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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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FUTURE LICENSING

PUBLIC WORKSHOP

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WEDNESDAY

JULY 25, 2001

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ROCKVILLE, MARYLAND

The Public Workshop met at the Nuclear
Regulatory Commission, Two White Flint North,
Auditorium, 11545 Rockville Pike, at 9:00 a.m., Chip
Cameron, Facilitator, presiding.

PRESENT:

- | | | |
|------------------|--------------|----------------|
| RICH BARRETT | BILL KANE | ROBERT WEISMAN |
| ERIC BENNER | TOM KENYON | JERRY WILSON |
| BILL BORCHARDT | MINDY LANDAU | BARRY ZALCMAN |
| CHIP CAMERON | JIM LYONS | |
| JOHN FLACK | GEARY MIZUNO | |
| MARSHA GAMBERONI | JOE SEBROSKY | |
| DIANE JACKSON | MIKE WEBER | |

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A-G-E-N-D-A

Statement of Workshop Protocol 3

Introduction, Including a Discussion of Purpose for
the Workshop, Background Information, Workshop
Organization, and Agenda Topics 8

Welcome and Keynote Speech

 Bill Kane, Deputy Executive Director for
 Operations, NRC 16

10 CFR Part 52 Overview and Combined Licenses . 23

Early Site Permits 39

Design Certification 72

Construction Inspection and Reactivation of
Construction Permits 102

Rulemakings and Policy Issues 122

 Update to 10 CFR Part 52 125

 Alternative Site Reviews 126

 10 CFR Part 51, Tables S3 and S4 128

Legal and Financial Policy Issues 151

Summary of Today's Meeting 186

Public Participation Mechanisms at NRC 193

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

9:09 a.m.

1
2
3 MR. CAMERON: Good morning. I would like
4 to welcome you to the NRC's public meeting on planning
5 and preparation for evaluating new reactor license
6 applications.

7 My name is Chip Cameron. I'm the special
8 counsel for public liaison here at the NRC in the
9 Office of General Counsel. It's my pleasure to serve
10 as your facilitator for today and tomorrow's meeting.

11 I would just like to briefly cover three
12 process items with you before we go to the substance
13 of today's program. I would like to talk about the
14 objectives of the meeting. Secondly, I would like to
15 talk about format and ground rules for today's
16 meeting. Third, just give you a broad overview of the
17 agenda for today's meeting.

18 In terms of objectives, the NRC wants to
19 provide all of you with information and answer your
20 questions on the NRC's preparation for evaluating any
21 new reactor applications that might be submitted to
22 the NRC.

23 As you can see from looking at your
24 agenda, this is a broad area. To coin a term, it has
25 a lot of moving parts to it. I want to emphasize that

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1 the information that the NRC is going to present today
2 is not only on the individual areas that you see on
3 your agenda that are relevant to new reactor
4 licensing, but on the relationship of all of those
5 specific issues to one another and the NRC's planning
6 on how to integrate all of those pieces.

7 In terms of the second objective, the NRC
8 wants to listen to your comments and suggestions on
9 not only the individual areas but also on this
10 overarching issue of the relationship of these
11 individual topics.

12 Many of the initiatives, the specific
13 initiatives that are being taken that are relevant to
14 new reactor licensing will have, or have had, or may
15 have their own unique public participation process
16 connected with it. The NRC also wants to hear your
17 comments today on the issues that we are going to be
18 discussing.

19 In a few moments Marsha Gamberoni from the
20 NRC staff is going to elaborate not only on the
21 purpose of the meeting today and tomorrow, but also on
22 the agenda.

23 In terms of format and ground rules, we
24 are in what is called a townhall setting today. There
25 is going to be individual NRC staff presentations on

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1 specific issues. We will then go on to all of you for
2 questions and comments.

3 There are a few guidelines, very simple.
4 If you want to make a comment or ask a question, just
5 signal me and I will bring you what we call a talking
6 stick which is a cordless microphone which is not
7 working right now. Hopefully it will be working.

8 There are also floor mics on the sides but
9 if you could just either use the talking stick, if we
10 have it operational, or the floor mics. Give us your
11 name and affiliation if appropriate.

12 We do have our court reporter over here.
13 We're taking a transcript of the meeting and that
14 transcript will be available on the NRC website as
15 well as a summary of this meeting for you to look at.

16 I would ask that only one person at a time
17 speak, not only so we can get a clear transcript, but
18 also so that we could give our full attention to
19 whoever has the floor at the time.

20 We do have a lot of people here today.
21 There's a lot of issues. I would just ask you to be
22 concise in your comments and questions so that we can
23 make sure that everybody has a chance to participate
24 today.

