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U.S. NUCLEAR REGULATORY COMMISSION

THE 23RD ANNUAL REGULATORY INFORMATION
CONFERENCE

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TRANSCRIPT OF PROCEEDINGS

Before the U.S. Nuclear Regulatory Commission:

Gregory B. Jaczko, Chairman

Kristine L. Svinicki, Commissioner

George Apostolakis, Commissioner

William D. Magwood, IV, Commissioner

William C. Ostendorff, Commissioner

APPEARANCES

NRC Staff:

Eric Leeds
Director, Office of Nuclear Reactor Regulation

Brian Sheron
Director, Office of Nuclear Regulatory Research

Bill Borchardt
Executive Director for Operations, NRC/OEDO

1 PROCEEDINGS

2 MR. LEEDS: Good morning and welcome to the 23rd Annual
3 Regulatory Information Conference. My name is Eric Leeds and I'm the Director
4 for the Office of Nuclear Reactor Regulation. It's a great honor to be here today
5 and have this opportunity to welcome everyone on behalf of the US Nuclear
6 Regulatory Commission. My office, along with the Office of Nuclear Regulatory
7 Research, led by Brian Sheron, are co-sponsors of this event. We work closely
8 with the other NRC offices to bring you a comprehensive and dynamic program
9 over the course of the next three days. Before we begin, I'd like to take a
10 moment to thank the Joint Armed Forces Color Guard from the Military District of
11 Washington, for joining us this morning and Twana Ellis [spelled phonetically],
12 one of NRC's own, for that moving rendition of the National Anthem.

13 [applause]

14 The Regulatory Information Conference continues to be the largest
15 conference that the NRC sponsors and this year we have over 3,100
16 participants, representing 28 countries. The RIC provides an opportunity for
17 government, industry, public, our international colleagues, and other interested
18 stakeholders to meet and discuss a wide range of topics on the latest information
19 on safety initiatives, and regulatory developments. Highlights of this year's
20 conference include a keynote address from the NRC Chairman, Dr. Gregory
21 Jaczko, followed by remarks from the NRC's Executive Director for Operations,
22 Mr. Bill Borchardt. Later this morning, you'll also have an opportunity to hear
23 from Commissioners Kristine Svinicki and Commissioner William Ostendorff.
24 Additionally, on Wednesday morning we'll have plenary sessions, including
25 Commissioner William Magwood and Commissioner George Apostolakis.

1 This year's conference offers an expanded technical program with
2 42 technical sessions, addressing domestic and international issues associated
3 with operating reactors, new reactors, fuel cycle facilities, nuclear security, and
4 nuclear safety research. Our technical sessions bring together speakers and
5 panelists from various organizations, offering diverse perspectives on the subject
6 matters being discussed. This full agenda also offers a broad variety of technical
7 poster and table top presentations that you can see out in the lobby.

8 In addition, throughout the course of the conference, attendees will
9 have the opportunity to participate in tours of the NRC Operations Center across
10 the street at NRC Headquarters. For those interested in attending the regional
11 breakout session, that session will be held this afternoon as a joint session,
12 entitled "Operating Nuclear Power Plant Issues of Current Interest". Speakers
13 include Marty Virgilio, the Deputy Executive Director for Reactor and
14 Preparedness Programs, and the four NRC Regional Administrators, Bill Dean
15 from Region I, Victor McCree from Region II, Mark Satorius from Region III, and
16 Elmo Collins of Region IV. In addition, we have a special panel discussion
17 scheduled for Wednesday morning that focuses on major initiatives in the
18 operating and new reactor arena. That panel includes Chip Pardee, the Chief
19 Operating Officer for Exelon Generation, Tony Pietrangelo, Senior Vice President
20 and Chief Nuclear Officer of the Nuclear Energy Institute, and again, Marty
21 Virgilio, of the NRC.

22 We have five sessions this year focused on international co-
23 operative activities. In addition, there are a number of sessions that include our
24 international colleagues as presenters, sharing their perspectives on issues of
25 common interest. But, as always, your participation plays a vital role in making

1 the RIC a success. We encourage you to participate in question and answer
2 portions of the sessions and to complete the evaluation forms distributed during
3 the conference. We want to get your constructive feedback, so that we can
4 continually improve the quality of the conference.

5 Now, before we begin I'd like to address a few quick housekeeping
6 reminders. Please remember to visibly display your name badges throughout the
7 duration of the conference. Please turn off or silence all of your electronic
8 devices. Any items that are left behind in the conference area or in any of the
9 meeting rooms will be given to the hotel bell staff, who are located in the hotel
10 lobby. During the plenary sessions, there are question cards on your chairs. If
11 you'd like to ask one of the participants a question, please write your question on
12 those cards. We'll have people walking up and down the aisles to bring those
13 cards up here to the front. And also of note, all the presentation materials for this
14 RIC will be posted on the NRC Website at the conclusion of the conference.

15 Now, it takes a lot of hard work and planning to put on a conference
16 of this magnitude and I'd like to take this time to thank the NRC Conference
17 Planning Committee for their unwavering commitment and efforts in planning the
18 Regulatory Information Conference. I also want to thank the NRC staff that have
19 volunteered their time to support and participate in the conference. Thank you
20 for all you've done.

21 [applause]

22 Now it's my great pleasure to introduce you to the NRC Chairman,
23 Dr. Gregory Jaczko. Dr. Jaczko was designated Chairman of the US Nuclear
24 Regulatory Commission by President Barack Obama on May 13, 2009. He was
25 first sworn in as a commissioner on January 21, 2005 and his current term runs

1 through June 2013. Please join me in giving a warm welcome for Chairman
2 Jaczko.

3 [applause]

4 CHAIRMAN JACZKO: Well, good morning everyone and as Eric
5 said, I want to welcome you all to the 23rd Annual Regulatory Information
6 Conference. It's a tremendous honor for me to be able to address this
7 conference for the seventh time. And before I ever came to the NRC, I would
8 always look forward to March as a time when we could focus on something
9 called "March Madness", which was always about basketball. And with over
10 3,100 people here registered for the RIC, I'm starting to believe that March
11 Madness might be all about the RIC going forward. And as this crowded room
12 attests, there are few other events that bring together such a large number and
13 diverse range of stakeholders, ultimately to share information and exchange
14 views about recent developments and emerging issues central to nuclear safety
15 and security. But none of this would be possible without the hard work of the
16 NRC staff and on behalf of the agency I want to thank Eric Leeds, Brian Sheron
17 and their staffs in the Office of Nuclear Reactor Regulation and the Office of
18 Nuclear Regulatory Research for making this event possible.

19 At a time when the work of federal -- the federal government and
20 federal employees is under tremendous scrutiny, there's no doubt in my mind of
21 the dedication and professionalism of the women and men who work at the NRC.
22 Whether here in Rockville, in one of the regions at the technical training center,
23 or in a telecommute work location somewhere in their home or elsewhere, or
24 whether as a technical reviewer, an inspector, a manager, an administrative
25 professional, or one of the many other disciplines that make up our staff. Those

1 federal employees who work at this agency work each day to protect public
2 health and safety in the environment. Their hard work and dedication are a
3 continual inspiration to me and they go about their work in a way that reminds us
4 that ultimately safety and security are something that we can all come to
5 agreement on.

6 And for the first time since 2007, we open the RIC with the
7 Commission operating at full strength. And I am grateful to all of my colleagues
8 for the experience and expertise they have brought to our discussions, as well as
9 the initiative and leadership they have shown throughout their time on the
10 Commission. My longest serving colleague, Commissioner Svinicki, continues
11 her valuable contributions to the Commission. She continues to keep us focused
12 on the difficult policy issues we have, exemplified by her efforts associated with
13 work on the decommissioning funding efforts in the last year. This agency has
14 benefitted greatly from Commissioner Apostolakis' top notch academic expertise,
15 ACRS experience, and strong interest in risk issues, especially to tackling
16 important policy questions with regard to small modular reactors. I thank Mr.
17 Ostendorff for having an easier name to pronounce.

18 [laughter]

19 His broad backgrounds, including stints with the Nuclear Navy, the
20 Senate Armed Services Committee, and the National Nuclear Security
21 Administration, have contributed to the spirited and productive debates that are
22 key to sound policy. His fresh perspective helped the Commission see a clear
23 path forward on an important issue of cyber security. And no one brings more
24 extensive experience with Department of Energy and nuclear issues than
25 Commissioner Magwood, who has drawn on his extensive knowledge of the

1 nuclear field to advance our regulatory mission. And over the past year in
2 particular, he's worked to enhance and expand our dialogue with public
3 stakeholders. Without their efforts and the staff's hard work I can assure you that
4 the agency would not have been able to make tremendous progress that it has
5 over the past year.

6 But before I embark on a discussion of those accomplishments and
7 some of the work in front of us, I want to highlight priority number one for the
8 NRC. And that has been and always will be the safety and security of the
9 existing reactor fleet and material licensees. As I've mentioned in many
10 speeches throughout the year, we cannot allow complacency to take root in our
11 regulatory culture, whether through impose efforts, licensee initiatives, or agency
12 diligence, safety must continue to be the number one priority. And this has been
13 a challenging time, however.

14 In 2010, we saw an increase in the number of automatic scrams for
15 a second consecutive year and at the end of the year six plants still remained in
16 column three of the ROP action matrix. We've also seen challenges with human
17 performance and material degradation. Incidents that have, in some cases, been
18 more significant than things that we have seen for some time. For example, one
19 inspection finding last year identified fire protection, safety culture, and poor
20 operator performance as major contributors to a significant plant event. These
21 recent events serve as a vivid reminder to the industry and to the agency that we
22 have not encountered all the different types of equipment failures and human
23 performance deficiencies that can ultimately undermine safety and security. But
24 with proper dialogue and discussion, we can continue to make progress in
25 tackling these issues.

1 And I want to take at this time a moment to say a particular thank
2 you to the work of Admiral Jim Ellis and the Institute for Nuclear Power
3 Operations, for their work this year and in the past, in leading the industry's own
4 efforts to highlight and address many of the same issues that I have mentioned
5 here and that the agency has been focused on in the last year. Now, at last
6 year's conference, I highlighted several areas of unfinished business for the
7 agency. One year later I'm pleased to say we have made significant progress on
8 a number of these important issues, and this effort has been accomplished
9 through increased interactions with stakeholders from academics to public
10 interest groups, to vendors, licensees, the Congress, and ultimately the states.

11 As some of you may recall at last year's RIC, the unfinished
12 business of the waste confidence revision was a prominent topic. I am pleased
13 to report that the Commission has since finalized this rule, providing a measure
14 of certainty in an important and high visibility area. We believe the waste
15 confidence rule has a solid legal foundation that is clearly explained in the
16 Commission's decision and is in full accord with earlier court decisions
17 interpreting the Commission's obligations under the national environmental policy
18 act. In addition to this important rulemaking, the NRC also took steps for closing
19 out long standing safety issues like fire protection and the containment sump
20 issues known as GSI-191, and I will mention fire protection a little bit later, so for
21 those of you who heard me speak about this issue, I will talk about it a little more.

22 At the same time, we also proceeded with a number of new reactor
23 issues, including moving to public comment the ABWR and AP1000 design
24 certification amendments, as well as making significant progress on the ESBWR
25 design certification, ITAC maintenance, and new reactor risk metric issues. And I

1 anticipate that the ESBWR will soon also be ready for public comment, and
2 ultimately for possible consideration, by the end of the year. Whether ensuring
3 that the right testing is performed to determine the in-vessel effects of debris
4 generation and a loss of coolant accident, or that the appropriate ductility
5 requirements were satisfied for the AP1000 shield building, the work in this area
6 has been done with a focus first and foremost on safety.

7 Now, the agency also completed a comprehensive revision of its
8 enforcement policy, one of the agencies key tools for ensuring compliance with
9 our safety regulations. Staff also made substantial progress in evaluating our
10 Alternative Dispute Resolution Enforcement Program and initiating
11 enhancements that will ensure that we use it judiciously, consistently, and as
12 openly as possible. And in keeping with our historic commitment to openness
13 and transparency, the agency also moved forward with implementing the
14 President's open government directive. And these types of efforts will ensure
15 that the NRC remains an effective safety regulator and that our nation's nuclear
16 records remain strong.

17 Now, we're very pleased also, in the last year, that the international
18 community has recognized the fine work done by the NRC. In fact, during the
19 last year, an International Regulatory Review Service Mission was completed at
20 the NRC. This is the first time the NRC has completed such a mission and I
21 believe it provides a tremendous exchange of regulatory best practices. In
22 addition, with Bill Borchardt and Admiral Ellis, I look forward to continuing this
23 discussion, as we present our national report at the 5th Annual Convention on
24 Nuclear Safety next month. And our national report will communicate a very
25 positive message about the state of nuclear safety in the United States, including

1 the central role that our licensees have played in building our strong safety
2 record. I want to thank all the staff that contributed, both to the IRS review and to
3 our national report to the CNS. We should be proud of our strong track record
4 and it's recognition by the international community and as well as by
5 stakeholders here in the United States. But it's important however that we not
6 rest upon our past successes, but rather strengthen our commitment to
7 continuous improvement. This has long been a defining value of the Nuclear
8 Regulatory Commission and a key to our success in meeting our important safety
9 and security mission.

10 At this point, it's likely news to no one that budget reductions are
11 being contemplated across the federal government. And no matter the outcome
12 of these budget decisions for the agency, we must continue focusing on the
13 critical tasks of how to make the most efficient use of our funds. By aiming to do
14 more with less, the NRC will ensure that it is in the strongest possible position to
15 efficiently and effectively meet our mission regardless of whether our budget
16 increases, decreases, or remains flat in the years to come. But I want to
17 emphasize that we may have to make tough choices, because if everything is a
18 high priority, then ultimately nothing will be.

19 So, in this area, as in many others, good process is the key to good
20 outcomes. In accordance with the Government Performance and Results
21 Modernization Act, the NRC is taking steps to improve our strategic planning and
22 annual performance plans, in order to achieve a greater alignment of goals and
23 performance across the agency. As part of the NRC's efforts to build the
24 Strategic Acquisition Program, we are also taking steps to ensure that our
25 contracting initiatives are implemented in a more timely and efficient manner, and

1 through an internal task force, known as Transforming Assets into Business
2 Solutions, the NRC aims to prepare our work force for the 21st century, by
3 implementing innovative business practices and maximizing the potential of all of
4 our employees. And in order to conduct our work as opening and transparently
5 as possible, the agency has also significantly improved our public Website and
6 the ADAMS record keeping system, and we'll soon be unveiling the new and
7 revised Website, in the next month.

8 Although many of these initiatives will present considerable
9 management challenges for the agency, I'm confident the NRC's leadership team
10 is up to the task. And I believe, ultimately, these efforts will be enhanced by our
11 investments in our physical infrastructure, which will improve communication and
12 coordination throughout the agency. And as those of you here at headquarters
13 have seen, with the construction of 3 White Flint North, we are making visible
14 concrete progress.

15 Now, even as we re-invest in our infrastructure and strengthen our
16 management practices, our ability to tackle new regulatory challenges depends
17 upon our ability to close out long standing safety issues. And that's a term we
18 hear often around the NRC, "achieving closure" and nowhere has this course
19 been louder than on fire protection and GSI-191. These issues have been before
20 the agency for quite some time and I think as the ACRS even -- referred to the
21 process of closing out GSI-191 as a Herculean task. As those who follow these
22 issues closely know, the agencies and industries efforts historically have not
23 proceeded as quickly as I would have liked.

24 Over the past few months, however, we have taken some
25 meaningful steps towards resolving these two important issues, on the fire

1 protection front, Shearon Harris and Oconee became the first two licensees's to
2 successfully transition to the risk-informed approach known as NFPA 805. By
3 demonstrating that the process works the Shearon Harris and Oconee pilots
4 mark an important milestone in our efforts to enhance fire safety, but in my view,
5 seven years is too long to have moved just two pilots. The licensee's of the other
6 44 reactors that have opted for this approach should continue to work to promptly
7 submit their applications and the agency must assign adequate resources to
8 review those applications, in a timely and efficient manner. In the next few
9 weeks, the Commission will examine an approach to process these applications
10 in the most timely manner and in a way that I believe should focus first and
11 foremost on the plants with the most safety needs.

12 On GSI-191 the Commission is also determined the necessary next
13 steps for resolving this issue, after thoroughly examining the important policy
14 questions, in two separate meetings in the last year. Given its significance, I
15 believe it was critical for the Commission to speak directly on this issue and to
16 clarify its position on how the agency should move forward. I would encourage
17 everyone, however, to focus on the bigger picture, the picture that the
18 Commission has now endorsed as a path for closing out this issue; that includes
19 time tables for licensee's to identify research and address the potential risks.
20 Having served on the Commission for more than six years now, I know all too
21 well the closure plans have a way of re-opening at times.

