
15 not knowledgeable enough to really know exactly which career paths
16 should be pursued, and how they should be pursued.

17 I do think as an agency we do a better job than a lot
18 of agencies in how we train, promote, and look at succession
19 planning, for example, in our agency. But, again, I think from the
20 Commissioners we are certainly willing and able to look at any
21 recommendations the staff has on how to do this more effectively in
22 terms of using our people's talents to the greatest extent possible.

23 COMMISSIONER JACZKO: And I certainly would
24 agree with the Chairman, and I think this is something that I have seen
25 since I've been at this agency. That we do have I think -- as you said,
26 we have a very clear path for management, but we don't have a

1 comparable path in the technical areas, so that there is a definite way
2 to achieve higher levels of recognition within the agency, sticking in a
3 technical area.

4 The only avenues are in management. Well, I don't
5 want to say the only, but the majority are in management. And
6 technical expertise and technical excellence does not always translate
7 into management expertise. In some cases, those can be different
8 skills, equally valuable certainly, but not necessarily identical. And so
9 having that career path I think would be a real added benefit.

10 An additional area that comes up I think also is, for
11 instance, for resident inspectors -- ensuring a good career path for
12 residents, so that those people who enjoy being residents can
13 continue in that area and continue to advance in their careers as they
14 continue to provide service. So there's a whole host of areas.

15 And I do think it is an area that we could benefit from
16 as an agency. I think as the Chairman indicated, we probably are
17 much better than a lot of other places, but it is one that I think we
18 could continue to be a leader I think really within the Federal
19 Government to really establish that alternate career pathway.

20 CHAIRMAN KLEIN: Next question?

21 PARTICIPANT: Can you please explain the rationale
22 for vendors and utilities only needing to submit a summary of their
23 PRA and not the comprehensive PRA?

24 CHAIRMAN KLEIN: Well, I -- you're getting into an
25 area that my expertise approaches one over infinity at a rapid rate. So
26 I think what would be good -- clearly, we look at PRAs often, and we

1 expect the utilities to be accountable for that. As to why we require
2 specific activities, you know, I do believe as an agency that we expect
3 the utilities to basically do the PRAs. And as we move to this risk-
4 informed performance-based, we want to have those accountable.

5 I know that Commissioner McGaffigan was very
6 adamant about having a living PRA document for every reactor. And I
7 think this gets back a little bit to what Commissioner Jaczko said
8 initially. Sometimes we would like to put numbers and methodologies
9 to things that we may not be able to put numbers and methodologies.

10 So I think as we learn more and more about the PRA
11 process, we will learn how to do it probably in a better way.

12 COMMISSIONER JACZKO: Well, I guess I would
13 just say this was an issue that came up in particular for new reactors
14 when we were reviewing Part 52. And I certainly was supportive of
15 doing it. I think it's the right thing to do. I think it makes sense.

16 One of the arguments that was probably most
17 compelling to me was the argument from ACRS's perspective that
18 right now, if the PRAs are not required to be submitted with COL
19 applications, it may be very difficult -- other than having a summary, it
20 may be difficult for ACRS to review those PRAs, because they don't
21 necessarily have the ability to travel to the sites, or wherever the PRA
22 may be housed, and review those.

23 So I think it's something that, you know, if the industry
24 -- if as an agency we are serious about moving towards a risk-
25 informed performance-based regulatory environment, PRA is the crux
26 of that, and that should be required documentation, should be required

1 submittals for applications, in particular for new reactors. It may be a
2 bigger challenge for the existing reactors, but certainly for new
3 reactors I think that should have been -- you know, I think that's the
4 direction the Commission should have gone.

5 COMMISSIONER LYONS: Well, to me the key was
6 that our staff has full access to the utilities' PRAs. And it's my
7 understanding that we have that access. So I was less concerned
8 with where the PRA was physically housed, but that ensuring that our
9 staff had access to it.

10 CHAIRMAN KLEIN: Next question.

11 PARTICIPANT: There is concern that the NEI
12 successfully lobbies the Commission after their requests are refused
13 by the staff. How can you assure the staff that they will be supported
14 in their decisions?

15 CHAIRMAN KLEIN: Well, I think if you look at the
16 way our process works, we rely heavily on the staff's
17 recommendation. And that's the crux of -- I think all of us at the
18 Commission level look at the staff recommendation. So I think I would
19 say overall we are very supportive of staff's recommendations.