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1 Not all of the comments that we hear are
2 going to be fully square-on, relevant with the
3 particular agenda topics that we're on. We do have a
4 parking lot up here. If we do have a question or a
5 comment that comes up that is more appropriately
6 addressed sometime later in the program, we'll put
7 that up there to make sure we don't miss it and we'll
8 come back to that.

9 In terms of agenda, as I mentioned, Marsha
10 Gamberoni is going to be addressing this in more
11 detail but, just broadly speaking, we're running from
12 9:00 to 5:30 today. There's a number of individual
13 topics.

14 At 5:30, and I may be missing a dinner
15 break here, but -- okay. We're going from 9:00 to
16 4:00 for this particular session. Individual topics
17 will be presented. At 5:30 tonight we're doing an
18 additional meeting that is focused for people who are
19 not able to be here during the daytime.

20 Maybe more general members of the public.
21 That will include a summary of the topics that are
22 going to be presented today and tomorrow morning in
23 more detail. Also a presentation on NRC public
24 participation mechanisms. All are, of course, welcome
25 to come to that tonight.

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1 Depending on how many new people show up,
2 we may be able to address more of your comments that
3 we didn't get to this afternoon and this morning. We
4 really do want to use that meeting as an opportunity
5 for people who did not have an opportunity to be here
6 today.

7 Tomorrow morning we'll go back with a
8 continuation of today's meeting and we'll address some
9 more individual topics and that runs from 9:00 to
10 1:00.

11 With that I would just thank you all for
12 being here and we look forward to a productive
13 discussion with all of you.

14 I did want to introduce the people that
15 are up here at the head table today. At the next, and
16 our next speaker, is Marsha Gamberoni. Marsha is a
17 section chief in what was called the Future of
18 Licensing Organization. It will be called the New
19 Reactor Licensing Project Office. Marsha will have
20 more on that. That is within our Office of Nuclear
21 Reactor Regulation.

22 Next to Marsha is Rich Barrett who is a
23 manager in the Office of Nuclear Reactor Regulation.
24 I guess the first and only director of the Future
25 Licensing Organization. That work is segwaying into

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1 Jim Lyons who is beside Rich. Rich is going to be the
2 Director of the New Reactor Licensing Project Office.

3 This is Mike Weber next to me and Mike is
4 with our Office of Nuclear Materials Safety and
5 Safeguards. He's the director of the Fuel Cycle
6 Safety and Safeguards Division at the NRC.

7 We are expecting Bill King to come down
8 and sort of give us a kick-off speech in a few
9 minutes. Bill is the Deputy Executive Director for
10 Reactor Projects. We'll also have someone here from
11 our Office of Nuclear Regulatory Research.

12 So we did want to try to give you access
13 to as many of the people and offices that are involved
14 in these initiatives.

15 With that, Marsha, I guess I would turn it
16 over to you.

17 MS. GAMBERONI: Thank you, Chip. I wanted
18 to welcome everyone to our first public workshop on
19 New Licensing. I am the Section Chief in what was the
20 Future Section Chief in what was the future licensing
21 organization in the Office of Nuclear Reactor
22 Regulation. As he stated, the New Name for the
23 Organization will be the New Reactor Licensing Project
24 Office.

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1 One other administrative issue I'm not
2 sure if Chip covered but for those of you if you
3 haven't signed in, I'll ask that you do so at a break.
4 I would also like to recognize Eric Benner who is
5 sitting over here doing double duty with the slides.
6 He's the one probably most of you talk to if you had
7 early sign-in over the phone. He set the workshop up.

8 Slide 2, please. The purpose of this
9 workshop is to give you an overview of the activities
10 that are ongoing with respect to new reactor licensing
11 and to provide opportunities for comments.

12 The Advisory Committee on Reactor Safety
13 had a workshop in early June that included
14 presentations on the new plant designs. Today and
15 tomorrow we want to focus on the process and where the
16 public can be involved.

17 I also want to note that the staff will
18 hold additional workshops depending on the level of
19 interest of specific topics.

20 The agenda for today has changed slightly.
21 Just so you know, the revised agenda is available as
22 a separate handout outside. That is a change from
23 what was on the webpage and what's in the package of
24 information.

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1 I'll note an additional change that I
2 think Chip mentioned. Mr. Kane, the Deputy Executive
3 Director for Operations, will represent the Executive
4 Director's Office this morning as the keynote speaker.

5 In addition to the topics on the agenda,
6 which I'll cover in a few minutes. We have scheduled,
7 as Chip said, an open discussion this evening from
8 6:15 to 8:00, and also a second one tomorrow from
9 11:45 to 12:45.

10 We feel this is an opportunity for
11 external stakeholders to bring up issues that we
12 haven't already covered during today's discussion or
13 that are scheduled for tomorrow's discussion related,
14 though, to licensing and inspection of new reactors.