22 So I challenge everyone in this room to not only follow this closure
23 plan, but to work in every way we can to exceed it. We simply have no more
24 excuses for not resolving the technical issues associated with GSI-191. And
25 sometimes I'm reminded, when I think about this issue, of the Peanuts cartoon

1 where you had, I think it was Lucy who was often holding a football for Charlie to
2 kick and would sometimes pull that football away, just as it appeared Charlie was
3 about to strike it. I don't think we want the closure of GSI-191 to be like that
4 cartoon strip, constantly repeating that same action. But, by definitively resolving
5 these issues, we will be in an even stronger position to move forward on other
6 existing priorities and proactively plan for emerging issues.

7 And I have focused here on two issues that I believe are important,
8 fire protection and GSI-191. There are others however, submerged cables,
9 updated seismic hazards, and spent fuel criticality to name just a few. And these
10 are the types of issues we need to focus on today, in order to ensure that they do
11 not become the long standing issues of tomorrow. And over the last 30 years,
12 our understanding of the safety implications of these issues has improved
13 substantially, because of development of probabilistic risk assessments. But,
14 even today, we are still not in the position to fully harness the potential of these
15 risk tools, significant work was required to support the NFPA 805 applications
16 and only recently has a licensee begun developing a risk informed licensing
17 approach for resolving GSI-191. We need to get ahead of the curve however
18 and have these tools fully developed and available for a broad range of
19 applications. So I also challenge all of you in the room to focus on a time table,
20 perhaps within the next five years, to have the infrastructure in place for
21 comprehensive level 3 PRAs at every site, so we can address these issues in a
22 manner that is commensurate with their importance to safety.

23 Now, while the agency staff continues their focus on the safety and
24 security of the existing fleets, much of the Commission's focus and effort in the
25 coming year will be centered around the policy issues associated with the

1 infrastructure and decision making related to new reactor activity and a possible
2 new direction for spent fuel management for the nation. 2011 is going to be a
3 year of many important milestones in these efforts. One of the regulatory areas
4 in which we have seen the most dramatic developments in recent years,
5 concerns the heightened interest in new reactors. Through the staff's hard work
6 and the applicant's responsiveness, I can report significant progress over the
7 past year on both design certification and COL applications. In fact, as early as
8 this summer, the Commission may take final action on the AP 1000, ABWR, and
9 ESBW or design certification rules and conduct the first mandatory hearing on
10 new reactor licenses since the 1970s. This will mark the first time that the
11 Commission, rather than the licensing boards, conducts the mandatory hearing
12 required by the Atomic Energy Act.

13 To ensure that we conduct open, fair, and efficient hearings, the
14 Commission has been working to develop procedures that will focus our attention
15 on the most safety significant issues. Our goal is to serve as an effective check
16 on the staff's work, without needlessly replicating what they have done. And as
17 I'm told an application for a combined operating license makes a full A to Z set of
18 encyclopedias, for those of you who remember encyclopedias, look like a
19 summer beach read. Conducting the mandatory hearings will require both
20 clearly defined procedures and discipline on the part of my colleagues and
21 myself. But even as we approach the finish line on a decision related to a first
22 new reactor COL we have a number of other emerging issues that may
23 significantly alter our landscape.

24 Among the most dynamic and rapidly evolving area is the
25 development of small modular reactors. Just a few years ago these projects

1 remained largely conceptual, the providence of PowerPoint presentations and
2 conference panels. Today they have advanced to the point that the agency
3 anticipates receiving the first SMR design certification application as early as
4 next year. Work is already under way to resolve important technical licensing
5 and policy issues associated with small modular reactors. The agency already
6 has plans to publish a future proposed rulemaking, establishing a variable annual
7 fee structure for small and medium size reactors. Additionally, the Commission
8 will be exploring policy options over the coming year for issues such as off-site
9 emergency preparedness, decommissioning funding, control room staffing, and
10 the license structure for multi-module facilities.

11 At the Commission's direction, the staff is also undertaken a
12 broader review of the licensing process, to develop risk informed approaches for
13 reviewing small modular reactor applications. And I remind everyone that in this
14 process we must establish priorities and determine which initiatives first and
15 foremost have an important impact on safety and security. For instance,
16 modifications for our emergency preparedness regulations will necessarily
17 involve extensive interaction with federal, state, and local governments,
18 stakeholder groups, and licensees, and this effort will take time and may prove
19 very challenging and it may ultimately take resources away from completing
20 other policy changes that have a more clearly defined safety and security impact.
21 And I would remind everyone that I still believe the best approach to dealing with
22 emergency preparedness is to accelerate and enhance our efforts to develop a
23 truly performance-based, risk-informed emergency preparedness infrastructure,
24 as endorsed by the Commission in 2007.

25 Now, in considering potential rule changes in this area and in

1 others, the agency has to ensure that we make the best use of the considerable
2 time and resources we dedicate to these efforts. Although rulemaking is an
3 important agency responsibility, we expect our licensee's and stakeholders to
4 actively participate and contribute meaningfully to the process. If that happens,
5 the agency will be in the best possible position to weigh diverse stakeholder
6 views, work through possible concerns, and definitively resolve policy questions.
7 As we have seen most recently with a Part 26 fatigue rule, there has been a
8 tendency to revisit rules and reexamine issues once thought resolved. Of
9 course, if there is new information, and there are newly discovered ways to
10 enhance a rules' effectiveness, the agency's rulemaking procedures provide
11 ample flexibility to make these adjustments. And in this particular instance, with
12 regard to the fatigue rule, I believe that licensee's have demonstrated that there
13 is a more efficient and effective way to achieve the rules goal than the current
14 minimum days off requirement.

15 I believe however that it's important that we implement this
16 proposed alternative through an expedited limited-scope rulemaking and I hope
17 everyone views this as an opportunity to demonstrate that we can, despite what
18 appears to be near universal belief that we cannot, conduct a targeted
19 rulemaking with a clearly defined technical basis and clearly establish safety
20 need in a few months or less. And let me be clear, I'm not proposing, in this
21 case, a direct final rule, rather I believe we can conduct this focused rulemaking
22 in an accelerated manner and include the necessary rulemaking aspects such as
23 notice in public comment. This will enable us to make the needed changes to
24 Part 26 of the open and transparent rulemaking that is a hallmark of our agency.
25 Demonstrating that we can conduct this type of expedited rulemaking will be a

1 strong signal to the public and to our licensee's that we are up to the challenge of
2 addressing the significant policy issues ahead of us.

3 And one such issue concerns our approach towards regulating
4 interim and extended spent fuel storage. As part of its waste competence
5 decision, the Commission initiated comprehensive review of this regulatory
6 framework. And this multi-year effort will identify near term regulatory
7 improvements to current licensing inspection and enforcement programs. It will
8 enhance the technical and regulatory basis for extended storage and
9 transportation and it will ultimately identify long term policy changes needed, to
10 ensure safe and secure extended storage and transportation. As the question of
11 disposal is ultimately for others to decide, the Commission was clear that it was
12 neither assuming nor endorsing indefinite on-site storage by ordering these
13 actions.

14 And we all know that issues related to Yucca Mountain have
15 garnered considerable attention in recent months and right now the agency is on
16 a path to close out the Yucca Mountain application review by the end of the year.
17 By thoroughly documenting the staff's technical review and preserving it as
18 appropriate for publication and public use the agency will be able to respond to
19 direction from the Congress or ultimately the courts. By initiating the review of
20 this regulatory framework I believe the Commission has demonstrated its
21 continuing commitment to making sure that we stay focused ultimately on the
22 safety and security of spent fuel.

23 So, as I hope my remarks have made clear, the NRC has had a
24 very productive past year and it certainly has a packed agenda for the year
25 ahead. There will be significant technical and policy decisions of the agency, its

1 licensee's, and our many stakeholders, will have to work through. And I'm sure
2 these issues, as others in the past have, will elicit a broad range of views both
3 inside and outside of the agency. That type of debate is healthy and productive;
4 it helps to ensure that we reach the best decisions for nuclear safety and
5 security. In the mist of these debates, it's important, however, that we not lose
6 sight of the common ground we do share and of our ability to bridge whatever
7 differences there are through our shared commitment to safety and security. The
8 development of a safety culture policy statement in recent years is, in my view, a
9 testament to that common ground and the strength of that shared commitment to
10 safety and security.

11 I can tell you personally that when the Commission initiated the
12 process to develop this policy statement more than three years ago, I never
13 anticipated the consensus that we would achieve. At that time, there were, I'm
14 sure, people who thought there were too many stakeholders with too many
15 different perspectives to allow for a meaningful agreement or meaningful
16 progress. And even as optimistic and excited as I was about the initiative, I did
17 not anticipate the broad spectrum of stakeholders from our licensee's to some of
18 their strongest critics that today actively support and develop, with near
19 unanimity, a policy statement for safety culture. I believe it's a tremendous
20 accomplishment for this community.

21 My early years on the Commission, I often spoke of the importance
22 of building public confidence in the agency and its decisions, even if we did not
23 expect public agreement or acceptance as a matter of course. The process of
24 developing the safety culture policy statement has demonstrated that we can go
25 beyond just public confidence and gain public acceptance, even on highly

1 controversial issues like safety culture. It demonstrates that it's possible if we go
2 about our work in the right way, by proactively engaging the public licensee's and
3 other stakeholders at an early stage, and by involving them in a way that gives
4 them a sense of ownership over the process and its ultimate decisions.
5 Whatever substantive changes result from the policy statement, I believe it will
6 remain an enduring symbol of our shared commitment to nuclear safety and an
7 example of how the NRC can draw strength from that shared spirit to bridge
8 differences and build consensus, in order to ultimately enhance our safety and
9 security infrastructure. Thank you.

10 [applause]

11 MR. LEEDS: Mr. Chairman we have a number of questions. And
12 I'll read to go forward. To begin with, is the NIC prepared for a potential
13 government shutdown, and if a shutdown occurs what activities will continue,
14 what activities will be on hold?

15 CHAIRMAN JACZKO: Well, the simple answer is we are prepared
16 for the possibility of a government shutdown and as we continue to monitor the
17 situation we'll be making final decisions, if we need to, on the specific activities
18 that would need to go forward and those that would not. But, for now we
19 continue to not anticipate a shutdown and will continue to work effectively with
20 the resources that we have.

21 MR. LEEDS: Thank you. On openness and transparency, can you
22 provide your view on openness and transparency, as it applies to Commission
23 activities, what initiatives, using social media, is the NRC exploring to foster more
24 openness and transparency?

25 CHAIRMAN JACZKO: We -- actually the last year has seen quite a

1 few initiatives on the part of the agency to enhance our openness and
2 transparency. We have, as I mentioned we have worked to upgrade our
3 Website, we've worked to upgrade the infrastructure that supports the document
4 access, which is really a lifeline for people to have an understanding of what we
5 do and how we do it, and just within the last several months the agency has
6 begun a public blog, which I think has seen several thousand or maybe tens of
7 thousands of visitors and commenter's, so it's an opportunity for us to venture
8 into some of the more contemporary social media tools that are out there. But,
9 fundamentally, I think it continues in the initiatives in areas where we have our
10 public meetings and all of these activities as a Commission and as a staff.

11 MR. LEEDS: Thank you. All right, Mr. Chairman please help us
12 understand how two plants' license renewal efforts have exceeded five years in
13 duration, when the average time frame is less than half that. I have to assume
14 there are political forces at play.

15 CHAIRMAN JACZKO: Well, I think there's certainly -- I think the
16 agency has made a real concerted effort to have a predictable process for all the
17 things we do, whether it's license renewal, new reactor licensing, but as you find
18 with all of these issues, there are technically complex issues associated with all
19 of these and there certainly are several facilities right now that are in license
20 renewal that are involved in a more lengthy process. I think some of that is a
21 combination of some changes or some weaknesses in our process, some of it is
22 simply a reflection of the complicated technical issues that are being raised and
23 explored in our hearing process, so I would say that there are -- I wouldn't say
24 that there are political forces at work, but I would say that there are complicated
25 issues, in most of these cases that we're working through and as we complete

1 the work on these license renewals, we'll always have an opportunity to go back
2 and look at lessons in ways that we can continue to ensure that these decisions
3 are made in the most timely effective way possible.

4 MR. LEEDS: Thank you. Mr. Chairman, will you make available
5 the redacted information from the safety evaluation report for Yucca Mountain,
6 consistent with transparency?

7 CHAIRMAN JACZKO: Well, in fact the agency has made available
8 redacted versions of two volumes of the safety evaluation report and that was
9 released within the last several weeks, and as we move forward on the
10 closedown of the program, I anticipate through the technical evaluation report or
11 other documentation that the staff will produce, that we'll have a large amount of
12 information publically available about the work that's been done by the staff on
13 that project.

14 MR. LEEDS: Thank you. Mr. Chairman what are your impressions
15 of the integrated Regulatory Review Service report and areas of improvement?
16 What is your view of what the report says about the U.S. regulatory framework
17 and the industry?

18 CHAIRMAN JACZKO: Well, I think -- and that report should
19 actually be publically available in the next several days, for those who have an
20 interest in looking at it -- I think the report makes a number of very interesting
21 recommendations and findings, I would say at the top of those is one -- a
22 recognition that our process of not employing periodic safety reviews can be
23 seen as comparable to the periodic safety reviews and that there are many
24 parallels and similarities with that particular aspect of our review. One of the very
25 interesting findings that is in the report, and I think will give us some thought in

1 the coming months and perhaps in the coming year, is how we deal with our
2 responsibilities and licensee's deal with their responsibilities, and whether or not
3 there are ways we can look at that relationship, to ensure that licensee's are
4 continuing to take the appropriate initiative on their own, to make safety
5 improvements and enhancements where necessary. I think those are two very
6 interesting findings and recommendations coming out of the report, but I would
7 ultimately say that one of the best advantages I think of the report is just the
8 opportunity for people from other countries to come and see how we do our work
9 here and for us to gain information and gather information from them about how
10 they do their work in other countries. And I think what has come out of this report
11 is just a tremendous sharing of information and ideas that will, I think, be a value
12 to the agency for years to come.

13 MR. LEEDS: Thank you. What initiatives can be put in place to
14 expedite the review of small modular reactors? These reactors can be licensed,
15 built, and running before traditional reactors are certified, if we make them a
16 priority.

17 CHAIRMAN JACZKO: Well, I think right now -- I think the
18 Commission is putting the appropriate priorities to small modular reactors and I
19 would look at this in probably three types of categories. We have the integral
20 light water reactors, which probably are closer to more of the actual design
21 review and design work than some of the others, and the other categories. I'd
22 really say largely the high temperature gas reactors, whose activities really
23 centered around the next generation nuclear plant, and then we have some of
24 the more non-traditional design types, which are a little bit more conceptual at
25 this stage and probably farther away from exact or actual licensing review at the

1 agency. But I think right now the agency has in front of it, as I mentioned, a set
2 of policy issues that I think will tailor our regulations more appropriately to the
3 physical realities of some of these reactor designs, whether that's in a security
4 area, in the recognition that the plants may be buried largely underground or
5 looking at operator staffing issues, again with the recognition that a crew
6 compliment may be very different for 150 megawatt reactor than for a multi -- or a
7 thousand megawatt, larger reactor.

8 So, I think the agency has the right focus on these issues right now,
9 but as with any of these kinds of review issues, I'm always reminded of the time I
10 spent in college and the review process is a process that involves lots of different
11 parties. And fundamentally it involves the agency and the applicants, and having
12 a good effective process requires everyone to be prepared and ready to move
13 forward at the same time. And, without suggesting fault, I think both the agency
14 and the applicants are moving through that process and they're learning as we
15 develop, much as we saw with the larger new reactor work, learning what
16 expectations are and what will be appropriate and necessary for these
17 applications. So, I think at this point we're still beginning that process and I
18 would rather complete one before we figure out how to do something faster.

19 MR. LEEDS: Thank you. How do you see the reality of shrinking
20 federal budget resources on the future agenda that you've just outlined?

21 CHAIRMAN JACZKO: Well, I think the agency continues to be very
22 well received and I'm seeing it viewed by the Congress, and so we'll certainly
23 continue to work to do everything we can to ensure we have the necessary
24 resources to conduct our reviews and to conduct the work that we have in our
25 safety inspections going forward. But as I said, I think a lot of work has been

1 done in the last several years to make the agency more efficient. The work that
2 Bill is doing with his staff on improving our contracting process, on looking at
3 ways to improve and enhance our allocation of work among our staff, the TABS
4 process, the Transforming Assets into Business Solutions, these are ways I think
5 to continue to improve our efficiency and our effectiveness, so that we can
6 continue to meet our important safety mission in the years ahead, in the face of
7 potentially flat budget, or even in real dollars, declining budgets. So, I think the
8 agency is positioned right now to meet these challenges and to continue to do
9 the work that we need to, but there will likely have to be choices that we need to
10 make and that's where, to some extent, the Commission will have an important
11 role and some very important discussions and lively debate about where those
12 priorities need to be.