20 Obviously, if a particular utility or NEI may not give
21 what they would like the first go-round, I'm sure that they might try to
22 educate the Commissioners in certain areas. But all of us have been
23 in positions that we listened, and then we will make the decision
24 based on fact. And for me personally, I rely heavily on the staff's
25 recommendations.

26 COMMISSIONER LYONS: That was a good answer.

1 CHAIRMAN KLEIN: Next question?

2 PARTICIPANT: Uranium prices are low. Is this a
3 reason why we have so few applications for new reactors? Do you
4 know of any plans to regulate the price of uranium?

5 CHAIRMAN KLEIN: Well, I hope there is not a
6 uranium PEC like an OPEC as we move forward. The price of
7 uranium has certainly gone up from the early days, and I know that
8 our divisions that look at in situ leach mining, for example, are seeing
9 a lot more interests in terms of uranium recovery based on the fact
10 that the price has gone up. I would hope that the free market will
11 determine the price of uranium, rather than any consortium of trying to
12 get into controlling that.

13 If you look at sort of the three areas for which there
14 are big uranium deposits, Canada, Australia, and Kazakhstan certainly
15 come to mind. But for those areas that in situ mining works and is
16 appropriate, I would expect to see a lot of uranium exploration and
17 development in the United States, based on the fact that the increased
18 -- on increased costs of uranium.

19 Again, I think a lot of the spot market price on uranium
20 was -- might have been encouraged by some speculators early on, the
21 hedge fund individuals, because the -- the spot market ended up
22 going over \$100 a pound. It has now dropped down significantly and
23 will probably stabilize at some point in time. But, again, I don't see
24 any plan in place to try to regulate the cost of uranium.

25 As all of you know, one of the advantages of a
26 nuclear plant compared to like a natural gas plant is your busbar costs

1 are not as dependent on the fuel on a nuclear plant as like a natural
2 gas plant. On the other hand, a nuclear plant is very capital-intensive,
3 whereas a natural gas plant has low capital costs. And so utilities
4 have to make tradeoffs. You know, do they want to take a chance on
5 the price of natural gas maybe coming down? Or do they want to go
6 with a very heavy capital cost for a nuclear plant?

7 And, in general, most of the utility CEOs that I talk
8 about -- or that I talk with about, how do they determine what source
9 they want for their electrical generation, almost all of them say now
10 that diversity is one of their key components. They don't want to have
11 any one major type of fuel supply, whether it's uranium or whether it's
12 gas or whether it's coal.

13 So I think, again, this is where one hopes a free
14 market system will work and work in a way that meets the needs of a
15 growing economy and a growing demand for baseload.

16 COMMISSIONER LYONS: Well, sometimes
17 Congress extends the mandate of the NRC, like in the waste
18 incidental to reprocessing, to go into areas that might not seem to be
19 within our charter. I guess I have been surprised by some things
20 Congress has done, but I can't imagine a rationale that would have
21 the NRC put into a position of being responsible for price controls on
22 uranium. What that has to do with safety would be -- I can't imagine a
23 correlation, but maybe there is one. In any case, I am certainly not
24 aware of any such moves.

25 CHAIRMAN KLEIN: Next question?

26 PARTICIPANT: Presently, our time and attendance

1 method requires several systems and a considerable amount of time
2 of the staff. Is the agency considering a newer, less time consuming
3 timekeeping system?

4 CHAIRMAN KLEIN: I certainly hope so.

5 (Laughter.)

6 One of the things that I was surprised -- I think one of
7 the first areas in which I learned about the challenging system that you
8 all have for time accounting was I went to Region 2 and learned that
9 there is something like 10,000 codes that we have for billing, and so
10 forth, and that is just way beyond I think the need for reasonable
11 accounting activity.

12 So one of the challenges that Jim Dyer has in his new
13 job as CFO is to somehow get a handle on, what do we really need to
14 do our time and labor charges, and to make it a lot more user-friendly.

15 The other activity that I was surprised in was that
16 oftentimes people in the field sort of had to do their best guess on
17 Thursday on what they did on Friday, so they could get the time
18 submitted in a proper way. And we need to do a better job than that.

19 You know, a high-tech agency like the NRC should
20 use high-tech tools. And so we need to move to I think a less
21 cumbersome system on the time activities, and certainly a better way
22 that we can use electronic signatures and other kinds of things where
23 we can get people paid on time in a timely fashion, and also very
24 accurately.