15 I wanted to highlight some of the other
16 communication tools we are using to reach out to
17 stakeholders. All of our meetings with industry,
18 applicant's, or potential applicants are public
19 meetings. We have been offering at these public
20 meetings an opportunity for public comments. Our
21 meeting notices have stated this. We have also handed
22 out forms to obtain feedback regarding our meetings.

23 With respect to public meetings in
24 general, the agency held a workshop on April 4 of this
25 year to specifically get feedback on our public

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1 meeting processes, our procedures, participation
2 methods, and how we as an agency can improve in this
3 area. Currently we are working on a commission paper
4 on this issue.

5 Additionally, we have a webpage for new
6 reactor licensing activities. Our website is
7 www.NRC.gov. And for those of you who have been to
8 the website and you've seen there's a nuclear reactor
9 icon, if you click on that, you can go to the new
10 reactor licensing activities page via "What's New On
11 This Page."

12 We've also been working on redesigning our
13 website to address comments from users. The revision
14 will attempt to make the site more graphically
15 interesting, richer in content, and easier to access
16 and navigate. We expect to unveil that later in the
17 calendar year.

18 Slide 3, please. With respect to today in
19 our agenda, we are starting with an overview of the
20 organizations and responsibilities in each of the
21 program offices. Jerry Wilson will provide an
22 overview of 10 CFR Part 52 in combined licenses, and
23 Tom Kenyon will cover early site permits.

24 At that time we'll break for lunch
25 approximately 12:00 to 1:30. After lunch Jerry Wilson

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1 will cover the design certifications. Joe Sebrosky
2 will discuss construction inspection program and
3 reactivation of construction permits. Eric Benner and
4 Diane Jackson will cover the status of rulemaking
5 activities and policy issues.

6 Just so you know, our plan is to spend
7 about half the scheduled time period on each of these
8 topics providing an actual presentation. Then the
9 remainder of the time will be open for discussion so
10 we can hear your feedback and comments.

11 Slide 4, please. From 4:00 to 5:00 we'll
12 have the break for dinner and the evening schedule
13 will begin, as Chip said, with the summary of the
14 topics covered during the day. Mindy Landau will
15 present current mechanisms for public participation.
16 Then we'll have the open discussion as I discussed
17 earlier.

18 Slide 5. Just to let you know a little
19 bit about what's coming tomorrow, we'll reconvene at
20 9:00. The topics will include the status of our
21 readiness assessment, preapplication reviews,
22 licensing approaches, and nuclear fuel cycle issues.
23 Then, as I've said, we've also allotted time for open
24 discussion.

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1 Slide 6. I'll go into the organizational
2 discussion. As way of background, we wanted to
3 provide you with what organizations in the offices are
4 involved in new reactor licensing and inspection
5 issues.

6 We've established organizations in three
7 program offices to be the leads for any new
8 activities. That includes what was the future
9 licensing organization or now new reactor licensing
10 project office in the Office of Nuclear Reactor
11 Regulation.

12 In the Office of Research they have the
13 special projects -- I'm sorry, the Advanced Reactor's
14 Group, and the Special Projects Branches in the Office
15 of Nuclear Material Safety and Safeguards.

16 We are also working very closely with the
17 regions in areas such as Construction and Inspection
18 Program and closely with the Office of General Counsel
19 on legal and financial policy issues.

20 Slide 7. As I stated earlier, we're in
21 the process of changing the future licensing
22 organization over to the New Reactor Licensing Project
23 Office. That change is just occurring this week.
24 That's why we still have FLO or the Future Licensing
25 Organization on many of our slides.

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1 As Chip mentioned, Jim Lyons took over as
2 the senior manager two weeks ago. Prior to that Rich
3 Barrett had been our senior manager. Jim reports
4 directly to Bill Borchardt who is the Associate
5 Director for Inspection and Programs in the Office of
6 Nuclear Reactor Regulation.

7 We are in the process of making the rest
8 of the organization permanent. We are posting the
9 jobs and making selections. By this fall we hope to
10 have permanent staff in place. In the interim the
11 staff who are on rotation, many you will hear from
12 today, are going to continue on in their assignments.

13 Slide 8, please. Our near-term objectives
14 are to provide central points of contact in NRR, or
15 the Office of Nuclear Reactor Regulation, for future
16 licensing activities. To manage current activities
17 such as preapplication reviews and rulemaking. To
18 coordinate the future licensing and inspection
19 readiness assessment and stakeholder interaction.

20 Slide 9. The Office of Nuclear Materials
21 Safety and Safeguard is involved in uranium recovery
22 operations, uranium conversion and enrichment, nuclear
23 fuel manufacturing, high and low-level waste storage,
24 transportation and disposal, and fresh and spent fuel
25 storage.