13 MR. LEEDS: Mr. Chairman, what do you believe is a reasonable
14 review time for NFPA 805 submittals and will you direct the staff to a specific time
15 frame?

16 CHAIRMAN JACZKO: The -- I would believe that where we should
17 ultimately achieve is a review time that's no longer than one year, I think, as we
18 begin doing these reviews we should be able to learn, develop the infrastructure,
19 and have the capability to do that review within 12 months. I don't anticipate that
20 we will be able to do that with the first round of reviews, but as we train our staff,
21 as we develop additional staff resources to conduct these reviews, I think we'll
22 ultimately be able to get to a point where we could do these reviews in a year, or
23 approximately a year.

24 MR. LEEDS: OK. Do you envision other policy statements from
25 the Commission on important industry issues such as the recently published one

1 on safety culture?

2 CHAIRMAN JACZKO: Well, at this time, I'm not aware of any in
3 the reactor area, one that the Commission has been working on and will likely
4 see come to finalization this year is on the use of Cesium chloride in blood-
5 irradiation and other industrial and medical approaches. That's one of the few
6 that's out there right now for completion and again, I think will be a very useful
7 tool to help communicate expectations and our views on that important issue.

8 MR. LEEDS: Mr. Chairman, in an era of aging reactor operators
9 and aging regulators --

10 [laughter]

11 -- what is the agency doing to attract the interest of younger
12 generations to nuclear power operations and regulation?

13 CHAIRMAN JACZKO: Well, we're -- one of the advantages we've
14 had as an agency over the last several years is, because of the growth in our
15 agency, we've been able to do a lot of efforts to go out and visit colleges and
16 universities and other -- and other institutions to attract very talented young
17 people to the agency and recent graduates, as well as attracting very talented
18 mid-career professionals from the industry. So, over the last several years,
19 we've been very fortunate in our ability to hire and attract some tremendously
20 talented people. Going forward, that will be more difficult, because we anticipate
21 more of a flat budget and a flat staffing level. So our hiring will be limited more to
22 just replacement of existing individuals. But I think as we go through that
23 process, we want to continue to focus on diversity, ensuring we have a diverse
24 workforce in all different types of ways. And I think that will continue to ensure
25 that we have the right kind of workforce going forward to serve the agency, serve

1 the American people.

2 MR. LEEDS: Thank you. All right, Dr. Jaczko, you note the
3 increase in reactor trips and human performance issues. Yet, the NRC continues
4 to push issues that demand high levels of resource and management attention,
5 with little safety improvement, such as the new security rule, the GSI-191 and
6 NFPA 805 licensing basis changes. What actions are the NRC taking to ensure
7 these regulatory initiatives are not having the unintended consequence of
8 reducing nuclear safety?

9 CHAIRMAN JACZKO: I think that's a very -- that's a very good
10 question and it's something we always have to -- we always have to examine. I
11 wouldn't necessarily agree with the premise of the question that some of these
12 issues don't have a real meaningful impact on safety. I think NFPA 805 in
13 particular -- well or fire protection issues, in particular -- we know from most of
14 our risk analysis studies that fire is a significant initiating event for core damage
15 frequencies. So that one in particular, I think, has a very solid foundation and
16 represents an issue that has been long standing and needs ultimately to be
17 resolved.

18 As I talked about, I think one of the challenges here is for us to
19 continue to work to be able to identify these issues and resolve them in a more
20 prompt manner, so that we don't spend so many resources continually working
21 and reworking these issues and never coming to conclusion and resolution. I
22 think that is something that we all need to work on to ensure that we can do this
23 in a more timely manner. That will, I think, ultimately free up resources for us to
24 continue to focus on the challenges that will invariably come, on safety significant
25 issues. As I said, I focused on these issues but I know Eric and his team are

1 looking at other issues -- submerged cabling being a significant issue. But I
2 would also note that there are successes in these areas. The work that was
3 done to address the dissimilar metal butt weld was done in a very prompt and
4 effective and efficient manner. And that is an issue that we don't largely talk
5 about, because it's a success story. So, I think there are examples of how we've
6 identified these safety significant issues, identified solutions, and worked those
7 solutions in a prompt manner. And I think those need to be the models for how
8 we go forward and work to do these, because neither any of our licensees, I
9 think, nor the agency wants to take as long as we do to work through these
10 issues.

11 MR. LEEDS: Okay, thank you. All right, Mr. Chairman, do you
12 think the NRC should play a leadership role in moving the industry to recycle
13 spent nuclear fuel?

14 CHAIRMAN JACZKO: I don't ultimately think it's the agency's
15 responsibility to make decisions about how ultimately spent fuel is used on the
16 backhand. I think we have a responsibility to ensure that that's done safely and
17 securely. And we have low level activities, in the area of recycling or
18 reprocessing really, and low level activities to develop regulatory infrastructure to
19 be able to process a reprocessing facility application. But at this time, I think, in
20 my view certainly, those activities are perhaps longer term activities that don't
21 necessitate immediate resources to complete those regulatory activities.

22 MR. LEEDS: Thank you. What is your view on the NRC's
23 response to the past and recent groundwater contamination events? Please
24 address your response -- in addressing your response, please address the
25 NRC's mission of protecting public health and safety and the influence of public

1 confidence.

2 CHAIRMAN JACZKO: Well, the Commission actually had a
3 briefing or a meeting on this just recently and I think the work that was done by
4 the groundwater task force was actually very thoughtful and I think
5 comprehensive. And it presented the Commission with a series of options and
6 ways to better enhance our process for dealing with these issues. And it's a
7 combination of a reexamination of some of our measures in the reactor oversight
8 process, as well as enhancements to our public communication about these
9 issues. But I think the challenge for us will continue to be the fact that, in many
10 cases, we are not seeing tritium contamination that has an immediate impact on
11 public health and safety. But it certainly does create a perception or an
12 impression that there are further safety challenges at a facility. I personally
13 believe the approach of the staff is laid out for -- for modifying one of our -- our
14 performance indicators to better monitor and track this kind of situation will be a
15 way to -- I think within the right safety significance, measure the performance of
16 licensees in this area.

17 So, it's certainly something I look forward to the Commission's
18 debate and discussion on as we go forward. But ultimately, as I said, whenever I
19 talk about issues of public confidence, I believe public confidence issues require
20 public confidence solutions, which fundamentally come down to communication
21 and outreach and these kinds of initiatives. I don't think we can tackle public
22 confidence issues, necessarily, by changing our regulations. Regulatory issues
23 need regulatory solutions. Public confidence issues need public confidence
24 ones. So the groundwater task force in their recommendations, I think were a
25 combination of both of those. And I think together they'll give us a much better

1 framework for addressing these issues going forward.

2 MR. LEEDS: Okay, thank you. Mr. Chairman, where do you see
3 the agency heading in the use of risk-informed regulation?

4 CHAIRMAN JACZKO: Well, I'm not -- I won't steal Commissioner
5 Apostolakis' thunder, because I think he's going to talk about that a little bit. But I
6 think in general that we have -- I think we have a need to examine how we're
7 using risk tools and to develop some kind of longer term plan for ultimately
8 incorporating these kinds of tools into our decision making process. But as I said
9 in my discussion, fundamentally, we have to have the tools. If there's anything
10 perhaps frustrated me coming out of the NFPA 805 reviews, it is the fact that
11 there are still challenges developing the PRA infrastructure within -- among our
12 licensees, as well as having those PRA resources here at the agency.

13 So I think the infrastructure continues to need work. And ultimately,
14 we won't be able to be successful using these important tools if we don't develop
15 the PRA -- the PRA technologies and we don't develop the PRA tools to
16 ultimately use them. So, in many ways, I think that is going to need to be a focus
17 and a concerted effort if we are ultimately going to use these tools to be an
18 enhancement really to safety and to improve the way that we go about doing our
19 work.

20 MR. LEEDS: I find this an interesting question. Concerning the
21 RIC, how big is too big? Has consideration been given to a spring NRR, NRO
22 conference and a fall research NMSS [unintelligible] conference or something
23 like the good old days?

24 CHAIRMAN JACZKO: You know, I don't -- I think "how big is too
25 big" is bounded by these four walls. And as long as we can fit people in here, I

1 think this continues to be the optimal location for the conference and I think will
2 continue to be where we host it. But this is something Bill and Eric -- I know they
3 give thought to this every year. Are there things we can do to make the
4 conference work better? And you know, as we continue to see increasing
5 enrollment, we always have to ask ourselves, should we go to a new location?
6 Should we go to some other type of format? But as I said, I think right now this is
7 a good location and I think this is a great opportunity for so many people to get
8 together. And I think as Eric indicated, there'll be over 40 technical sessions.
9 And that's really, I think, the heart of what the RIC is about is people getting
10 together and exchanging ideas on these technically complex and challenging
11 safety questions. So, I think having all of that happening at one time is a very
12 good thing.

13 MR. LEEDS: Thank you. All right, so we have time for one more
14 question. We understand that the Commission directed the staff to look at the
15 cumulative effects of regulation. What is your view of the progress?

16 CHAIRMAN JACZKO: Well, the staff has prepared a paper for the
17 Commission on this issue and I believe it's publicly -- been publicly available or
18 will be fairly soon.

19 MR. LEEDS: Will be.

20 CHAIRMAN JACZKO: And I think -- this is in many ways not too
21 different from some of the challenges that I see with the rule making process. It
22 is ultimately, I think, an issue about communication and an issue about
23 information. Our regulatory processes, our rule making processes, provide an
24 opportunity for a large amount of information to be communicated to the agency.
25 And under the Administrative Procedures Act, we have an obligation to respond

1 to those comments. And that comment and that information can include
2 implementation impacts. I think if we get that information as part of the rule
3 making process, the agency will respond and will benefit, I think, from having
4 accurate information. It doesn't mean, in all cases, that the agency will agree
5 with licensees about what the ultimate and the correct implementation schedule
6 is for a particular rule. But I think it certainly -- it helps us to have the information
7 to help inform our decision making. And I can say that there's a parallel within
8 the agency, which is I think we need a better focus on an integrated look at all
9 the rule making activities that we do as an agency, so that we can continue to
10 prioritize and put a focus on those rules that are most important and have a
11 sense of how they will interact, not only within the agency, but then, to our
12 licensees as well.

13 So I think this, at its heart, is a communication issue with some
14 process changes that I think are fairly minimal. One that I've talked to some of
15 you about is the efforts to have reg. guides and other guide documents be
16 published at the same time as the draft rule and the final reg. guides and guide
17 documents to be published at the same time as the final rule. In principle, I think
18 that's a very good milestone and metric for us to shoot for, but it has implications.
19 Ultimately, it may mean that the rules may take a little bit longer, because staff
20 that would maybe focus exclusively on the rule will be focusing time and effort on
21 the reg. guides. So there will always be a balance in how we go about doing
22 that. But I think those are some areas where we can continue to make a process
23 that I think works well now, work even better.

24 MR. LEEDS: All right.

25 CHAIRMAN JACZKO: Thank you.

1 MR. LEEDS: Thank you very much, Mr. Chairman.

2 [applause]

3 MR. LEEDS: I think he moved the podium up. Bring it down for me
4 and Bill. All right, I'd like to take a moment now to introduce you to the NRC's
5 Executive Director for Operations, Mr. Bill Borchardt. Mr. Borchardt has been the
6 Executive Director for Operations at the U.S. Nuclear Regulatory Commission
7 since 2008. Since joining the NRC in 1983, he has served as a site -- a senior
8 site inspector at both pressurized and boiling water reactors and he has held
9 leadership positions in the reactor, security, and enforcement programs.

10 Welcome.

11 [applause]

12 MR. BORCHARDT: Well, good morning. Thank you, Eric. And I'd
13 like to start off by thanking the offices of NRR and research for their work in
14 putting this conference together. And to thank the many NRC staff volunteers
15 that contribute so much to making this conference a success. My objective today
16 is to give an overview of NRC operations. And many of the topics that I'm going
17 to mention this morning will be the subject of the detailed breakout sessions, over
18 the next three days. And as I begin, I'd like to thank everyone, the NRC staff, the
19 licensees, our international colleagues, the NGOs and all of the other
20 stakeholders, for your daily contributions to the important work that you do to
21 ensure public health and safety and protection of the environment. We find
22 ourselves in a very interesting and constantly changing time. Whether it's the
23 budget restrictions, the pay freeze for federal employees, or the dynamic is
24 constantly changing world of new reactors and the fuel cycles or the changes in
25 the high level waste program, the construction of 3 White Flint North, or the first

1 time assessment by the International Atomic Energy Agency of the Integrated
2 Regulatory Review Service, it seems that every day brings us a new challenge.
3 But it's clear, in addition to this dynamic environment and these emerging
4 challenges, there's one clear constant. And that is that our daily mission and our
5 primary focus continues to be safety, security, and protection of the environment.

6 There have been a few changes to our regulated community over
7 the last year. While we still have 104 operating reactors, TVA has resumed
8 construction on Watts Bar Two and we're looking very closely at those activities
9 and working closely with TVA to resolve the remaining technical and licensing
10 issues. This'll be the first new reactor to achieve commercial operation since
11 Watts Bar One went online in 1996. In addition, as of January of this year,
12 approximately 80 percent of the current fleet of operating reactors has applied for
13 the 20 year license renewal. Sixty two units at 37 sites, or almost 60 percent of
14 the operating fleet, have received those renewed licenses. There's over 22,000
15 materials licensees, covering a range of medical, academic, industrial and other
16 uses. Our partnerships with the states to share regulatory authority over NRC
17 materials licensees, continues to be productive.

18 Today, 37 agreement states are responsible for almost 87 percent
19 of the total number of materials licensees. During the past year, significant
20 progress has been made in strengthening the security of radioactive materials,
21 improving our integrated performance evaluations, and improving our inspection
22 and licensing programs. Since the last RIC, we have licensed the sixth uranium
23 recovery facility and authorized the restart of two facilities that had shut down in
24 the year 2000. And finally, we've issued two draft licenses in preparation for final
25 licensing decisions. The anticipated growth and nuclear reactors has also

1 sparked renewed interest in the fuel cycle. And currently, the NRC regulates one
2 conversion facility, one proposed deconversion facility, six proposed and
3 operating enrichment facilities, six fuel fabrication facilities, and one proposed
4 mixed oxide facility.

5 While it's clear we're now in an era of either flat or declining
6 budgets, and while last year the Congress passed the continuing resolution,
7 which will fund the government through March 18. We continue to operate at our
8 fiscal year 2010 funding levels and we look forward to getting a budget in place
9 for the remainder of the year. We began 2011 with slightly over 4000 staff. And
10 while the staffing levels have stabilized over the past two years -- and in 2012,
11 staffing levels are expected to be about the same. The flat budget environment
12 that we find ourselves in requires exercising greater discipline in the way we
13 carry out our responsibilities, with particular focus on the way we manage
14 administrative services, finances, contracts, human capital, and information
15 technology resources. We continue to place a very high emphasis on the open
16 collaborative work environment, with a particular emphasis and attention to
17 ensuring that the support offices recognize their vital role and contribution to the
18 agency achieving our mission. And even though our workforce numbers are not
19 growing, it does continue to evolve -- the staff does continue to evolve. Almost
20 half of the staff of the NRC has been with the agency for less than five years.
21 And we continue to have substantial internal mobility, as we fill critical vacancies
22 from within, in order to stay within our budgeted resources.

23 As the NRC workforce evolves and as your, the licensees,
24 workforce evolves, I believe that we need to place a high emphasis on
25 knowledge, management, and transfer. Believe that the past good performance

1 of our organizations should be acknowledged. But as always, we need to guard
2 against complacency. We must never lose sight of the safety fundamentals that
3 the nuclear technology demands and that have helped us achieve our current
4 successes. Every one of us, whether you are a regulator or an operator, needs
5 to understand the technology, as well as the principles that guide our day to day
6 actions. This is more than simply knowing and following procedures, although
7 that certainly is important. Many of our procedures have been shaped by
8 important lessons learned. We and our successors need to understand those
9 lessons learned as well. We need to look critically at what's going on and to
10 understand how and why our procedures apply. We should strive for continuous
11 improvement and give our licensees and give the public and all of our other
12 stakeholders our very best efforts. All of us involved in ensuring nuclear safety
13 and protection of the environment need to ensure that we're focusing on the
14 fundamentals and striving for organizational excellence.