25 I know that that's one of the challenges that is
26 currently being worked on. And, again, I'm not sure what our timeline

1 is for that, but it's certainly an area that we know is a problem and
2 we're trying to figure out how to do that.

3 From my perspective, the CFO area is an area that
4 we underinvested in in terms of the latest software and technology
5 and the way of doing things, much like we had underinvested in a lot
6 of the IT activities. So we're making investments in the IT, and we
7 intend to do the same thing in the CFO, so that you don't have to
8 spend unnecessary time doing unnecessary documentation for what's
9 required to get your paycheck in a timely manner.

10 Next question.

11 PARTICIPANT: It appears that Barnwell will soon no
12 longer accept waste from nuclear power plants. What plans are
13 underway to address this situation?

14 CHAIRMAN KLEIN: Well, Barnwell will continue to
15 receive waste, but for a limited number of states. And so that's an
16 issue that I know the Commission has talked about on several
17 occasions. You know, what do we do as a nation for the low-level
18 waste?

19 This is clearly a program that did not do what we
20 expected. When Congress looked at the Low-Level Waste Act, they
21 intended to form compacts, so that they could regionally take care of
22 the disposal of low-level waste. And it did not materialize I think the
23 way Congress had intended it to do.

24 There currently is obviously a site -- a couple other
25 sites, the one in the State of Washington and one in Utah. And I know
26 the State of Texas has been reviewing an application for a number of

1 time.

2 But my concern is really for those industrial and
3 university locations that don't have a way to dispose of low-level
4 waste, and they start accumulating onsite. The utilities are going to be
5 in a better position, if they would have to store low-level waste onsite,
6 because typically they have the land, they can create buildings.

7 But a lot of small users -- industrial, hospitals,
8 universities -- do not have a lot of storage activity. So this is an area
9 that I hope we will investigate to see what we can do as a nation,
10 because right now it's not a crisis, but we would like to address it
11 before it becomes a crisis.

12 Next question?

13 PARTICIPANT: If a substantial number of new
14 reactor applicants withdraw, the agency will find itself overstaffed and
15 with partially empty buildings. How will the agency handle such an
16 eventuality?

17 CHAIRMAN KLEIN: Well, I don't think that we will
18 end up with an empty building and people without things to work on. It
19 seems like it's just the reverse.

20 One of the areas, as an agency, that we have sort of
21 good news/bad news. We're having about 200 people retire a year,
22 and so that gives us a cushion for those in which, you know, we might
23 need to redirect. But I don't see, at the moment, a slowing down of
24 our work requirements.

25 I think for an agency like ours, this is -- really has to
26 be one of the most exciting times in our agency's history. We've got

1 license renewals, we have power uprates, we have interest in in situ
2 leaching, we have more industrial applications, we have the issue of
3 the Yucca Mountain site, we have COLs.

4 And so if you look across at all of the things that we
5 do as a regulatory body, about every area is being increased in
6 activity. If one goes down, I'm sure another one will come up, and so
7 we have not seen any indications that there will be a dramatic
8 reduction in workload or the need for high-quality applications.

9 Last question. This time it's for real.

10 (Laughter.)

11 PARTICIPANT: Many of the technical staff spend
12 significant hours on the budget process. These are hours not spent
13 on nuclear safety. The process seems long and inefficient. Can it be
14 improved, so we can focus more on technical issues?

15 CHAIRMAN KLEIN: The quick answer is, absolutely,
16 it can be improved. We are trying to make the budgeting process less
17 cumbersome, more timely, more efficient. And so we know our
18 budgeting process is challenging.

19 I remember Ed McGaffigan told me early on when I
20 came, he said, "Here's the way the NRC budget works." He said,
21 "First of all, the staff is given guidance, and it's sort of like a kid in a
22 candy store. What would you like to have? No bounds."

23 And he said, "What then comes back is just a budget
24 that we just cannot do. It's just -- it's not going to work. So then you
25 start paring down through a whole series of processes, sort of
26 squeeze it back in the box a little bit."

1 "And then, it comes up to the Chairman, the Chairman
2 whacks it even more, and then it goes out to the Chairman's fellow
3 Commissioners and they add it back. And so this is the way the
4 budget works all the time."

5 I do believe that we can make our budget process
6 more efficient, and we certainly know that it's not where we would like
7 it to be. And we're certainly working on it to make it more efficient,
8 less cumbersome, and better guidance on the front end, so that we
9 can really focus on where we need to put our emphasis.