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1 Slide 10. You can go right on to 11.
2 Highlighted there, if you can see it, or right above
3 that highlight, is the Special Projects Branch.
4 That's their organization supporting the New Reactor
5 Licensing Activities.

6 Eric, if you could go right to 15. Slides
7 12 through 14 contain additional organizational
8 information for Nuclear Material Safety and
9 Safeguards. There are multiple organizations within
10 that office involved in various aspects of New Reactor
11 Licensing.

12 The Office of Research has established the
13 Advanced Reactor Group within the Regulatory
14 Effectiveness Assessment and Human Factors Branch.
15 John Flack, who you'll hear from tomorrow, is the
16 Branch Chief in that organization.

17 Slide 16. Their near-term objectives
18 include central points of contact for advanced reactor
19 research activities, pre-application review of non-
20 light water reactor designs, licensing framework, and
21 stakeholder interactions.

22 Before we continue on, are there any
23 questions with today's agenda, what our plans are, or
24 our organizational structures?

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1 Okay. We'll turn it over to Jerry, I
2 think, first up. Is he here? Has Mr. Kane stepped
3 in? Okay. Well, we have our keynote speaker. I'll
4 turn it over to Mr. Kane.

5 MR. CAMERON: I'm sorry I was occupying
6 his time out there. Bill Kane, Deputy Executive
7 Director for Operations for Reactor Operations is
8 going to say a few words to us.

9 After that, we're going to try to get our
10 microphone fixed and we need to test it so we'll take
11 a short break. Marsha will be back on then and we can
12 have questions about the organizational framework.
13 There were no questions? Okay, good.

14 Bill.

15 MR. KANE: Good morning. I never miss the
16 opportunity to do a little business so Chip and I were
17 discussing another issue. I apologize for the late
18 arrival here.

19 Good morning. I'm pleased to welcome you
20 to the U.S. Nuclear Regulatory Commission's Workshop
21 on Future Licensing Activities. I would like to begin
22 by defining the Commission's role in this area.

23 The Commission's mission is to ensure the
24 adequate protection of public health and safety,
25 common defense and security, and the environment in

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1 the application of nuclear technology for civilian
2 use.

3 The agency's role is to assure the safe
4 application of nuclear technology if society elects to
5 pursue the nuclear option. The Commission does not
6 have a promotional role. However, the Commission
7 recognizes that it's regulatory system should not
8 establish inappropriate impediments to the application
9 of nuclear technology.

10 I think it's a very important point that
11 is worth repeating. Although we do not have a
12 promotional role, we the Commission, we do recognize
13 that the regulatory system that we have in place
14 should not establish inappropriate barriers or
15 impediments to the application of nuclear technology.

16 Many of the Commission's initiatives over
17 the past several years sought to maintain or enhance
18 safety while simultaneously improving the efficiency
19 and effectiveness of the regulatory system.

20 The Commission also recognizes that its
21 decisions and actions as a regulator influence the
22 public's perception of the NRC and ultimately the
23 public's perception of the safety of nuclear
24 technology.

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1 For this reason, the Commission's primary
2 performance goals also include increasing public
3 confidence. One way the Commission is striving to
4 meet this goal is by holding this workshop. During
5 the workshop the staff will inform you of the
6 Commission's activities regarding future licensing
7 including the challenges we anticipate.

8 More importantly, how you can participate
9 in these activities. What we expect from you is your
10 feedback, your candid feedback on the identified
11 issues and challenges so that we can better address
12 your questions and concerns.

13 You may be asking where there is renewed
14 interest in building nuclear power plants.
15 Interesting thought. When I first joined the agency
16 back in the '70s the agency was very active in
17 licensing power plants. Of course, shortly after that
18 -- it had nothing to do with my arrival I hope --
19 shortly after that the activities, as you know, really
20 slowed down.

21 While improved performance of operating
22 nuclear power plants has resulted in significant
23 increases in electrical output, significant demands
24 for electricity will need to be addressed by
25 construction of new generating capacity of some type.

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1 I think everybody is certainly in agreement on that
2 point.

3 Serious industry interest and new
4 construction of nuclear power plants in the U.S., of
5 course, has only recently emerged. The Commission has
6 already certified three new reactor designs including
7 General Electric's advanced boiling water reactor,
8 Westinghouse AP600, and Combustion Engineering System
9 80+.

10 In addition to the three designs already
11 certified, there are new nuclear power plant
12 technologies such as pebble bed reactor which some
13 believe can provide enhanced safety, improved
14 efficiency, lower cost, as well as other benefits.
15 The staff is currently conducting a preliminary review
16 of this design.