15 We continue to make infrastructure enhancements at the NRC. In
16 response to the President's Open Government Directive, we have put a new
17 open government page on the NRC Website. In this past year, we've also
18 increased the use of Webcasts, published additional high value data sets, and
19 published our open government plan. Most recently, in January, we launched an
20 NRC blog to establish an open dialogue with our stakeholders on a wide range of
21 topics. Our public Website is also being significantly revised. The site will be
22 more intuitive and hopefully, you'll find it easier to find the information that you
23 need. And it'll be revealed later this month. We've also been working hard to
24 improve the agency's record management system, ADAMs. We have moved to
25 a web-based ADAMs that provides a powerful, versatile, and easy to use search

1 engine. And finally, as you can see from the picture on this slide that was taken
2 in January, we're making progress on the construction of 3 White Flint. This
3 project remains on schedule and we're looking forward to enabling the staff that's
4 dispersed throughout the Rockville area to return to a central location.

5 A significant activity of this past year was the mission of the
6 International Atomic Energy Agency's Integrated Regulatory Review Service.
7 Last October, a group of international experts came to the NRC, to review our
8 operating reactor program. This program seeks to strengthen and enhance the
9 effectiveness of national regulatory programs, with peer review teams of high
10 level senior regulators from around the world. The NRC's an active participant in
11 this program, but this was the first time that a mission was held in the United
12 States. In addition to the documents that they reviewed while they were here in
13 headquarters, several team members went to two plant sites in region one and
14 observed NRC inspection practices.

15 Team members also observed an NRC emergency response
16 exercise in our operation center. The IRRS team recognized that the NRC
17 operating reactor programs exhibited a number of strengths, including the fact
18 that it's a mature regulatory system, has a transparent licensing process, and a
19 high level of human resource development. At the same time, the review team
20 made a number of significant recommendations and suggestions. Specifically,
21 there's two recommendations, 20 suggestions, and 25 good practices were
22 recognized. The findings listed here are examples of what we consider the more
23 significant recommendations and suggestions. The NRC is pleased to have
24 hosted this mission and we encourage other countries to do the same.

25 I'd now like to take just a few minutes to highlight a few of the

1 issues that are affecting operating reactors. And the Chairman covered a
2 number of these in his talk. Just a year ago, we established the groundwater
3 task force to evaluate the NRC's actions regarding buried piping leaks and
4 whether those actions needed to be augmented. In June, the task force issued a
5 final report and made recommendations in four broad areas: assessing the
6 NRC's regulatory framework to better address this area, maintaining the barriers
7 designed to confine tritium and other licensed materials, creating a more reliable
8 NRC response to this type of issue, and strengthening trust. The specific actions
9 to address these topics are currently under development. And since the last RIC,
10 there's been a number of developments regarding GSI-191.

11 In 2010, significant progress was made bringing plans to the
12 closure. Approximately two-thirds of the PWRs are now considered complete or
13 essentially complete. However, this does not include the related issue of debris
14 that bypasses the strainers and enters the core. Testing on in-vessel effects had
15 unexpected results and therefore, this issue is still being resolved. About half of
16 the U.S. commercial nuclear power plants are transitioning to the new regulatory
17 approach of the National Fire Protection Association's Standard 805. Shearon
18 Harris and Oconee pilots have been completed and they were issued last year.
19 And we're expecting about 25 licensed amendment requests from others seeking
20 to make the same transition.

21 Staff will continue to work with industry to develop and revise the
22 licensing guidance as the NRC and the industry gain experience, while
23 transitioning to this new regulatory approach. Part 26, on fatigue management,
24 was implemented in 2009. And since then, the NRC's received three petitions for
25 rule making, requesting changes to various aspects of Subpart I. We plan to

1 address these petitions as part of rule making currently under development. And
2 working with the industry and other stakeholders and several public meetings,
3 we've developed the proposed alternative for the minimum days off requirement.
4 We appreciate the act of participation and the feedback from all stakeholders, as
5 we deal with this very challenging issue.

6 In the area of digital IN, U.S. commercial and nuclear power
7 plants, some individuals' safety systems have been upgraded over time. But the
8 Oconee facility in South Carolina will be the most complete digital upgrade in the
9 United States. Units one, two, and three at that site will be upgraded during
10 planned outages over the next three years. The Oconee license amendment
11 request was the first use of interim staff guidance in this area and the review
12 involved a number of significant first time technical issues. And the lessons
13 learned from that review will be applied to all of the future reviews, over the next
14 several years. Regarding safety culture -- I mentioned last year that -- of our
15 ongoing efforts in response to the Commission direction, to examine how we
16 might expand the safety culture policy. The proposed safety culture policy
17 statements have been submitted to the Commission and it's now under their
18 consideration.

19 Shifting to the industry trends program, this tracks a number of
20 reactor industry performance indicators, that allows us to step back and take a
21 look at the broad long term performance of the industry and assess whether
22 there are trends that warrant more staff attention. Last year, there were no
23 statistically significant adverse trends in overall industry performance, based on
24 long term trending. On an industry wide basis, it's quite clear that performance
25 that we trend has significantly improved, when you compare it to 10 or 15 years

1 ago. None of the indicators that we track exceeded the short term prediction
2 limits. However, a number of areas do deserve some attention. The number of
3 automatic scrams per unit has increased for the past two years. And we've also
4 identified a number of significant events this year, where last year there were
5 none. As I mentioned, although we're still below the upper bound prediction limit
6 established for this indicator, you see there's a slight increase in the trend on
7 scrams.

8 Now, on the large number -- or the large jump that you see on this
9 slide for significant events, that does include some double counting because a
10 number of events occurred at multiple units' sites. However, even when you
11 account for that, the number of significant events is higher than in any of the past
12 four years. And as the NRC has conducted follow up to these events, we're
13 becoming increasingly concerned about the contributions of human performance
14 errors that initiated or complicated the events. Given the increase in human
15 performance related events, the NRC's interested to monitor and follow licensee
16 follow up actions and to ensure that the lessons learned in the 1970s and the
17 1980s are transferred effectively to the new generation of operators and
18 maintenance workers who are now entering the industry. It should go without
19 saying that we'll continue to monitor these activities.

20 Now turning to the area of new reactors. NRC has three design
21 certification applications and two design certification amendment applications
22 under review. In addition, the NRC received two advanced boiling water reactor
23 Design Cert Renewal requests in 2010 and we expect to receive one new Design
24 Certification Application by 2012. We're currently reviewing 12 COL applications
25 for a total of 20 units. The NRC has suspended six COL applications, due to

1 changes in the applicants' business strategies or the timing of their planned
2 construction. The NRC has been and will continue to be flexible regarding the
3 challenge of the changing requests for our reviews and will adjust our work
4 priorities accordingly.

5 Since the last RIC, safety related construction's begun at Vogtle
6 Unit 3, with the start of engineered backfill operations, as authorized by a limited
7 work authorization. We've developed the inspection program and put in the
8 procedures and the structure required for us to do an effective regulatory review
9 and provide construction oversight of those activities, including reviewing ITAC
10 related activities. In addition, we continue to have a robust vendor inspection
11 program that verifies the integrity of the supply chain, both internationally and
12 domestically. And we'll continue the very effective partnership with our
13 international colleagues, as we continue that work. And regarding advanced
14 reactors, we continue to engage in a number of activities, including working
15 closely with the Department of Energy on the congressionally mandated next
16 generation nuclear plant and with small modular reactor vendors to ensure that
17 we're ready to do an effective regulatory review.

18 Now moving for a minute to the non-reactor side of the NRC
19 activities is a few areas I'd like to mention. With the orderly closure of the Yucca
20 Mountain licensing application review underway this year, we continue to develop
21 a strategy to address future challenges for spent fuel management. Specifically,
22 the strategy will support the evaluation of issues and options for extended
23 storage of spent nuclear fuel, potential reprocessing for spent fuel, and the
24 ultimate disposal of high level waste. In the past year, the Commission has
25 updated its findings on waste confidence and instructed the staff to develop a

1 plan for longer term rulemaking and environmental impact statement, to assess
2 the impacts and safety of long term storage beyond 120 years. We found -- we
3 have had a lot of activity in the area of new enrichment facilities. In 2010, we
4 completed the operational readiness review and authorized Louisiana Energy
5 Services to start operations. And we're currently reviewing the license
6 application for AREVA Enrichment Services for construction of the proposed
7 Eagle Rock Enrichment Facility and an application from General Electric Hitachi
8 Global Laser Enrichment.

9 In the area of uranium recover, interest remains strong and a
10 number of potential applications continue to increase. We're now expecting as
11 many as 27 applications by 2013, for new recovery facilities and expanding or
12 restarting existing facilities. As of this month, we've received seven applications
13 for new facilities and four applications to expand or restart a facility that already
14 exists. With respect to the fuel over -- fuel cycle oversight process, we're
15 working to improve the process to make it more risk informed, performance
16 based, predictable, and transparent. Finally, the Energy Policy Act of 2005
17 created an interagency task force on radiation source protection and security,
18 under the lead of the NRC. The task force's most recent report was issued in
19 August of last year and evaluated the security of material sources in the U.S. for
20 potential terrorist threats and made recommendations for possible regulatory and
21 legislative changes to address those threats.

22 In December, the Office of Research issued its latest report and
23 update on regulatory research activities for 2010 and 2011. These efforts include
24 conducting confirmatory experiments and analyses, developing technical bases
25 to support the NRC's safety decisions, and preparing the agency for the future,

1 by evaluating the safety aspects of new technologies and designs for reactors,
2 materials, waste, and security. The State-of-the-Art Reactor Consequence
3 Analyses or SOARCA, uses computer models and simulation tools. The NRC
4 has developed a set of realistic consequence estimates for the very unlikely
5 accidents at an initial set of two reactor sites. We expect to release the results of
6 these two plants for public review and comment, later this year.

7 The Cancer Risk Study; and stakeholders frequently ask the staff
8 about cancer rates in the populations residing near NRC licensed facilities,
9 including power plants and fuel cycle facilities. The analysis of 1990 report
10 focused on cancer deaths. And the public is also interested in cancer
11 incidences. So the NRC has asked the National Academy of Science to conduct
12 a new study to provide up to date information on cancer risks and populations
13 near nuclear facilities. And the NAS has held its first public meeting of experts
14 last month.

15 And finally, in the area of digital INC, we continue to -- this area
16 continues to evolve. And as the technology changes, the NRC continues to
17 refine our regulatory reproach. New and proposed digital instrumentation and
18 control systems in nuclear power plants, affects nearly all power plant equipment.
19 And with this increased interdependencies, complexity is also increasing.
20 Research, therefore, is being conducted to among other things, identify and
21 develop the methods, the analytical tools, and the regulatory guidance.

22 The final topic I'd like to discuss is on our international activities.
23 The Integrated Regulatory Review Service mission to the NRC was clearly the
24 highlight of our international engagement over the last year. But it was by no
25 means the only significant activity. Our international relationships and the range

1 of technical cooperation activities they include are important to us, because we
2 believe they enhance our knowledge through shared expertise and best
3 practices. We continue to be involved with our key multinational counterparts like
4 the International Atomic Energy Agency and the Nuclear Energy Agency on a
5 wide range of activities, including the Multinational Design Evaluation Program,
6 or MDEP, working groups that are developing standards and technical reports
7 and a range of research activities, as well as international workshops. This past
8 year, we also issued our fifth national report for the convention on nuclear safety.
9 Every three years, countries participating in the convention submit a report of
10 their national program for peer review, as an incentive to achieve the highest
11 level of safety. Because in the U.S. the prime responsibility for the safety of
12 nuclear power plants rests with the license holder, the latest report includes a
13 section developed by the Institute on Nuclear Power Operations, describing the
14 work done by the nuclear power industry, to ensure safety. This fifth report will
15 be peer reviewed by parties to the convention during the meeting at the IAEA in
16 April of this year.

17 In addition, we continue to have significant bilateral arrangements
18 with regulatory agencies from all around the world. This includes a range of
19 bilateral cooperation and assistance activities, to strengthen nuclear safety and
20 security programs. Currently, we have close working relationships with nuclear
21 agencies in more than 35 countries. In fact, this week, during the regulatory
22 information conference, we'll be conducting a signing ceremony with the
23 Republic of Korea. Due to the ongoing global interest in developing nuclear
24 power and the safe uses of radiological materials, a key area of focus in our
25 bilateral activities is support for new nuclear power programs. We're currently

1 engaged with more than two dozen countries considering or undertaking nuclear
2 power programs for the first time. The NRC staff remains focused on our core
3 mission with safety of current facilities, both the current fleet of reactors as well
4 as all the other licensees, as our top priority. And we're continuously working to
5 ensure that the resources available to us are aligned to best support that
6 mission. Although a good operating history has been established, I believe we
7 need to ensure that we all, the NRC and the industry, are continuously seeking
8 the highest level of performance, not becoming complacent and not losing an
9 appreciation and an understanding of the fundamentals underlying the work that
10 we do.

11 Finally, I continue to believe that despite the challenging budget
12 environment, we are well-positioned for continued success. The NRC staff and I
13 look forward to working with all of you over the coming year. Thank you very
14 much.

15 [applause]

16 MR. LEEDS: We have time to take a few questions. To begin with,
17 what is the NRC doing to share their perspective of lessons learned from the
18 2010 significant events? Are there implications for further work in safety culture
19 from these events?

20 MR. BORCHARDT: I think there's a broad range of things that
21 we're doing. Of course, we do an annual assessment of the reactor oversight
22 program so we take all of the operational experience, including those significant
23 events, and use that to inform how we might need to adjust the regulatory
24 program, whether it be revisions to inspection procedures, generic
25 communications to the industry, specific guidance to our inspection staff, so you'll

1 see increasing communication come out on that general topic as we near the
2 completion of this year's reactor oversight program cycle.

3 MR. LEEDS: Thank you, all right. The question reads, "I
4 understand that the NRC mission is safety and I hear about that a lot. What I
5 don't hear is 'within the limits of the law.' Isn't there a danger that a zeal for safety
6 oversteps the limits of a licensee's current licensing basis?"

7 MR. BORCHARDT: I think zeal maybe has a negative connotation.
8 There is an enthusiasm for safety. I think that's perfectly appropriate and I think
9 there's an enthusiasm for safety within the industry as well.

10 As a safety regulator, I think we need to be mindful of what the
11 legal requirements are but also be cognizant of the fact that we may need to
12 expand those on certain occasions. We have new regulations on occasions that
13 need to be developed. We, in the United States, have controls on the back pit
14 rule but if there's an issue of adequate protection of public health and safety, I
15 believe our mandate requires us to address it. So, I don't think we view it as a
16 permanent or unmovable roadblock and as long as we're all focused on safety
17 and mindful of our responsibilities, I think we're doing what the Congress and the
18 public expect us to do.

19 MR. LEEDS: Thank you. Retention of highly qualified staff is
20 equally important to recruitment. Many of your new hires are under 30 years old.
21 How will NRC balance the challenges of providing these individuals with learning
22 opportunities, while ensuring institutional knowledge and management
23 continuity?

24 MR. BORCHARDT: That's a great question. I think it's applicable
25 not just to the regulator but to all of us in the industry. I have found, without

1 exception, that the people that we're bringing into the NRC are extremely
2 motivated. They're very knowledgeable and they want every single day to make
3 a contribution to our mission.

4 We place a tremendous emphasis on knowledge management,
5 knowledge transfer. I know it's a frustration for the industry because occasionally
6 I get feedback about all the internal moves: the rotational assignments that we
7 have, the lateral reassignments of staff but, in my view, that is the way that you
8 keep the staff fully engaged, interested, that you're always having a set of new
9 eyes looking at an issue, constantly challenging the way that we do business.
10 So, it's through that kind of personnel management. It's through mentoring. It's
11 through training programs. It's through challenging highly motivated people on a
12 day-to-day basis that it keeps them interested; and I think the track record at the
13 NRC is that much more often than not, people that come to work at the NRC end
14 up staying for a very long time, if not their entire career.

15 MR. LEEDS: Thank you. Harmonization and convergence with
16 international standards is one of the RIS recommendations. What is the agency
17 doing about that and what resources are allotted to achieve this goal?

18 MR. BORCHARDT: The NRC staff; every time that we develop a
19 regulatory position, every time we're doing a technical evaluation, closely looks
20 around the world to see what other experience, what other standards exist and
21 use that as one of the pieces of information to help us arrive at the best
22 regulatory decision that we possibly can. I believe that is how I would best
23 describe how we utilize international codes and standards.

24 MR. LEEDS: Thank you. With many nuclear plant designs being
25 reviewed by agencies worldwide, why doesn't the NRC use these results to make

1 design certification processes safer and more efficient by using these reviews in
2 their results?

3 MR. BORCHARDT: Well, we do use those reviews, as I alluded to
4 in the previous answer. We have the multinational design evaluation program
5 that's taking a look cooperatively amongst a number of regulatory bodies from
6 around the world at a few of the designs. But even for those not covered by the
7 EMDA program, if there has been a review done by one of our international
8 colleagues, we certainly take full benefit of that work.