10 COMMISSIONER JACZKO: The only thing I would
11 add on that -- I certainly agree with the Chairman, and I would just add
12 that I think it's not just on the budgeting end where we need to do
13 some reform, but it's in budget execution as well. We have a process
14 for budget development, and I fully agree with the Chairman and the
15 person who asked the question that it is probably not our most
16 efficient process as an agency.

17 But where I think we also have to spend some time
18 and some work is on how we then go about actually executing that
19 budget and ensuring that we are sticking to the budget as a guiding
20 document. That's the reason we develop it, is so that we have a
21 sense of how to execute and spend money in subsequent and in the
22 current fiscal year.

23 COMMISSIONER LYONS: Well, I know that Jim
24 Dyer and the senior staff are very much working on this almost as we
25 speak. Presumably, most of them are sitting here. But there is an
26 awful lot of effort going into exactly what the question implied. And,

1 yes, we do need to improve the process. And I look forward to a
2 greatly improved process coming out of the current deliberations.

3 CHAIRMAN KLEIN: One of the questions that was
4 made early on was sort of our congressional outreach. You know,
5 what does Congress think of us? And I must say that in terms of the
6 support we have received from Congress, I think they have been very
7 benevolent with our budgets for the most part. We have been in a
8 tremendous growth for the last three years. That growth cannot
9 continue, and we need to stabilize at some point in time.

10 But I think in terms of our budgets that we have
11 actually received from Congress, we have been very fortunate in
12 having a lot of support. I think all of you have contributed to the
13 confidence that Congress has in what we do as a regulator.

14 And if you didn't do what you do, I can assure you that
15 Congress would not provide us with the funds and the expansion that
16 has occurred for the last three years. So it really I think reflects on the
17 people that we have at the agency that has made us fortunate to have
18 the budget support from Congress for the last three years.

19 I think at this point, Dale Yielding, would you like to
20 make a few comments?

21 MR. YIELDING: Thank you very much, Mr.
22 Chairman, and Commissioners.

23 I'd like to stick with the format of talking about
24 accomplishments of the National Treasury Employees Union, and
25 maybe some challenges we face. And then, instead of popping up to
26 the microphone numerous times, I think I had about seven comments

1 on some of the questions that were asked here.

2 I guess one of our major accomplishments is we just
3 finished an election, and I'd like to announce who our new elected
4 officers are. I was reelected as President of our Chapter 208 of the
5 National Treasury Employees Union.

6 Maybe folks just want to raise their hand; they don't
7 need to stand up. Larry Pittiglio is our Executive Vice President; we
8 have Dennis Morey as our Treasurer; Bill Carrier as our Headquarters
9 Steward; Mike Caccavo, Region 1 Vice President; Charles Peabody,
10 Region 2 Vice President; Ron Langstaff, Region 3 Vice President;
11 Larry Ricketson, Region 4 Vice President.

12 And we have Vice Presidents-At-Large -- I'll go
13 through those quickly -- Randy Sullivan, Lisa Clark, Cardelia Maupin,
14 Adrienne Redden, Sheryl Burrows, Steve Salomon, Amir Kouhestani,
15 and Alex Murray. These are elected officials. We also have stewards.
16 I'm not going to go into the numerous stewards that I appoint, but
17 they do the work of the chapter and help employees with their day-to-
18 day problems.

19 As far as accomplishments, I'm going to say
20 agreements. We have reached a lot of agreements over the past
21 year, starting with the summer move of 1,000 employees. We sat
22 down with our negotiating staff, with the ADM staff, and we actually
23 signed Memoranda of Understandings for each of the individual office
24 moves, which amounted to about 1,000 employees.

25 We also reached agreement on the move to the
26 Executive Boulevard Building. Some of the key features there were

1 negotiated, and I think we can attest that there was a happy set of
2 NMSS folks that were moved over to that building. And we have just
3 recently finished the negotiations for the move to the Church Street
4 Building for Research folks. So agreements were successful.

5 The union office also moved -- that was another
6 agreement -- I'm down on the first floor, right at the end of the corridor,
7 in a more visible office, and I guess I've got folks stopping by my office
8 quite frequently.

9 If union dues-paying members out there wonder why
10 they didn't receive a ballot for this recent election, it's because there
11 happened to be exactly the same number of people nominated for
12 positions that there were positions. So that either means that we're
13 doing a good job or nobody else wants to do the work. So that was a
14 success story.