17 To ensure that the Commission staff is
18 prepared to evaluate any applications to introduce
19 these advanced reactors, the Commission recently
20 directed the staff to address the technical licensing
21 and inspection capabilities that would be necessary to
22 review an application for an early site permit, a
23 license application, or a construction permit for a
24 new reactor unit.

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1 This will include the capability to review
2 the designs for advanced reactors including the
3 Westinghouse AP1000, the pebble bed modular reactor,
4 which I mentioned, the gas turbine modular helium
5 reactor, and the international reactor innovative and
6 secure known as the IRIS design.

7 In addition to assessing its capability to
8 review the new designs, the Commission will also
9 examine its regulations relating to license
10 application such as 10 CFR Part 50 which is our
11 domestic licensing and production utilization
12 facilities, and Part 52 which involved early site
13 permits, standard design certification, and combined
14 licenses for nuclear power plants.

15 We'll do this in order to determine and
16 identify whether any enhancements are necessary.
17 These topics will be discussed in greater detail later
18 in the workshop.

19 To summarize, the Commission has long
20 been, and will continue to be active in concentrating
21 its staff's efforts on ensuring the adequate
22 protection of public health and safety, common defense
23 and security in the environment in the application of
24 nuclear technology for civilian use.

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1 The statutory mandates notwithstanding,
2 the Commission is mindful of the need to reduce
3 unnecessary burdens while maintaining safety so as to
4 not inappropriately impede nuclear technology, to
5 maintain open communications with all of its
6 stakeholders in order to seek to ensure the full,
7 fair, and timely consideration of issues that are
8 brought to our attention, and (3) to continue to
9 encourage its highly qualified staff to strive for
10 increased effectiveness and efficiency both in our
11 dealings with all the Commission stakeholders and
12 internally within the agency.

13 In conclusion, this workshop designed to
14 provide you the information regarding the agency's
15 processes and programs for fathering licensing
16 activities, to respond to any questions you may have,
17 and to get feedback from you on what you have heard.

18 We intend to give you reviews and comments
19 at this workshop and future workshops and through
20 other communication venues, full consideration as we
21 undertake the various activities related to future
22 licensing.

23 Again, I would like to remind you that
24 your input into this workshop is vitally important to
25 us and I encourage everyone to take full opportunity

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1 to do that by the various mechanisms that we have
2 available. It's only going to be successful if we get
3 full and open and active participation.

4 I would like to thank you all for coming
5 and participating in this important workshop and look
6 forward to the outcome of the considerations and
7 discussions over the next several days. Thank you
8 very much.

9 MR. CAMERON: Thank you. Thank you, Bill,
10 for taking the time to be with us and giving us those
11 words.

12 I hate to give you all a break because we
13 haven't worked you nearly hard enough at this point,
14 but we do need to fix the microphone so we will have
15 a break now. If you want to get some coffee, it's
16 approximately 9:35. Why don't we take a 20-minute
17 break, come back at 5 to 10:00 and we're going to
18 start with Jerry Wilson, 10 CFR Part 52 Overview and
19 Combined Licenses.

20 (Whereupon, at 9:37 a.m. off the record
21 until 9:57 a.m.)

22 MR. CAMERON: Take your seats and we'll
23 get started. We had a technology problem with the
24 microphones so we are going to get started on the next
25 part of the agenda.

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1 I would just ask you, if you could, there
2 is something called a public meeting feedback form
3 that is out on the table out there. There's a series
4 of questions the answers to which would help NRC to
5 find out if we are doing an effective job on these
6 public meetings and how we could improve. If you
7 could fill that out before you leave.

8 If you are going to be here tomorrow, give
9 it to us before you leave tomorrow. If you're just
10 going to be here today, give it to us and just set it
11 out there on the table at the end of the day.

12 The next topic that we're going to discuss
13 is an overview of the Commission's regulations in Part
14 52. We have Jerry Wilson who is the senior policy
15 analyst with what was the Future Licensing
16 Organization and is now the New Reactor Licensing
17 Project Office. Jerry will be making a presentation
18 and then we'll go on to you for questions and
19 discussions.

20 Jerry.

21 MR. WILSON: Thank you, Chip.

22 I'm going to discuss the efforts of the
23 Nuclear Regulatory Commission to reform the licensing
24 process for nuclear power plants. This approach

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1 resulted in the new licensing process set forth in
2 Part 52.

3 Could I have slide 2? Since 1954 the NRC
4 has used the so-called two-step licensing process in
5 Part 50 of our regulations. The origins of the two-
6 step process resulted from the nuclear industry's
7 desire to initiate construction as soon as possible.

8 Therefore, the licensing process in Part
9 50 provided for the issuance of a construction permit
10 on the basis of preliminary design information and an
11 operating license that was issued after approval of
12 the final design information and verification of the
13 as-built plant.