9 But having said that, it is at least my belief that we have the
10 responsibility to come to a technical judgment on our own utilizing international
11 knowledge as best we can but it's our responsibility to do a thorough review and
12 to be able to stand behind the conclusions and the technical findings that we
13 have.

14 MR. LEEDS: Okay. Do you expect that energy resource limitations
15 will adversely impact the review schedule for small, modular reactors?

16 MR. BORCHARDT: It's very difficult to predict how much of a
17 squeeze the resource restrictions will have and what the exact impact will be. It's
18 quite clear the number one priority is operating reactors and the current
19 licensees. So, the staff will never make a suggestion that we sacrifice the
20 inspection program and the regulatory oversight of current licensees.

21 Having said that, I believe today that we are well-positioned. We
22 have adequate resources to do the new reactor reviews that we have underway
23 and that if things work out the way that we can best predict that we are in pretty
24 good position to be able to make meaningful progress on even the small,
25 modular reactors. We've never been able to satisfy every possible scenario and

1 every possible design that gets talked about at one point or another or in the
2 press. So, we do the best job that we can in understanding what the current
3 expectations and demands are for realistic design submittals and realistic
4 construction schedules and try to align our resources accordingly. And I believe,
5 at least that's my view that we're doing a reasonably good job of that today and
6 that will continue.

7 MR. LEEDS: Okay, thank you. We have time for one more
8 question. Is there any plan to migrate the NRC's extensive historical records to
9 electronic retrievable formats?

10 MR. BORCHARDT: We're talking about very historical?

11 [laughter]

12 I don't know because, I mean, that's largely the situation that all that
13 is being -- a lot of the documents over the years have been transitioned into the
14 existing ADAMS that will all still be accessible in the future so I'm not sure I really
15 understand the question.

16 MR. LEEDS: Well, the way I interpret the question; I think the
17 agency has already moved an awful lot of our historical records over --

18 MR. BORCHARDT: Right.

19 MR. LEEDS: -- to retrievable format. And the only records that I'm
20 aware of that we have not done that yet are records that were archived back from
21 the 1970s. I think most of the records from the 1980s on are retrievable now.
22 So, I urge you all to take a look at -- through ADAMS and through our processes.

23 MR. BORCHARDT: We'll ask Darren Ash to -- I know Eric, you'll
24 mention that at some point and a lot of the questions get asked during today's
25 sessions and in all the breakouts that aren't able to be answered in person. We'll

1 be answering those on the Website and if we can provide some clarity to that
2 answer, we'll do that following the conference.

3 [applause]

4 MR. LEEDS: Thank you Bill. As Bill mentioned, we get a lot more
5 questions that appear than I could possibly ask. We run out of time. So we will
6 try to get answers to those questions and post them up on our Website. Right
7 now we have the opportunity for a break. We're going to break until 10:30 a.m.
8 Please take this opportunity to enjoy the refreshments and to visit the technical
9 and the poster sessions out in the lobby. See you all back here at 10:30 a.m.
10 Thank you.

11 [break]

12 MR. LEEDS: Welcome back. I'd like to introduce to you
13 Commissioner Kristine Svinicki. Commissioner Svinicki began her service on the
14 Commission in March of 2008. She came to the Commission from a position on
15 the staff of the Senate Armed Services Committee where she worked on issues
16 such as nuclear defense programs, nuclear security, and environmental
17 management. Prior to her work in the Senate, Commissioner Svinicki worked as
18 a nuclear engineer in various positions with the U.S. Department of Energy.
19 Before that, she was an energy engineer for the Wisconsin Public Service
20 Commission. Please join me in giving a warm welcome to Commissioner
21 Svinicki.

22 [applause]

23 COMMISSIONER SVINICKI: Good morning and welcome. Thank
24 you Eric for that introduction. In my previous appearances at the RIC, my
25 remarks have been moderated, if you will, by Dr. Brian Sheron who's the head of

1 NRC's Office of Research and I think he's going to be performing that duty here
2 shortly for others. But, so you might suspect there's what I'll call an arrangement
3 between the speaker and the person who decides what questions you're going to
4 get asked later and Brian and I feel like we really, in the two years that we did
5 that, we understood each other and so this year I have Eric and there's nothing
6 about it that gives me pause about having Eric. I don't want to say that. But, Eric
7 has suggested to me that in the past few Commission meetings, such as on
8 groundwater and other topics, that he feels that my questioning of him has been,
9 you know, a little bit tough. So, I can't help but think -- the presentations this
10 morning were really, really interesting but I was focused like a laser beam on Eric
11 and the questions because I thought "How does he go about this" and he's going
12 to be feeling like this is -- I don't know how karmically there could be a better
13 opportunity for you to get some of your own back Eric than --

14 [laughter]

15 -- having the ability to moderate my questions this morning so we
16 did have a brief conversation about it, as you would suspect.

17 [laughter]

18 What he said to me is, "Commissioner, what would you like to tell
19 me about moderating the questions that you're going to receive during the RIC?"
20 And I said, "Well, Eric, a lot has gone on this year. So, I think that we need to
21 keep it real and we need to have folks feel like that we are addressing the topics
22 of interest to them." So, that's our arrangement and now you know it and it was
23 that we need to keep the process as real and as authentic as we can and, from
24 what I've discerned this morning, I think that that's how Eric's approaching it. So,
25 that's good.

1 Now, I did also tell him that comments along the lines of, you know,
2 "Your outfit is a bad choice or you've gained weight or this job appears to be
3 aging you Commissioner in a nonlinear fashion," all of which probably has some
4 kernel of truth but are just purely mean-spirited so I don't think they have any
5 place at the RIC and so he's going to have -- there's very little that he's filtering
6 out. So, that we have cleared the air on how that works between the presenter
7 and the person screening the questions for you.

8 But, the reason that I'm always so focused on the question and
9 answer period, of course, is that I feel like that's where I can speak very directly
10 to the things that are of interest to you and the reason that you're here today is
11 that you are all very interested in and involved in the issues before the industry
12 and the regulator and so I like to be able to get to that. But I think that the best
13 way to start, of course, is a joke, if you can think of a good one. And I have
14 heard one that I like that is so perfectly awful that I just had to go with it. So I'm
15 going to start with this joke and it is; A neutron walks into a bar and the
16 bartender says, "Can I get you a drink?" And the neutron says, "Well, I don't
17 know. How much is it?" And the bartender says, "For you, no charge."

18 [laughter]

19 Okay, I told you it was a groaner so you got it. It was just as
20 advertised there.

21 Okay, so, this is -- in preparing for the RIC is always a challenge
22 and any of you that have heard my other RIC remarks know that I struggle. I
23 think some of it is just that the topic is so broad. Chairman Jaczko has got to
24 give a broad overview, speak for the agency and, generally, for the Commission.
25 The EDO has to give you a lot of statistics and talk about things but, for me, it's

1 such a blank slate that it's very challenging. You know, this is my third RIC
2 speech so people have some sense of me. Maybe you disagree with me; maybe
3 you've just grown a little bit tired of me but, in any event, I'm not a newcomer and
4 that is something that certainly occurred over the past year that is a real contrast
5 and difference from when I stood before you last year which is that we do have,
6 as the Chairman mentioned, three new members of the Commission and I very
7 much look forward to hearing what my colleagues are going to talk about and
8 that's of interest to me at the RIC this year. And that may seem strange to you
9 but we actually have very few opportunities to attend events and hear each other
10 talk in this kind of formal setting.

11 So, I'm very interested in what they might talk about and that was a
12 very significant change for the Commission this year because, if I have my
13 history right, receiving three new members of the Commission at one time is
14 unprecedented in the NRC's history. So, I make no secret of my opinion and
15 view of each of my three new colleagues. I think that they bring really impressive
16 credentials, but also a diversity of background and perspectives that, to me, are
17 the real strength of a commission structure and I think was Congress's wisdom in
18 establishing a commission structure for the nuclear regulator because I think, if
19 we're all looking from a slightly different angle, then, at the end of the day, the
20 outcome we arrive at is more likely to have considered things in a very
21 comprehensive fashion. So, I look forward to Commissioner Ostendorff's
22 presentation today and Commissioner Apostolakis and Magwood in their
23 presentations tomorrow morning.

24 The RIC is also an opportunity for me with a very large audience to
25 make some acknowledgment and express thanks about some issues. First and

1 foremost, I want to thank all of you for attending the conference and all of the
2 other presenters. When I've looked at the sessions and the panels, it's an
3 embarrassment of riches in terms of the quality, the presenters and the
4 participants who come here to make this event the kind of quality that we're all so
5 proud of.

6 This year we're also joined by an impressive number of our
7 international colleagues, as has already been mentioned, but I want to thank you
8 because your presence here allows the conference to reflect the truly global
9 nature of the nuclear efforts; our efforts to advance safety and security in nuclear
10 endeavors. So, I thank all of our international attendees for their participation.
11 And I also think those of you who are tuning in through the Web; our video
12 streaming. I actually was checking my BlackBerry quickly as we all do. It's a
13 sickness we all have but before I spoke today and I actually had some e-mail
14 from folks who are tuning in from their computers. They say they're very
15 comfortable. They're in their pajamas and things like that. So, that's really a
16 great way to participate in the RIC. Perhaps that will be, someday, in my future.
17 That's how I'll participate in the RIC.

18 And, finally, I want to add my sincere thanks to the NRC staff
19 members who have worked tirelessly and if you don't know this, they will
20 continue to work late into the evening every night after we have moved on to be
21 sitting at home in our pajamas and comfortable. They will be here working into
22 the evening to make sure that the next day's events work well all the way down
23 to the very final session. And if history is any guide, they will take a brief respite
24 this weekend and then they will come in on Monday, I think Eric has told me, and
25 they'll begin preparing the RIC for the next RIC for next year. So, I want to thank

1 all of them and all the volunteers for making the event truly remarkable, which is
2 what they do.

3 Now, I mentioned that I have my typical struggle in figuring out what
4 to talk about at the RIC. And some of you are aware of my interest in music and
5 that sometimes I look for inspiration there. I think last year I mentioned that,
6 because I was halfway through my term, I had thought about crafting a speech
7 around the lyrics to Joni Mitchell's "Both Sides Now." And I still think that would
8 have really been a great idea. But, this year I did have another song that
9 tempted me but I have not written my remarks around the lyrics of any particular
10 song. But with all apologies to Bob Dylan, the song was "The Times They Are
11 Changing," and it was interesting to hear Bill Borchardt stand up here and talk
12 about changes. He kept using that word and I thought, gosh darn it, maybe I
13 should have done it around the lyrics of "The Times They Are Changing."

14 But, some of my fixation on that song has to do with how much
15 things change but how much they stay the same; and the lyrics of that song, I
16 think, are so contemporary and that's always amazing to study history and see
17 flashes of where we are now. Last year Admiral Jim Ellis was our guest speaker
18 at the RIC. I think it was last year and he stepped through some of our atomic
19 heritage, as I like to call it, in the United States and I'm a bit of a broken record
20 because I'm always advocating, particularly to young people who are considering
21 coming into the nuclear profession, that you study that history if you find it at all
22 interesting. I think at times it had a bit of a Wild West feeling to it but I continue
23 to study it because of the fact that it surprises me so much. And I have
24 recommended to many of you, and continue to do so, the multi volume history
25 written by Sam Walker who was the historian at NRC for many years until his

1 recent retirement. But I think as you read -- I am, you know, in some ways, still a
2 newcomer to some of the history of nuclear energy; it's such a young technology,
3 but I haven't personally lived through all of it and something that struck me -- I
4 was rereading Sam's first volume, "Controlling the Atom," and there's a chapter in
5 there called "The States and Atomic Regulation," and if you'll bear with me, I
6 wanted to read something that, again, based on where we are now, I would not
7 have assumed that this is the history, these are the historic facts but it says:

8 "[...] within a short time, several states took it upon themselves to
9 examine the implications of atomic energy and to decide how to deal with its
10 potential benefits and dangers. Energy-poor New England led the way. As early
11 as 1952, some New England businesses and industrial groups had concluded
12 that nuclear power would be economically advantageous to the region. They
13 contacted Secretary of Commerce Sinclair Weeks and Presidential Assistant
14 Sherman Adams in 1953 to propose that when the first commercial reactor was
15 built it be located in New England."

16 "In February 1954 the New England Governors' Conference
17 appointed a committee of 12 citizens, including industrial leaders, utility
18 executives, lawyers and scientists to study the interest and responsibilities of
19 their states in atomic development, particularly in the field of power generation.
20 The committee submitted a comprehensive report in July, 1955. It recommended
21 that the New England states move aggressively to promote the use of atomic
22 energy. It also urged the construction of a nuclear reactor to generate electrical
23 power "at the earliest opportunity." An atomic power plant, the committee
24 reasoned, would represent an important first step toward guaranteeing New
25 England adequate electricity in the future and would help attract industry to the

1 area. The report recognized the economic and technical uncertainties about
2 nuclear power and, without being specific, suggested that the states should enact
3 safeguards against radiological dangers. But it cautioned against overly
4 restrictive regulations that would impede industrial and technological progress.
5 The committee incorporated its findings into a model act that provided for state
6 promotional and regulatory activities. By 1956 five New England states had
7 adopted legislation based on the committee's recommendations."

8 Now the value in studying this history for me, aside from the fact
9 that I do find it interesting, is that in the absence of reading this, I don't think that I
10 would have conceptualized that where we are today -- where we started out
11 based on what we observe today and, most importantly, it reminds me that the
12 context of things matters and matters very deeply and that history can help
13 provide this context.

14 As interesting as this history is to me, however, I knew that I
15 couldn't -- after the remarkable, engaging presentation given by Admiral Ellis last
16 year, I knew that I would certainly be a poor man's Jim Ellis if I tried to recount
17 any history. So, there I sat again on this past Sunday evening before the blank
18 word processing screen on my computer trying to prepare for the remarks today
19 and the cursor sits and it flashes at you. It's kind of mocking you in that way on
20 that blank page and what's amazing to me is how easy it is to get distracted,
21 particularly if you're at home, isn't it, and you find yourself almost looking for
22 other things to do. You think, well, I haven't checked my BlackBerry in 20
23 minutes so I need to get up and do that, or my sister's on vacation in Alaska so I
24 really ought to look at Facebook and see if she's posted any new vacation
25 photos. I have to make sure that my TiVo is recording all the really important TV

1 I'm missing like "Celebrity Apprentice" and other things.

2 And so, you know, at one point this is how you think that this is
3 going to help in the creative process. I thought I'll pull out my remarks from last
4 year and see how many -- I'll do the word count on it and see how many words I
5 delivered last year at the RIC; it was approximately 4,600 words, in case you're
6 curious. But it would be comforting to me if I felt that I was the only person who
7 was afflicted with this kind of level of distractedness but I don't think that I'm
8 alone in this and I was noting that in Sunday's Washington Post there was a
9 review of a new book. It's called "Moonwalking with Einstein: the Art and
10 Science of Remembering Everything" by an author named Joshua Foer. But the
11 article quoted some statistics about what all this technology is doing to our
12 mental capacity. The article stated, for instance, that one third of all British
13 citizens under the age of 30 can't remember their own phone numbers without
14 pulling out their mobile phones and looking at them and I don't think that's
15 anything against the British. I just think it happened to be a British study.

16 But another cheery statistic in this article was that we will spend a
17 frightening average of 40 days every year making up for things that we have
18 forgotten. Now when I think about 40 days out of 365, that almost doesn't even
19 seem possible to me but, you know, more disturbing, I think, than just, you know,
20 forgetfulness is the potential for technology to affect our ability to focus and that
21 was a theme of an article that I read earlier in the year in a magazine called Miller
22 McEwing and they were talking about a book that was published in its entirety
23 and it's entitled "Hamlet's BlackBerry," and the author is Bill Powers; but in his
24 book Bill Powers acknowledges the positive effects of connectivity, but he also
25 points out a central problem with the multiplying numbers of screens and

1 applications that beg for our attention moment by moment and he said "They're
2 so attractive that they splinter our interior lives, chipping away at the focus
3 required for the deep thought that is at the core of creativity and the examined
4 life." Powers indicated in the interview that I was reading that the most
5 enthusiastic supporters of his premise turn out to be people under the age of 35,
6 a lot of the college students. That same article quoted a New York Times Week
7 in Review interview with the head of the Media Lab at the Massachusetts
8 Institute of Technology, his name is Nicholas Negroponte, and he said the
9 following:

10 "I love my iPad but the ability to read any long form narrative has
11 more or less disappeared, as I'm constantly tempted to check e-mail, look up
12 words or click through." The article concludes as follows:

13 "I have no idea how Negroponte feels about his lost narrative
14 reading capabilities, but I think the capacity to access and process complex
15 stories is fundamental to the human experience and in particular to self
16 government. Solving problems requires understanding them whole, in their full
17 context. Holding public officials accountable requires a depth of reporting and
18 presentation that is not maximized by the forms that digital media now inhabit."