15 Along with agreements, we have to have of course
16 disagreements. Sorry to say we've -- first four years of my term, my
17 eight years as President, I can honestly say we didn't file any
18 arbitrations. We got about three or four, I think the fifth one
19 forthcoming, where we take a disagreement either at the institutional
20 level or a disagreement on an individual employee's level and we
21 actually litigate it through a third independent arbitrator. We actually
22 have an unfair labor practice filed also.

23 Challenges -- what do I look forward to as some of the
24 areas which I think we might be having some trouble? Negotiating
25 change. It seems like not every manager in the agency realizes when
26 they change policy, if it's policy associated with the field of labor

1 relations and conditions of employment, it has to be negotiated with
2 the union. Thankfully, we have Human Resources staff that continue
3 to remind senior managers when they change policy, but we are
4 continually as a union trying to catch up when we see schedules and
5 commitments made by the agency where they didn't provide enough
6 time to negotiate the change with the union.

7 Grievances -- having timely meetings with individuals
8 and supervisors. Hopefully, supervisors can take their busy work
9 schedule and put it aside and bring up personnel issues and actually
10 give an employee their right to appeal a grievance in a timely fashion,
11 within 10 days after they file a grievance.

12 Collective bargaining -- that's a real challenge.
13 Collective bargaining agreement is renewed every four years in its
14 entirety. It has been about two -- and every two years we can review
15 and change portions of it. We filed a proposal about nine months ago,
16 and we haven't been successful at getting to the negotiating table.

17 So that's a real challenge for this upcoming year, to sit
18 down. Collective bargaining, obviously, is a very important issue for
19 unions.

20 I won't go into the aspects of the Department of
21 Homeland Security, which had their personnel system basically
22 scrapped because it affected rights for bargaining.

23 Some of the questions that were asked. Region 1, I
24 guess we're going to have to have a meeting with Region 1,
25 wondering why they don't have a four-day work week. Well, about
26 eight years ago I was at the negotiating table to negotiate a four-day

1 work week, and I came back with credit hours instead of the four-day
2 work week.

3 So if you properly use credit hours on a two-week
4 basis, and reach agreement with your supervisor as to which day
5 you're going to take off, there is no reason why you couldn't work a
6 10-hour day and take one day off a week.

7 Relationships with Congress -- I'd have to say that
8 NTEU has a great relationship with Congress, since we negotiate
9 higher pay raises each and every year. Right now, we are negotiating
10 for the 2009 pay raise that comes in January, a 3.9 percent pay raise
11 instead of a 2.9 percent pay raise.

12 There was a comment on guidance documents for the
13 industry being old and outdated. I'll have to say if we looked at our
14 personnel documents and our management directives here at this
15 agency, many of them are 20 and 25 years old also, if we look at our
16 personnel system and how we do merit selections, and things of that
17 nature.

18 Rehired annuitants -- just a reminder, a rehired
19 annuitant is an employee. I get faced a lot of times in the union office
20 where they are somehow treated differently or with less rights and
21 responsibilities as employees, but they are classified as an employee
22 and associated with rights to offices and rights to hopefully a biannual
23 physical and rights to awards and bonuses should be the same.

24 And rotational assignments -- I think the problem with
25 that one question was, how do I get out of my current job for a month
26 to three months for a rotational assignment? I don't know if the

1 process is well utilized, but you can advertise your own job, trying to
2 convince someone to rotate into your job for a short period of time,
3 which might relieve the burden on your supervisor for letting you go for
4 a rotational assignment.

5 Last but not least, I can't take any questions here -- I
6 think we're at the end of our two-hour period -- but I have coffee and
7 donut sessions monthly or bi-monthly, in which I field questions from
8 employees, and we get our direction of what issues NTEU should be
9 tackling.

10 Thank you very much for the opportunity.

11 CHAIRMAN KLEIN: Thank you.

12 Well, what I'd like to do, again, on behalf of my fellow
13 Commissioners, thank all of you for what you do to make this agency
14 a great place to work. We have a lot of responsibility for safety and
15 security of the radioactive materials that we deal with, and I think not
16 only do we have a good communication plan, but we have a good
17 listening plan.

18 And I think this is an example of that, because what
19 we want to do is hear from you today, and we certainly had a lot of
20 great questions.

21 So on behalf of my fellow Commissioners, again,
22 thanks for what you do to make this a great place to work.

23 The meeting is adjourned.

24 (Applause.)

25 (Whereupon, at 3:34 p.m., the proceedings in the foregoing matter
26 were adjourned.)

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