14 While the two-step process was used to
15 license over 100 nuclear power plants in the United
16 States, the parties to this process have identified
17 several major problems with it.

18 Some of these problems are lack of
19 finality at the construction permit stage, lack of
20 acceptance criteria for construction inspections, and
21 a second hearing held near the end of construction
22 that provided an opportunity for reconsideration of
23 all issues.

24 These problems resulted because a
25 construction permit is based on preliminary design

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1 information. As a result, final safety issues could
2 not be made and public participation was difficult at
3 the construction permit stage because very few design
4 details were available.

5 Because construction was underway while
6 the final design was being developed, the construction
7 effort was frequently delayed. There also was a lot
8 of rework of construction because of design changes
9 requested by the utilities and backfits required by
10 the NRC.

11 In fact, the final safety decisions were
12 not made until the plant was nearly complete because
13 the NRC had to verify that construction was
14 acceptable. At this stage a second opportunity became
15 available when the NRC considered whether to issue an
16 operating license. Utility was not a great financial
17 risk because the licensing decisions could cause
18 expensive design changes and significant delays in
19 initiation of operation.

20 In fact, such plants such as Comanche
21 Peak, Seabrook, and Shoreham experienced delays as a
22 result of extensive hearings at the operating license
23 stage. In addition, it was very difficult for the
24 public to influence decisions at this stage because

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1 the utility had momentum in its favor and any
2 requested changes would be very expensive.

3 Recognizing these problems the NRC made a
4 proposal to Congress to change the licensing process
5 as early as 1975. Later in the '78, '79 time frame
6 Congress considered proposals to change nuclear
7 licensing. In '83, '85, and '87 the NRC submitted
8 legislative proposals to Congress to change the
9 process.

10 Slide 3. What did the NRC propose? NRC
11 sought legislation that would provide a more stable
12 and predictable licensing process that encouraged
13 standardization of nuclear plants and reduced
14 financial risk to the utilities.

15 NRC proposed additional licensing
16 processes for a combined construction permit and
17 operating license, certified standard design
18 approvals, and early site permits.

19 Congress held numerous hearings on these
20 bills. Congress also considered legislative proposals
21 by the Department of Energy and heard opposition from
22 various public interest groups. There was no
23 consensus on the Hill and legislation to change the
24 process that was not passed during this time.

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1 Finally, in 1987 with no legislation in
2 sight, NRC decided to develop a new licensing process
3 for nuclear plants. This new process would
4 incorporate as much of our earlier proposals as we
5 could under our existing statutory authority of the
6 Atomic Energy Act.

7 Could I have slide 4. The NRC announced
8 its plans for a new regulation on nuclear power plant
9 licensing in September of 1987. Draft rule was
10 proposed in August of '88 and the final rule became
11 effective in May of '89. The new regulation provided
12 for various licensing options in addition to the
13 previous two-step process set forth in Part 50.

14 The key part of the new licensing process
15 was the combined license. It required approval of
16 final design information and approval of inspections
17 and acceptance criteria before initiation of
18 construction.

19 With the design of the plant finalized
20 before the start of construction, changes during
21 construction will be minimized and the process will be
22 more stable and predictable resulting in less
23 financial risk to the utilities.

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1 Also, public participation can be more
2 effective because final design information is
3 available before issuance of the combined license.

4 Now, the only remaining safety decision is
5 the adequacy of construction. Since that decision
6 cannot be made until construction is complete, a
7 second hearing opportunity is provided before
8 authorization to operate the plant. This second
9 hearing is provided to consider challenges to the
10 NRC's finding on the adequacy of construction and
11 conformance with the applicable regulations.

12 The treatment of the second hearing
13 opportunity under Part 52 deals with some of the
14 concerns raised about the two-step licensing process.

15 Specifically, Part 52 requires an
16 agreement before initiation of construction on the
17 inspections that will be performed during construction
18 and the acceptance criteria that will be used. This
19 agreement is reached during the review of inspection
20 tests, analyses, and acceptance criteria also known as
21 ITAAC.

22 The second hearing will be held only if
23 there is prima facie showing that one or more of the
24 acceptance criteria will not be met and the
25 consequences of the nonconformance will be contrary to

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1 reasonable assurance of adequate protection of public
2 health and safety. This is a very high standard.

3 Therefore, if the utility with the
4 combined license bills the plant in conformance with
5 the approved design and meets the acceptance criteria,
6 they'll be assured of receiving authorization to
7 operate.

8 Could I have slide 5. At this point the
9 NRC thought its job was done. However, it was
10 subsequently sued and it was charged that Part 52 did
11 not conform with the Atomic Energy Act. Extensive
12 litigation resulted and after initial decision and an
13 appeal, D.C. Circuit Court upheld each feature of Part
14 52. The Circuit Court decision was issued in July of
15 1992.