19 So at this point, you're probably wondering, you know, why am I
20 discussing this at a Regulatory Information Conference? And it's this statement
21 that I'm really key to, "Solving problems requires understanding them whole in
22 their full context." And I've mentioned how as a commissioner, year one differs
23 from year two, differs from year three. And in my first RIC speech I talked about
24 my approach to the work and myself in the context of my work as a
25 Commissioner. In year two I tried to address a fuller comprehension of the

1 issues, a fuller mastery of them. And year three for me has been about putting
2 the issues in context, which is at its core an attempt to achieve a higher level of
3 understanding of them. And I can't think of a bigger, more complicated big
4 picture challenge for either the United States or the globe than energy issues.
5 And solving problems requires understanding them in whole in their full context.

6 I think we see the calls for this kind of contextual understanding and
7 approach to issues very clearly in public policy debates. We hear it in the calls of
8 Congress and other elected officials for greater accountability from the
9 government to the people. We hear it in the efforts by the president to advance
10 to nation towards what he has called, "a 21st century regulatory system." In his
11 editorial on the topic in The Wall Street Journal President Obama wrote,
12 "Creating a 21st century regulatory system is about more than which rules to add
13 and which rules to subtract. We are seeking more affordable, less intrusive
14 means to achieve the same ends, giving careful consideration to benefits and
15 costs. We're also getting rid of absurd and unnecessary paperwork requirements
16 that waste time and money. We're looking at the system as a whole to make
17 sure we avoid excessive, inconsistent, and redundant regulation. We are looking
18 at the system as a whole.

19 In my view this systematic look is the difference between merely
20 shot gunning a whole host of potential solutions and finding those that really
21 make sense over the long term. Our ability to understand the issues of the day,
22 to understand them in context and to craft solutions which respect and
23 acknowledge their interrelated nature will be, I think, the determinate of whether
24 or not we can build the kind of future that we hope for. And on this point I really
25 do put myself in the optimist camp; I believe that the innovation of which we are

1 so clearly capable has the potential to put alternative and better futures
2 realistically within our grasp.

3 What does this have to do more directly with NRC's regulation? It's
4 just this; I think at the present time we find ourselves at that crossroads where
5 more and better is expected of us. Where the problems have gotten more
6 complex and inter related and the old ways of doing business may not be
7 capable of getting us to where we need to be. As good as we are, we need to
8 push ourselves to perform in ways that are smarter and more effective than
9 before. It's time to widen the aperture so that individual -- instead of looking
10 through a soda straw at individual aspects of the question, we're looking at the
11 entire landscape and seeing what we deliver and how it fits into the larger whole.
12 Directly to this point, the NRC staff has begun what I believe, is a very
13 constructive engagement with the industry and other stakeholders on the issue of
14 cumulative effects of regulation.

15 Early discussions have focused on improvements to the NRC's rule
16 making process. The staff has noted that the current rule making process does
17 not consider the impact of multiple regulatory actions on licensees. In other
18 words, each regulatory action is judged on its own merits and the supporting
19 regulatory analysis examines only that specific regulatory action, not other
20 ongoing actions currently being implemented. To address this, the staff
21 proposes enhancements to the rule making process, to encourage increased
22 interaction with stakeholders throughout the process. In order to resolve
23 challenges that can lead to implementation -- issues that can lead to
24 implementation challenges and that contribute to cumulative effects. Staff will
25 also solicit feedbacks explicitly on cumulative effects to increase awareness and

1 enable the NRC to make better informed decisions on how to mitigate. This
2 feedback will also more expertly inform the establishment of timelines for the
3 implementation of new requirements through more comprehensive analysis of
4 cumulative effects. In addition this initiative will target a more disciplined
5 implementation of a current agency goal which is to publish draft guidance at the
6 same time as a proposed rule and final guidance will be issued concurrent with
7 the publication of the final rule.

8 A more disciplined adherence to this long standing agency good
9 practice is something that I have felt strongly about and advocated for some time.
10 I'm excited about these enhancements and believe they have the potential to
11 further strengthen our rule making process, to make us not just an informed
12 regulator but perhaps even an enlightened one. Because again, solving
13 problems requires understanding them whole in their full context.

14 The NRC as an organization already has the right foundation in its
15 well established principles for good regulation. I was frankly very proud of the
16 NRC as an organization when I read the president's executive order on
17 improving regulation and regulatory review. Now the NRC is an independent
18 regulatory agency and as a legal matter is not compelled to comply with an
19 executive order. But if you'll bear with me and listen to the correlation between
20 the executive order Section I, which is entitled "General Principles of Regulation
21 and the NRC's Principles of Good Regulation." For example the executive order
22 states, "Our regulatory system must protect public health, welfare, safety in our
23 environment while promoting economic growth, innovation, competitiveness and
24 job creation."

25 The NRC's Principles of Good Regulation state, "The American

1 taxpayer, the rate paying consumer and licensees are all entitled to the best
2 possible management and administration of regulatory activities.”

3 As another example, the executive order states, “Our regulatory
4 system must be based on the best available science.” The NRC principles state,
5 “Regulations should be based on the best available knowledge from research
6 and operational experience. Final decisions must be based on objective,
7 unbiased assessments of all information.”

8 The executive order states, “Our regulatory system must allow for
9 public participation in an open exchange of ideas.” The NRC’s Principles state,
10 “All available facts and opinions must be sought openly.”

11 The Executive Order states, “Our regulatory system must promote
12 predictability and reduce uncertainty.” The NRC Principles state, “Technological
13 uncertainties must be taken into account so that risks are maintained at an
14 acceptably low level. Once established, regulations should be perceived to be
15 reliable and not unjustifiably in a state of transition.”

16 I could go on but I’ll stop there. But the bottom line is this:
17 somebody at the White House is copying our work.

18 [laughter]

19 But the real bottom line is that the NRC in my view is spectacularly
20 well positioned to be a leader in advancing regulatory systems into the 21st
21 century. The NRC’s staff is focused in the right direction and our longstanding
22 principles of good regulation are already the right guidepost for future stages of
23 this evolution. In my remaining time at the NRC I hope to see us make
24 substantial progress in the areas of mitigating cumulative effects and advancing
25 our regulatory system into the 21st century.

1 Now Eric introduced me this morning with a passing description of
2 my career in government which didn't give any specific dates; and yes that was
3 on purpose, but this morning I am going to admit quite publicly that this past
4 December I achieved a personal milestone of 20 years of continuous service in
5 the federal government. Now there are a lot of NRC employees who hear that
6 and say, "Oh that's nothing, I have 20 years long in my rear view mirror." But
7 there's a number, as we heard this morning of NRC employees, who may be
8 newer to the agency and that may seem like a date that is way out on the far
9 horizon. Trust me; there was a date when it seemed inconceivable to me too --
10 to have 20 years of service in the federal government. I wanted to dwell on it for
11 a moment because there is a lot of, shall we say, ambivalent feelings or maybe
12 rhetoric in Washington right now about what does it mean to answer the call to
13 public service and particularly to spend a career in public service, so I wanted to
14 convey a story related to this point.

15 It had been a long day, a long week, we all have them, and I was
16 preparing to leave my office late on a Friday and I was pulling together materials
17 and papers to take home and sometimes it is kind of a ponderously large amount
18 of materials and the NRC's is never short on generating a lot of paper. So I was
19 looking for reference materials that I thought were on my bookshelf. So I went to
20 my bookshelf and I found that, pushed all the way to the back, as I was looking
21 for something else, I found the David McCullough biography of John Adams.
22 And some of you may be familiar with it; it won McCullough a Pulitzer Prize and
23 was very well done in my view. I had finished reading that biography of John
24 Adams about the time that I came to NRC and was sworn in. And I had
25 apparently felt that some passages of it were inspirational to me; and we all know

1 that there are some times when you need a little bit of inspiration close at hand.
2 So I had left it in my office but it had been, again, a long week and so I ran
3 across this book and I was having a little bit of a cynical inner dialogue with
4 myself about, you know, what exactly did I think was so special about this book
5 that, you know, I had it there. And I started rifling through the pages like, oh this
6 inspiration, where is this, is it going to fly off this page and just right out at me.

7 Now many of you -- we work in a very scientific and technical field
8 so I want to just say so that I don't offend anyone, some of you probably don't
9 believe much that there is any mystery left in the universe. I happen to believe
10 that there is a little bit of magic and mystery left in the universe. And I'm going to
11 clutch onto that like grim death, I'm sure all my life but -- so if you don't believe in
12 that, you're just going to have play along. But the book flipped open and this is
13 the passage that my eyes landed on. And it's a quote from a letter that John
14 Adams wrote to his son, Thomas, who was nearing the end of his college studies
15 and he had communicated to his father that he was contemplating what
16 McCullough called, "an interest in public life," meaning that he might follow his
17 father into some kind of public service. And this was Adams advice that he wrote
18 back to Thomas, he said:

19 "Public business, my son, must always be done by somebody. It
20 will be done by somebody or other. If wise men decline it, others will not. If
21 honest men refuse it, others will not. A young man should weigh well his plans;
22 integrity should be preserved in all events as essential to his happiness through
23 every stage of his existence. His first maxim then should be to place his honor
24 out of reach of all men."

25 So there's certainly wisdom in Adam's words but my point in

1 repeating this is that in the face of any ambivalence or rhetoric, you know, I
2 would communicate to all those here who serve in public service that I think there
3 is clearly still honor in answering that call. So the founding fathers thought so
4 and I continue to think so today. Edward Everett Hale who served as the
5 chaplain of The United States Senate and if you don't know this, the Senate to
6 this day, well at least I haven't looked today but in recent history, the Senate
7 opens its legislative business every day with a prayer. So Edward Everett Hale
8 was one of the chaplains and there has been a long series of chaplains and other
9 religious who have served in this capacity in the Senate but he had a saying as
10 well and it was "I am only one but I am one. I cannot do everything but I can do
11 something. What I can do, I ought to do and by the grace of God, I shall do."

12 So if you are having a long day and it seems like it's a continual
13 uphill slope, the other thing that I wanted to remind you is that I wanted to remind
14 you of how much one person can contribute and achieve.

15 But since those are rather solemn notes to end on, I wanted to think
16 of something that is a little more lighthearted. And I want to tell you about a
17 colorful individual whose final piece of advice is something that has been
18 lingering in my mind ever since I heard it and this comes from a much less well
19 known figure than John Adams. It was a woman by the name of Clementine
20 Paddleford and that sounds really made up, I know. But Paddleford was a food
21 writer and her career was very active between the 1920s and the 1960s but she
22 was a pilot and she had her own Piper Cub airplane. And she used to fly around
23 the country, fly herself around and she wrote about food which sounds about like
24 the coolest job ever because I mean how wonderful and exciting that must have
25 been. And in a side note I read about her and I'm sure this will be very

1 controversial and I'll get e-mails later about the fact that people will have other
2 alternative theories for this but she is credited with having coined the term "hero"
3 for the really, really big submarine sandwich. So she is credited with having
4 done that because she said that you had to be a hero to finish a sandwich that
5 large; so she's credited with that.

6 But Clementine Paddleford's advice was from a mother to a
7 daughter and that isn't the only reason that it resonates with me and I'm
8 repeating it here. But when I was growing up my mother, her advice a lot of her
9 advice was focused on the fact that she wanted her daughters to be ladylike so
10 she would be very pleased that I'm wearing a skirt today, I suppose. But I went
11 through 12 years of Catholic school so I wore a skirt for 12 years, so that's you
12 know, enough already. So she'd be pleased to see that but she wouldn't of
13 course know that it's freezing in here so it's not such a great day to be wearing a
14 skirt.

15 But while my mother focused her advice, she really wanted her
16 daughters to be ladylike, my father wanted his daughters to be strong which I
17 think is the reason why I want to conclude with the advice of Clementine
18 Paddleford, which I'm going to also extend very specifically to anyone who's
19 listening or is in this room or listening on the web in their pajamas that is
20 contemplating a career in the nuclear professions; if you're interested in that, if
21 you're interested in the kind of grand challenges that I talked about, if you want to
22 take on these issues in their context in an inter related way, then Clementine
23 Paddleford and I have some advice you're going to need. And it is this: "Do not
24 grow a wishbone daughter where your backbone ought to be." Thank you.

25 [applause]

1 MR. LEEDS: All right, Commissioner as you mentioned at the start
2 of your speech, now it's my turn to ask the questions.

3 COMMISSIONER SVINICKI: And is Michelle still walking those up
4 here? I noticed she was walking up a scary number -- you've got an awful lot of
5 cards there.

6 MR. LEEDS: Yes, madam.

7 COMMISSIONER SVINICKI: You know, I learned another thing in
8 the Senate, it's called the filibuster.

9 [laughter]

10 MR. LEEDS: Commissioner, I get to ask the questions but they're
11 not my questions.

12 COMMISSIONER SVINICKI: Okay, that's fine.

13 MR. LEEDS: To begin with waste confidence, can you address
14 where the Commission is right now on the waste confidence rule?

15 COMMISSIONER SVINICKI: I share pretty much the perspectives
16 that were offered by Chairman Jaczko this morning. I think this was given a
17 tremendous amount of thoughtful deliberation by each member of this
18 Commission. And what we've put forward in my view, I share the Chairman's
19 view, has a very strong and reasoned foundation and I know it is subject to some
20 challenge. But again, I think that it's rooted very carefully in the recent
21 arguments that we've laid out and has a strong legal foundation and that's where
22 we are. So I guess where we are is that it is subject to some challenge, but as
23 someone who participated in it, I feel very confident. Oh, that's horrible.
24 Confident in what we put forward on waste confidence, but I do.

25 MR. LEEDS: Thank you. Do you think that the NRC has a leading

1 role to play in the world to promote high standards for nuclear safety?

2 COMMISSIONER SVINICKI: Well, this isn't much of a filibuster but
3 yes.

4 [laughter]

5 Now in all seriousness I do feel that we have an obligation to take
6 on a leadership role, the Chairman touched on this, Bill Borchardt touched on our
7 substantial international engagement. So I think we do have that obligation as
8 does every other country that has a well developed program and so I think that's
9 why we participate in those efforts as we do.

10 MR. LEEDS: Thank you. We received a number of questions on
11 cumulative effect of regulation, so I tried to pick a representative one. With
12 regard to cumulative effect of regulation, NRC needs accurate input from industry
13 on impacts of proposed regulation. Is the NRC staff including expectations for
14 that impact from industry and a process to get reliable input?

15 COMMISSIONER SVINICKI: To the extent that the question is
16 indicating the fact that the quality of any of our consideration of cumulative
17 impacts as a regulator will be dependent upon the quality of the input we receive,
18 I agree with that fully. I think that we can only be as aware as the quality and the
19 substantive nature of the kind of input we get on this issue. And the other thing
20 I'll say generally on cumulative impacts is that this is its very early stages. I did
21 talk to you about some of the staff's intentions. And I know that the Chairman got
22 a question about this as well. The paper, I think was made public on Friday and I
23 did check that. So a little more detail than what I talked about is available in the
24 staff's paper. But we're still in very early stages of approaching this issue.

25 MR. LEEDS: Okay, thank you. Last year you described your view

1 of the Yucca Mountain proceeding with the song line, "I met a girl who sang the
2 blues." What song line would you use to describe the Yucca Mountain
3 proceeding this year?

4 [laughter]

5 COMMISSIONER SVINICKI: For such a question that had such a
6 high probability of being asked, do you think I would have spent some time
7 thinking about it, but I'm not sure I have a good answer for that one? Again this
8 has been a very noteworthy and attention grabbing topic and the differences that
9 exist on the Commission on this issue are well known. Again, I mention that I
10 feel that a Commission structure is good because it allows for disagreements and
11 different perspectives on issues. So maybe I just wasn't feeling very lyrical about
12 it this year.

13 MR. LEEDS: All right, we'll move on. Commissioner, does the
14 impasse over license renewals for certain plants portend the same for new plants
15 being licensed when there's any kind of push back?

16 COMMISSIONER SVINICKI: I have been thinking about this issue
17 since the agency came under some criticism for the protracted nature of, again,
18 what are just I think some outliers in the license renewal process which is very
19 immature and I think we've now renewed 62 licenses. I see this issue of the
20 duration of some of these that are just subject to a much more active intervention
21 as I think any time you have a large universe, you are going to have varying
22 experiences within that large population. The right to participate and intervene in
23 these proceedings exists under law and having worked for over a decade around
24 lawmakers, the law is a pretty important thing to me. And so this opportunity for
25 intervention exists and therefore in some cases it's being exercised much more

1 vigorously than other incidences and I think that's to be expected. What I will say
2 is that obviously the Commission itself has an obligation to be looking at the
3 conduct of adjudicatory proceedings overall and to make sure that's being, you
4 know, carried out and conducted in consistent with requirements and with the
5 principles and goals that we set out for those types of adjudications. So I don't --
6 to the extent does it portend something, you know to the extent that there is a
7 legal right to participate and intervene, which there are obviously is in new
8 reactors, we're going to have varying experiences; and I think that's just the
9 nature of the process. I don't think, with all due respect, that it indicates that
10 there's some sort of different standard. I think that the same right to participate
11 and intervene exists in all proceedings. In some cases that intervention is very
12 active and complex and in other cases it doesn't materialize. And that's just the
13 nature, I think, of our system.

14 MR. LEEDS: Okay. Commissioner, given Bill Borchardt's
15 assertion that there are no significant adverse safety trends; do the
16 Commissioners discuss the option of restraint when considering new
17 regulations?

18 COMMISSIONER SVINICKI: Restraint, well when each
19 Commissioner is acting on the -- we vote on proposed rules and final rules, so I
20 think each member of the Commission probably approaches that and brings their
21 own regulatory philosophies to bear. But I think that perhaps the broader notion
22 of restraint is something that Congress thought about when it had instead of a
23 single administrator, it has a commission structure. So that at least proposed
24 new requirements would have to go through a process of scrutiny and
25 examination by a deliberative body instead of just one individual. But I don't think

1 I can necessarily speak to how each Commissioner, what threshold they judge to
2 in terms of imposing new requirements. The Commission has in its history of
3 course, it has disapproved new regulations, proposed rules and things like that
4 that the agency staff has put forward. So I think the record would reflect that
5 there are instances of restraint.

6 MR. LEEDS: Okay and Commissioner we have time for one last
7 question. On a scale of one to 10, what grade would you give to the current
8 Commission for leadership to guide the NRC at a time when the U.S. needs
9 nuclear to play an important role in the U.S. energy supply?

10 COMMISSIONER SVINICKI: Holy smokes, Eric.

11 [laughter]

12 MR. LEEDS: Saved the best for last.

13 COMMISSIONER SVINICKI: I think you just made that up, this is
14 you getting --

15 [laughter]

16 In the interest of collegiality, I should probably not grade my
17 colleagues. So I won't be provoked into doing something that provocative. But I
18 think that as a group, but again it's an impressive group of individuals so much so
19 that I might sometimes wonder how I slipped through and got on it. But I think
20 that it's a very sincere group, the members of the Commission right now look
21 very closely at all of these issues. We do talk in our one-on-one meetings that
22 we're in constant dialogue with each other about the decision, the matters before
23 us and the decisions that we need to make. So I think that I will definitely, in
24 terms of our efforts and the amount, the hard work that every member of the
25 Commission puts in. To the extent that you think these are glamorous jobs, let

1 me tell you they're not glamour, maybe other commissions are glamorous. But at
2 the NRC, the Commissioners, I leave frequently and will see the door to
3 George's, to Commissioner Apostolakis' office suite is open. And I think surely
4 he can't be working because I think of myself as the person who works late but
5 then I go down and his car is in the garage. So I mean this is a hard working
6 bunch. I think we get an A+ for the amount of effort we're putting in.

7 MR. LEEDS: Outstanding, thank you so much Commissioner
8 Svinicki.

9 [applause]

10 Thank you all and now if you would bear with us one moment, don't
11 go anywhere. I am going to invite Brian Sheron and Commissioner Ostendorff
12 up to the podium.

13 DR. SHERON: Good morning. The honorable William C.
14 Ostendorff was sworn in as a commissioner, The U.S. Nuclear Regulatory
15 Commission on April 1, 2010 to a term ending on June 30, 2011. Before joining
16 the NRC Commissioner Ostendorff served as the director of the Committee on
17 Science, Engineering, and Public Policy and as director of the Board of Global
18 Science and Technology at The National Academies. Commissioner Ostendorff
19 came to the National Academies after serving as principal deputy administrator at
20 The National Nuclear Security Administration from April, 2007 until April, 2009.

21 From 2003 to 2007, he was a member of the staff of The House
22 Armed Services Committee where he served as counsel and staff director for the
23 Strategic Forces Subcommittee. Commissioner Ostendorff was an officer in the
24 United States Navy from 1976 until he retired in 2002. During his naval career
25 he commanded an attack submarine, an attack submarine squadron, and served

1 as director of The Division of Mathematics and Science at The United States
2 Naval Academy. Commissioner Ostendorff earned a bachelor's degree in
3 Systems Engineering from The United States Naval Academy and law degrees
4 from The University of Texas and Georgetown University. Please join me in
5 giving a warm welcome to Commission Ostendorff.

6 [applause]

7 COMMISSIONER OSTENDORFF: Well I have to acknowledge
8 that I do not have any pre-arranged agreement on questions with Brian here. But
9 I just have to comment, I think, on behalf of all of my colleagues in the
10 Commission that Commissioner Svinicki deserves consideration for nomination
11 of the Nobel Peace Prize for her collegiality in not grading us on our
12 performance. Thanks, Kristine.

13 I'm very pleased to be here today, this is my first RIC. Adding my
14 thanks to those of other colleagues, I like to thank the organizers and workers
15 behind the scenes who make this happen. I was very excited to have the
16 opportunity to be sworn in April 1, 2010 to serve as NRC Commissioner. I've
17 always had great respect for the NRC as an organization and consider it a real
18 privilege to serve alongside my fellow Commissioners and the highly talented
19 NRC staff. Furthermore I'm very encouraged to see a highly relevant RIC
20 agenda teamed up with a talented industry, stakeholders, and staff audience, all
21 committed to making our existing strong nuclear enterprise even stronger. I'd
22 also like to extend a warm welcome to our many international guests who
23 traveled very far to be with us for this conference.

24 Serving on the independent regulatory commission is a new
25 experience for me. I'll tell you it's not like being a skipper of an attack submarine.

1 When I wrote the captain's night orders at night to clear baffles and make
2 preparations for proceeding to periscope depth at 0430, or to commence an oil
3 battery charge at mid watch, by golly that happened.

4 [laughter]

5 It's not like serving as principle deputy administrator at the National
6 Nuclear Security Administration, where I ran the day to day operations of a large
7 organization where achieving collegial consensus was a good thing but not a
8 necessary element of decision making. Yes being here is quite different from my
9 previous career endeavors but in a challenging, rewarding, positive way. Yes,
10 collegial deliberation and decision making is time consuming but absolutely
11 necessary. Yes, we do not always agree with each other on matters of policy but
12 I've got to tell you on home front my wife of 33 years and I don't always agree
13 either. She for years has been a devoted Washington Redskins fan, while I
14 always have and always will pull for the Dallas Cowboys.

15 [laughter]

16 Elmo take note.

17 [laughter]

18 Diversity of opinion and experience among the Commission
19 members is a good thing. We can disagree without being disagreeable and we
20 are able to fully explore and discuss our differences. So I'm very pleased to be a
21 member of this Commission and I highly value my working relationship with my
22 fellow Commissioners and the NRC staff.

23 What's this new guy Ostendorff going to talk about today, as new
24 Commissioner on the job seven months: I'm certainly not a seasoned expert;
25 however, that will not stop me from making comments. I'm going to share initial

1 impressions in three areas; first observations of the nuclear industry, second
2 observations on the NRC as a regulator, and third one specific area where I
3 believe that we, the NRC and industry, can perhaps improve.

4 I'll begin with sharing three specific observations on the nuclear
5 industry by looking at commercial nuclear power plants. While I had not visited a
6 commercial nuclear power plant until April, 2010, I have been watching the
7 industry for a number of years. I well recall being in the radio room of the USS
8 George Bancroft, SSBN 643 Gold on a strategic deterrent missile patrol in the
9 spring of 1979 when a low data rated message comes across the yellow teletype
10 paper reporting a reactor incident outside of Harrisburg, Pennsylvania at a plant
11 called Three Mile Island. Seven years later, late spring, early summer of 1986 I
12 was serving as engineer officer in an old missile submarine that had been
13 converted to an attack submarine for special worker missions with Navy SEALs.

14 While in our homeport of Norfolk, Virginia we were directed by
15 Commander Serving Force Atlantic to take daily portal air samples topside due to
16 the reactor accident at Chernobyl; though thousands of miles away we did have
17 detectable activity in those air samples. Twenty two years later in 2008 while
18 serving at NNSA, I visited the port of Antwerp, Belgium to inspect our megaforce
19 equipment installations. I assume you are aware of this but for those of you who
20 are not, megaforce is one element of our nuclear non proliferation program and
21 it's used to screen cargo containers departing overseas for the presence of
22 radioactive material. I ask the director of the Belgium Port Authority what positive
23 detections had occurred over the past year. He replied that there were two: one,
24 a shipment of scrap steel from India that's impregnated with Cobalt 60, and the
25 second a shipment of blueberries from the Ukraine; the later contaminated by

1 Chernobyl 22 years earlier. The aftermath of these two incidents, Three Mile
2 Island and Chernobyl, which are often improperly labeled as being the same,
3 when they are not, has thus provided a lynch for my own personal observations
4 of the nuclear industry worldwide prior to coming to the NRC.

5 So the background of the Naval Nuclear Propulsion Program, which
6 shares many of the same guiding principles of the nuclear industry, principles
7 such as safety culture, I feel that I do have some relevant operational perspective
8 with regard to observations on the commercial industry. Since joining the
9 Commission in April of last year, I've visited 12 operating power plants, 11 in the
10 U.S. and one overseas. I've observed that the nuclear industry has made
11 significant improvements since the time of Three Mile Island. And that existing
12 nuclear power plants are operated in a very safe manner. I believe that the
13 collective result of the NRC's reactor oversight process and initiatives by
14 individual licensees in the broader nuclear industry have been effective. But I do
15 have some concerns and I do share Bill Borchardt's concerns on the number of
16 manual and automatic trips over the past year. I also believe the NRC and
17 industry are working hard to learn from and resolve these and other operational
18 issues.

19 Moreover, I know that neither industry nor the NRC staff, nor the
20 Commission is complacent about nuclear safety. My second observation of the
21 commercial nuclear industry deals with security posture. I first carried a 45
22 caliber pistol in my belt as Lieutenant JG serving as ship's duty officer in a
23 foreign port with responsibility for nuclear weapons back in 1978. As a frame of
24 reference over the years I've had responsibilities for the safety and security of
25 nuclear weapons, not only during my submarine career but also during my time

1 at NNSA dealing with nuclear weapons dismantlement, plutonium and highly
2 enriched uranium safety and security.

3 Last month I have a chance to observe a Force-on-Force exercise
4 of the security forces at a commercial nuclear plant for the first time. I was
5 impressed by the professionalism and the rigor of the exercise. I counted over
6 50 exercise controllers in the pre brief providing an indication to the degree of
7 sophistication and complexity of the Force-on-Force program. The actions of the
8 composite adversary force and responding licensee security force reflected a
9 well trained cadre operating under conditions as realistic as can be achieved
10 without compromising personnel or plant safety. Going beyond the Force-on-
11 Force exercise, I also positively note the proactive steps I see being taken in the
12 security arena by licensees to fully engage with local law enforcement agencies,
13 such as the licensee having local law enforcement personnel badged and rad.
14 worker trained. My observation is security is succinct. I believe that the NRC's
15 existing security regulations and practices for our commercial reactor plants are
16 robust and they compare to other industrial activities and fully taking into account
17 the differing risks between industry sectors, that our commercial nuclear power
18 facilities are very well protected.

19 My third observation on the subject of commercial reactor plants
20 deals with new reactor plant construction and the future of nuclear safety
21 standards. And I've had the chance to visit the Watch Bar, Vogel and Summer
22 construction, pre construction sites, as a Commissioner I join my colleagues in
23 carefully monitoring the status of new reactor licensing efforts through reviewing
24 monthly reports to the Office of New Reactors and engagement with Mike
25 Johnson and his senior leadership.

1 Along with you, I watched President Obama's State of the Union
2 address in late January and heard his call for clean, low carbon energy, including
3 nuclear, to provide 80 percent of America's electricity by 2035. Most senior
4 leaders in the administration and Congress view nuclear as a clean energy
5 source. You know my job is that of a safety regulator of the nuclear industry, not
6 a promoter. Nevertheless, as an American citizen, I believe that our country's
7 future energy sources need to be diverse, in this sense I envision nuclear as a
8 clear, important role in our future.

9 We all watch what is happening in the international arena with new
10 construction. The latest IAEA report notes over 60 new reactors under some
11 stage of construction worldwide. China, India, Russia, Japan, South Korea have
12 very active construction activities underway today. I have toured construction
13 sites overseas, the EPR in Flamanville, France along with George Apostolakis,
14 the AP1000 Senmen in China, the APR 1400 site in Shin Kori, South Korea.

15 Also recognizing my role as that of a regulator, I'm nevertheless
16 compelled to comment that irrespective of what happens in the United States.
17 The rest of the world is making significant strides in moving forward with new
18 reactor plant construction. Based on this reality, my third observation is that the
19 U.S. can best influence future nuclear safety practices if we, the U.S., are among
20 the leaders of new nuclear technologies. This observation is in no way intended
21 to detract from significant manufacturing, fabrication and construction activities
22 taking place worldwide. Rather, it is to state the obvious, that to be relevant to
23 critical discussions concerning the safety of new reactors the U.S. should be
24 among the active participants in developing new reactor technologies. Enough
25 said.

1 I'll now turn to the critical and diverse component of our nuclear
2 industry comprised of our materials licensees. Now I had little experience in this
3 area prior to arriving at NRC other than the occasional radiography in the back
4 shifts of naval shipyards. In order to perform my duties as a regulator, I
5 performed my own due diligence by conducting site visits to learn about and
6 better understand the issues faced by the thousands of materials licensees some
7 under NRC regulation and others under regulation by one of our 37 agreement
8 states. Thus I visited fuel facilities in Lynchburg, Virginia; Irwin, Tennessee;
9 Richmond facilities in New Mexico along with Bill Magwood, waste facilities in
10 Texas, the cesium chloride blood irradiator in Rhode Island, the food irradiator in
11 New Jersey, and nuclear medicine facilities in Pittsburgh.

12 Some of what I saw during my time at DOE, many, if not most of
13 these facilities, are truly one of a kind. To complicate matters many licensees,
14 especially those providing nuclear medicine based care to critically ill patients
15 deal with major societal issues such as the practice of medicine that are quite
16 frankly outside the experience base of the NRC staff, myself included. My
17 observation: there are lots of moving parts and constituencies in materials
18 licensee community and this requires extra due diligence on the part of all
19 parties, NRC staff, agreement states, licensee, industry and medical practice
20 community prior to issuing or changing regulations.

21 Let me now turn to a few observations of the NRC as a regulator.
22 First as noted by Chairman Jaczko and Commissioner Svinicki, we are truly
23 blessed to have a talented, diverse, committed staff working on behalf of the
24 nation. I've been very impressed with the technical competence and
25 professionalism of NRC employees across the board. The human capital of this

1 agency is a true national asset.

2 Second, the NRC is fortunate to have well founded, clearly stated
3 principles of good regulation, independence, openness, efficiency, clarity, and
4 reliability. We owe a significant debt of gratitude to former NRC Commissioner
5 Ken Rogers and his colleagues for his own significant work in articulating these
6 principles that guide our everyday work at the agency. I'll not talk in detail today
7 about each of these principles; I support them all and do my best to live up to
8 them. I will however highlight two of these specific principles, clarity and
9 reliability because doing so provides you the audience an insight into my
10 regulatory philosophy. And a little bit of insight into how my office approaches its
11 responsibility to serve the Commission and the nation.

12 The first principle that I'll discuss is that of clarity which is stated as
13 follows:

14 "Regulations should be coherent, logical and practical. There
15 should be a clear nexus between regulations and agency goals and objectives
16 whether explicitly or implicitly stated. Agency positions should be readily
17 understood and easily applied."

18 So what does this mean to me as a Commissioner? First,
19 coherency, logical and practical, implies that the regulator fully understands how
20 any regulation would be implemented by a licensee. This step almost always
21 requires the NRC staff and the Commission to be able to walk in the shoes of
22 licensees as if we were the ones responsible for execution of a new regulation.
23 This requisite can only be accomplished with direct, two-way engagement with a
24 listening ear to the regulated community and our stakeholders. I think the staff
25 does an excellent job here but it's not easy. And no shortcuts are ever allowed.