16 Then came a surprise. After 17 years of
17 consideration, U.S. Congress finally passed
18 legislation on nuclear licensing. The Energy Policy
19 Act of 1992 codified major portions of Part 52.
20 Congress also provided the NRC with additional
21 flexibility regarding the timing and format of
22 hearings under Part 52.

23 In particular, the NRC may authorize a
24 plant to operate during dependency of a post-
25 construction hearing on a combined license if the NRC

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1 finds that during the period of interim operation
2 there will be reasonable assurance of adequate
3 protection of public health and safety.

4 The NRC amended Part 52 in December of '92
5 to conform with the changes to the licensing process
6 made by the Energy Policy Act. With that amendment,
7 the NRC now has a process in effect to license the
8 next generation of power plants.

9 Eric, skip slide 6 and go to slide 7. Our
10 task at the moment is to be sure that this combined
11 license process is ready to be used so we have
12 initiated a rulemaking in Part 52. Its goal is to
13 update Part 52, make clarifications in its use, and
14 prepare for new applications. We plan to issue a
15 proposed rule in the fall of this year.

16 Slide 8. An initial task we are also
17 working on is to work out the implementing details of
18 Part 52 and, in particular, on the combined license
19 process. That effort began as a low priority effort
20 about 10 years ago and it culminated with the issuance
21 of a Commission paper entitled, "The Combined License
22 Review Process" that was issued in April of 2000.

23 The Commission issued its staff
24 requirements memorandum on September 6 of the year
25 2000 that approved those implementing details in that

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1 Commission paper and directed the staff to seek
2 comments on the programmatic ITAAC issue which Mr.
3 Sebrosky will be discussing later today.

4 Slide 9, please. This slide shows the
5 various steps in the licensing process.

6 Could I have slide 10. Here I want to
7 emphasize our opportunities for public involvement in
8 the licensing process. Mindy Landau is going to cover
9 the details of public involvement in her presentation
10 this evening.

11 With that, I'll conclude my remarks and be
12 available for questions.

13 MR. CAMERON: Okay. Thank you very much,
14 Jerry. Why don't we start off with questions or
15 comments from the audience either on Part 52 itself or
16 perhaps relationships between Part 52 and some of the
17 issues we're discussing. Does anybody have a question
18 on this particular rulemaking, how it might operate in
19 the future?

20 Yes. Just give us your name and
21 affiliation.

22 MR. QUINN: Sure. My name is Ted Quinn,
23 General Atomics. I have a question on the
24 relationship of Part 52, the COL, to the design
25 certification process. How do you see those linked?

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1 MR. CAMERON: Thank you.

2 MR. WILSON: I want to emphasize that the
3 various licensing processes in Part 52 are all
4 optional. They can be used in any combination. Let's
5 assume you came in with a combined license. You would
6 have to describe your sight and describe your design,
7 describe the capabilities of the utility, get all of
8 that approved, demonstrate conformance with the
9 regulations, and then you could get a combined license
10 and proceed with operation.

11 Now, if we could have slide 6. Thank you,
12 Eric. Let me take that back. Anyway, in addition to
13 providing all that information in the combined license
14 stage, applicant could also reference either a
15 preapproved design or a preapproved site. Mr. Kenyon
16 is going to discuss about the site permit process
17 later. Those are also options and you can use or not
18 use them as you see fit.

19 MR. CAMERON: Jerry, just one
20 clarification. You used the term optional. Could you
21 explain that a little bit in terms of what Part 52 is
22 applicable or not applicable in terms of any new
23 reactor license applications we get in?

24 MR. WILSON: We believe Part 52 can be
25 used for all new license applications and all

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1 different types of designs. It's really up to
2 perspective applicant as to whether or not they want
3 to get right into the process or whether they would
4 like to have a preapproved design in anticipation of
5 later seeking to build the plant. These various
6 processes in Part 52 are options.

7 MR. CAMERON: I see what you meant by
8 that. Thank you.

9 Anybody else on Part 52? If other
10 presentations spark a recall on these issues, Jerry,
11 you'll be with us most of the day to address any
12 questions that come up perhaps?

13 MR. WILSON: Yes.

14 MR. CAMERON: Okay. Good.

15 Yes, sir.

16 MR. HEGNER: I am Joe Hegner, Dominion.
17 Jerry, this is a softball question but it's been
18 bugging me so I'm going to ask it. The acronym COL,
19 I've never heard it spelled out twice the same way.
20 I noticed in your slide this morning COL was combined
21 license. Can you give me once and definitively what
22 the acronym COL stands for?