1 Second, a clear nexus between regulations and agency goals and
2 objectives requires that we fully understand the problem that we are trying to fix.
3 The old adage, "If it aint' broke, don't fix it" should always apply. As engineer
4 officer on a really old submarine, I would never tear down a high pressure air
5 compressor, a piece of equipment capable of banging air 4,500 pounds and due
6 to its very dynamic operation fraught with peril and repairs, unless it was actually
7 broken. That same philosophy should apply to regulatory bodies. We need to
8 always keep before us the end objective and fully understand whether the
9 proposed or existing regulation helps us reach the desire end state as efficiently
10 and effectively as possible.

11 Third, agency positions should be readily understood. This critical
12 attribute of regulation requires us to be really careful and precise in our
13 communications. Words do make a difference. It's incumbent upon all of us to
14 make sure that what we think is being said in a vote, order or rule, is how that
15 instrument will actually be interpreted by the licensee or general public. We deal
16 with complicated matters, GSI-191 blending of waste, alternative risk metric for
17 new reactors, mandatory hearings come to mind to name a few. In our office we
18 spend a lot of time to make sure our words are precise and clear. And I might
19 add that we as regulators maximize a probability of our regulations being readily
20 understood and implemented if licensees and external stakeholders have been
21 fully engaged in the process throughout. Our staff and industry both do a great
22 job here but we'll always continue to need in the future active participation by
23 industry and public stakeholders to bring this concept of readily understood to
24 reality. Thus the clarity, that principle of our regulations is absolutely essential.

25 I now turn to the second principle of our regulations, reliability. And

1 I'm going to excise and paraphrase part of the somewhat lengthy statement to
2 highlight two key points. This shortened excerpt reads as follows, quote:

3 "Once established regulations should be perceived to be reliable
4 and not unjustifiably in the state of transition. Regulatory actions should lend
5 stability to the nuclear operational implanting processes," unquote.

6 There are two attributes in the above principle of reliability that
7 guide me as a regulator. The first is a concept that we should not unjustifiably be
8 in a state of transition. On the part of the regulator it takes a lengthy time to go
9 through the rule making and associated processes, including the vitally important
10 stages of soliciting and understanding public comment. The regulatory process
11 has some built in inertia which is a good thing to preclude frequent changes. Yet
12 we sometimes underestimate how long it takes to develop, vet, fulminate and
13 execute regulations.

14 We also cannot forget to take into account the time it takes a
15 licensee to train on, equip, reconfigure, test and to implement changes. The
16 human factors aspect is very real and helps us to reinforce the earlier stated
17 notion of, "If it aint' broke, don't fix it." While change is necessary in some cases,
18 we should remain aware of the impact of continuous, committed community to
19 mitigate these impacts as much as possible while still adhering to our primary
20 goal of safety.

21 The second attribute and Austin Dorr's truncation of the principle of
22 reliability is that of stability in the nuclear operational planning processes. My
23 lens for gauging this is driven by two prior professional experiences, easy one
24 first. From my time as principle deputy administrator at NNSA, I was responsible
25 for leading the \$9 billion plus a year corporate budget process for the agency.

1 We dealt with what was called a FYNSP. A FYNSP is a Future Year's Nuclear
2 Security Program that projected our budgets out for five years. It was real hard,
3 emphasis on the word "real," for the federal government to make changes in the
4 year of execution or the next year, hence the reason for a five year process. And
5 I suspect it's no different for the commercial nuclear industry. I personally have
6 never seen strategic planning that was effective when accomplished at a one
7 year at a time basis. While I fully acknowledge that new nuclear safety issues
8 may emerge that will require regulatory action, I also fully appreciate and support
9 the principle that long term stability helps managers run better operations.

10 The second attribute is a little bit harder to quantify but will be easily
11 recognized by senior managers. I am going read a senior manager here as
12 being an office director of the NRC and his immediate staff or her sight, a sight
13 VP for one of our commercial reactor sights or fuel facilities. A senior manager
14 can only manage so many key issues or changes at one time. Now I know that
15 Commissioner Svinicki made some hints about age in her presentation and I fully
16 appreciate that this is a young audience. But I bet at least one of you joins me in
17 remembering in the 1960s the guy on the Ed Sullivan Show who would spin
18 these plates on top of wooden poles. Remember him? Okay, these poles up
19 there on the table set them spinning throughout the entire program at least during
20 his time on the stage. Does anybody remember his name? I couldn't but I
21 looked up in Wikipedia.

22 [laughter]

23 His name was Erich Brenn. And how many plates did he keep
24 spinning at once on that Sunday night many years ago, seven. For
25 completeness and due diligence, the Guinness World Record states that the

1 record is now held by David Spathaky who spun 108 plates simultaneously in
2 Bangkok on television in 1996. These guys, Erich and David, were really good.
3 As engineer officer on that old submarine 25 years ago I admit I struggled along
4 with engineering division officers and the leading petty officers to manage more
5 than a top five listing of ship logs for major equipment repairs during any single
6 day during a pre-deployment upkeep. Industry works very hard to do this well,
7 spinning many plates at once during an outage, but we all know it's tough; and
8 that is in an environment of constant, not changing regulations. The equilibrium
9 that underpins the principles of good regulations, proper acknowledgment of the
10 benefits of stability, should only be upset when change is really needed. We
11 should all recall from our physics classes Sir Isaac Newton's third law which
12 states that to every action there's always opposed or equal reaction. We need to
13 remember the potential for unintended consequences in the form of distraction or
14 lack of adequate time for leaders and managers, whether NRC or industry, when
15 we propose changes to our regulations.

16 I'll now turn to my last topic, that of areas where we, the NRC and
17 industry, can improve. There are two areas that are first and foremost, as a
18 former nuclear propulsion plant operator I have never and will never take nuclear
19 safety for granted. I know that I personally share that perspective with everybody
20 here today. We are all committed to the avoidance of complacency especially in
21 the area of nuclear safety. Enough said.

22 So I'm going to talk about for a few minutes is one area for
23 improvement or focus. This area deals with a word familiar to you all, it begins
24 with a capital C; Communications. I'm going to very briefly go through three sub
25 areas here, communications between the NRC and industry, communications

1 between industry and the public, and finally communications between NRC and
2 the public.

3 Communications between NRC and the industry are absolutely
4 critical for insuring that the NRC effectively executes its own principles of good
5 regulation while providing the much needed pragmatic feedback from our
6 licensees and NRC staff. Two way, direct communications, in an atmosphere of
7 openness and mutual trust serves us all. It is happening now? My gut reaction
8 is yes. I've been impressed with the level of communications between the NRC
9 and industry in most situations where I have been receiving papers from the staff.
10 The development of a policy statement on safety culture is a great example of
11 open two way communications between the NRC and industry. Visits and frank
12 discussions with senior and junior NRC staff have provided me with a sense of
13 the adequacy of those communications, as had my visits to individual licensee
14 sights. But this will always be a difficult area and requires continuous senior
15 leadership focus. While by and large this area appears to be healthy, I have
16 noticed specific instances where there are areas of improvement for these
17 communications.

18 Two examples that come to mind are in the context of PAR 26,
19 worker fatigue rule implementation and medical event reporting for materials
20 licensees. Each one of us needs to strive to fully communicate in realistic,
21 unemotional terms to accurately portray intended effect of a proposed rule and
22 the expected consequences, intended and unintended of its implementation.

23 The second area of communications that I'll highlight briefly is that
24 between industry and the public. I need not explain why this is important to this
25 audience. I realize that historically there may have been some reticence or

1 reluctance on behalf of industry in communicating in certain parts of the country
2 or certain groups based on the belief that there may be little to gain in attending
3 these communications. I respectfully disagree with those who have that position.
4 I'd assert that it is not only an obligation but clearly in every licensee's interest to
5 openly and continuously communicate with the surrounding community and
6 stakeholders including those who may be opposed to nuclear power. Building
7 and sustaining community trust which requires significant education, outreach,
8 and senior leadership commitment is an essential aspect of doing business.

9 Traveling to the IAEA for a meeting last summer, Ho Nieh my Chief of
10 Staff and I stopped into a nuclear power plant in Switzerland for a tour. While
11 there we saw a group of school children on a tour of the plant. This caught our
12 attention, we asked the plant manager about it. And they said that three to four
13 groups of school children a week came to visit that single plant. Now I fully
14 recognize the security and logistics challenges associated with making such
15 visits a reality; but I know that many of you in the audience are making these
16 efforts. And I strongly encourage you to continue to explore opportunities here. I
17 note with pleasure news reports of public outreach efforts by nuclear power plant
18 licensees. I'll read a few of these summaries:

19 "San Onofre operators demonstrate restart routines in their
20 simulator for media event."

21 "Duke Energy hosting school kids at Oconee McGuire." And "TVA
22 hosting educators for a tour of Belafonte."

23 I recently toured visitor centers at Salem, North Anna, Milestone
24 and at Oconee. On a recent plant visit I met local officials who had previously
25 met with the licensee to discuss issues of mutual concern, such as whether the

1 plant should transition to cooling towers. While I was very pleased the day the
2 licensee and the local community leaders had engaged in a lively and friendly
3 discussion, I would have been just as equally pleased if they had a lively but not
4 so friendly chat. The point is public outreach efforts are always educational and
5 key to better informing the public what happens behind the owner controlled
6 fence, even if there may be disagreements.

7 The final area of communications hits a bit closer to home:
8 communications between the NRC and the public. As a general observation, I
9 think the government's posture in communications to the public has evolved from
10 one that has been more cautious in the past to one that is today more proactive.
11 I saw similar issues in my submarine service during the Cold War and during my
12 time at NSA, dealing with anti-nuclear-weapons groups. But the world has
13 changed. The advent of the internet to drive social and political change, whether
14 it be coordinating demonstrations a few weeks back in Cairo, or a flash-mob
15 dance to the Black Eyed Peas' "I Got A Feeling" in Chicago, it's shown us new
16 and different ways of communicating. I commend Chairman Jaczko for his
17 recent efforts to establish a blog on the NRC Website.

18 The NRC's principled, good regulation of openness, which I did not
19 address earlier, clearly requires the NRC to openly address the public, such
20 issues as the risk associated with the operations of our licensed facilities. This
21 responsibility is not in lieu of that of industry to communicate with the public.
22 Rather, it is complementary, with an "E" rather than an "I." Complementary to the
23 role of industry, and this communication by the NRC to the public is a
24 requirement to build public trust in NRC as a regulatory body.

25 Let me offer a specific example; groundwater leakage at NRC-

1 licensed nuclear power plants. Along with others here, I have followed this with
2 great interest since joining the commission. In particular, I've looked at the
3 NRC's communications related to the risks associated with the releases of
4 tritium. As I just mentioned, the internet has dramatically expanded the reach
5 and the potential impact of external communications. In looking at the NRC's
6 Website, I found that it provides very comprehensive information about this issue
7 and the NRC's actions on groundwater and tritium leakage. I applaud the efforts
8 of the NRC's Office of Public Affairs and the NRC's staff in setting up the site.
9 Moreover, I applaud the communications effort of the NRC's regional staff in
10 management across the country, and their proactive efforts to conduct outreach
11 activities with the communities on the groundwater issue.

12 But as with our approach to nuclear safety, we need to always
13 avoid complacency. Moving forward, we have to continue being proactive with
14 our public outreach efforts, and we should increasingly consider the use of
15 information technologies to complement our face-to-face interactions. As food for
16 thought, I think that in the risk communications with the public, we should look at
17 ways to frame the risk associated with regulated nuclear activities in comparison
18 to those risks associated with non-nuclear hazards. I offer this thought not to be
19 promotional, but rather to provide another perspective for education and
20 outreach. For comparison purposes, I think it's worthwhile and insightful to
21 communicate the radiation risk associated with our activities in comparison and
22 in the context of risk associated with driving a car, smoking a cigarette, or other
23 industrial hazards. I find it very interesting that the general public is often willing
24 to accept the health and safety risk associated with routine day-to-day activities
25 such as some of those I mentioned, that pose far greater risk than those

1 associated with regulated nuclear activities. But we all know that anything
2 nuclear carries with it special concerns. That's a fact of life. So the more the
3 NRC can do to communicate with and educate the public about what we do and
4 the risk associated with what we regulate, the better we will be in building public
5 trust and confidence in our credibility as a regulator. But I have spoken long
6 enough. Thank you.

7 [applause]

8 MR. SHERON: Well by the number of questions here, I think you
9 provoked a lot of good topics, and more.

10 COMMISSIONER OSTENDORFF: And I also realize I'm standing
11 between you and lunch.

12 MR. SHERON: Yeah, we probably have time for a few here.
13 Would advanced SMR designs be better off seeking license approval in other
14 countries, given lack of NRC prioritization and resources to this end?

15 COMMISSIONER OSTENDORFF: My personal response to that is
16 no. I think the NRC staff has done a very solid job of trying to anticipate and look
17 at the various policy issues associated with licensing SMRs. We've all looked at
18 their control-room staffing, security, EPZ-Zone [spelled phonetically] policy issues
19 from a paper last spring and other papers before us now. So I'm very confident
20 our staff can handle this.

21 MR. SHERON: Okay. How can the U.S. NRC help the U.S. lead a
22 new nuclear generation and nuclear safety globally? Could the U.S. be left
23 behind?

24 COMMISSIONER OSTENDORFF: Two responses there. First, I'll
25 echo Bill Borchardt's EDO, summarized for us on the international activities that

1 we're involved in, which I think are very much part and parcel of the NRC's role in
2 trying to work with international partners in nuclear safety, so I think those
3 activities that Bill mentioned are very appropriate and should continue. As I did
4 mention in my remarks, I'm a believer that if we're going to try to influence the
5 safety of new nuclear technologies in the United States, then we need to be
6 among the participants of those producing new nuclear technologies. And I know
7 we have a lot of great international partners here today, but I must comment,
8 when I got my first submarine in the 1970s, all the components and parts of that
9 submarine and reactor plant were built in the United States. Now those, times
10 have changed, circumstances have changed, but I do think and I worry about our
11 role and ability to influence others being diminished if we're not part of the vendor
12 supply base.

13 MR. SHAREN: Okay. At DOE and NSA, you oversaw securing
14 weapons, special nuclear materials, and successfully add highly-enriched
15 uranium to low-enriched uranium conversions of reactors. Could you comment
16 on NRC's ability to regulate, track nuclear sources, especially medical and
17 industrial isotopes, and what an NSA tracking methods could be used?

18 COMMISSIONER OSTENDORFF: Actually, the current NRC-
19 NSTS, National Source Tracking System, is sufficient and appropriate for tracking
20 sources, and that is a tool that can adequately help the NRC execute its
21 responsibilities for source security. I don't know if there's anything else from my
22 experience at NSA that I bring to the plate as an option for the NRC to consider.
23 I think our existing program is adequate.

24 MR. SHERON: What can the public do to know the NRC decision
25 on DOE's effort to stop the Yucca licensing process?

1 COMMISSIONER OSTENDORFF: Well I was going to be
2 surprised that there was not a Yucca question here. Certainly – and mindful of
3 the fact that we have an ongoing adjudication in this area, there are limitations as
4 to what I can say – I will comment that I have taken a position on this back in
5 August, and I've had some disagreements with some of my colleagues in the
6 commission since then on the pathway forward here at the NRC. But I'll also tell
7 you in the same breath that I think we've had very collegial discussions, I have
8 personally with those I've disagreed with on this topic. And I think that's a really
9 strong comment on the level of professionalism that the commission members
10 currently have, that we can talk about things where we've had very different
11 positions, and still continue to work forward in fruitful discussions. I'm not going
12 to say anything else about the DOE's motion to withdraw. I think the adjudication
13 certainly will come to some closure at some point in time, and the D.C. Court of
14 Appeals is supposed to have oral argument the third week of this month, and
15 we'll wait and see what happens there.

16 MR. SHERON: I think we'll have time for one more. You discussed
17 NRC communication with the public so often -- I'm sorry, with the public -- so
18 often, the only public interface is with well-funded anti-nuclear groups. What is
19 the NRC doing to outreach to other portions of the public, including school
20 systems and universities?

21 COMMISSIONER OSTENDORFF: I've been very encouraged by a
22 few data points that I've seen here in business around the country. I know when I
23 was down at North Anna with Commissioner Magwood, we were down there in
24 early January, we went to Dominions Visitor Center and were being told about
25 the local school-outreach effort that particular visitor center had with that part of

1 Virginia, where they're bringing about 3,500 kids a year to that one particular site,
2 and I know that's being replicated across the country. I think that's really
3 important. I think we all worry about scientific literacy, the ability of our public to
4 fully understand what's the difference between beta-gamma-alpha radiation, what
5 does a REM mean, et cetera, et cetera, and I think the way to get to that is by
6 starting earlier with education, but also not being discouraged but rather
7 continuing to be engaged in talking to audiences of any type. Thank you.

8 MR. SHARON: Thank you very much.

9 [applause]

10 I think it's now time for the lunch break, and I believe that the
11 afternoon sessions will start at 1:30 P.M.

12 [Whereupon, the proceedings were concluded]