23 MR. WILSON: Thank you for that
24 opportunity. It's frequently confused. As I was
25 saying in my presentation, the new licensing process

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1 was under consideration and development for a very
2 long time. At one point in time the proposal was to
3 have a combined construction and operating license.
4 From that came the acronym COL.

5 Later the title changed but the acronym
6 stuck. It's kind of a term of art now and so we stay
7 with COL but the proper title is combined construction
8 permit and conditional operating license. I'm not
9 going to make an acronym out of that so we stayed with
10 COL.

11 MR. CAMERON: Okay. That maybe is not
12 understandable but clear, I guess.

13 Anybody else have a question on Part 52
14 issues, please take an opportunity to ask because we
15 do have plenty of time for discussion if we need it.

16 Yes, sir.

17 MR. ANTONELLI: Hello. My name is Steven
18 Antonelli. I'm from Public Citizen. I was wondering
19 if you could comment upon any differences that you see
20 with now the deregulation industry, if there are any
21 differences than you saw because you were speaking of
22 the financial risk and you were using the words
23 "public utility." I was wondering if the licensing
24 would be different in that case in the shaping of the
25 industry currently.

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1 MR. CAMERON: Thank you, Steven.

2 Jerry, the implications of utility
3 restructuring and other aspects for the use of Part
4 52?

5 MR. WILSON: Well, from the NRC's
6 perspective there really isn't a difference but the
7 industry has seen a need to try to make some changes
8 in that regard. In one of our later presentations we
9 are going to talk about some proposals by the industry
10 that are caused by the fact that we have a deregulated
11 industry now. Let's put that in your parking lot.

12 MR. CAMERON: Okay. So is that okay with
13 Steven? You're going to be with us? Okay. Good. I
14 take it that that presentation, those implications are
15 more than or broader than just Part 52?

16 MR. WILSON: Well, it gets into the
17 specifics of how a particular utility, or I shouldn't
18 use the term utility but electric company should be
19 evaluated given that the industry is deregulated and
20 they are building plants that aren't necessarily
21 associated with a particular service area and should
22 various considerations be changed in that regard.

23 MR. CAMERON: Okay. Thank you. We'll put
24 that in the parking lot, Steven. I would also
25 encourage those of you who are familiar with the

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1 utility industry to participate in that particular
2 discussion.

3 Do we have any -- yes, sir.

4 MR. BARRETT: While you are getting ready
5 to ask this question, I just want to clarify that the
6 presentation we're talking about just a moment ago is
7 the 3:00 p.m. to 4:00 p.m. presentation by Eric Benner
8 and Diane Jackson.

9 MR. BAKER: Bob Baker, Framatome. This
10 may be difficult for you to share any real exact
11 information on but how long do you anticipate future
12 certifications to take? Like with Westinghouse AP600
13 I understand it took quite a number of years, etc.

14 Are there any efforts in your new
15 organization to try to streamline that? Obviously it
16 depends a lot on the quality of the information you
17 are given. Surely you must have some general
18 information provided on that.

19 MR. WILSON: Yes. Two answers to that.
20 First of all, we're doing a readiness assessment and
21 there's going to be a presentation on that tomorrow.
22 One of the things that's looking at is what it's going
23 to take to do future reviews and schedules.

24 The answer to the question you gave, that
25 is that the time it takes the NRC to do these reviews

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1 really isn't that much within the control of the NRC.
2 When we talk about a design certification, is the
3 design finalized before the application is submitted?
4 Is the application complete? Is it high quality? Is
5 the applicant ready to respond to questions in a
6 timely manner? Those things affect the duration of
7 the review.

8 Also, are there policy issues that need to
9 be dealt with? Are there testing issues that need to
10 be dealt with? Has all of the testing been done
11 before the application is submitted or does the review
12 have to wait while the test results are coming out?
13 That all affects the duration.

14 A lot of those issues came up on the three
15 designs that were certified and they all took many
16 years to do. It could be done shorter but it's
17 primarily under the control of the applicant, not so
18 much under control of the NRC.

19 MR. CAMERON: Yes, sir.

20 MR. MARTIN: I'm Craig Martin with the
21 Department of Energy Savannah River site. On slide 7
22 you have a bullet that says the Commission is planning
23 for the first COL application in 2002. Is there a
24 basis for that statement and could you elaborate on
25 that a little bit, please?

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1 MR. CAMERON: We've had meetings with
2 Exelon Corporation and they are planning to submit an
3 application for combined license. I think the most
4 recent information I heard was early 2003. At the
5 time of the slide it was late 2002 but that's the
6 basis for that date.

7 MR. CAMERON: Okay. Any other comments or
8 questions?

9 MR. ACKRUM: Al Ackrum, Pacific Northwest
10 Laboratory. Could you just summarize or highlight, if
11 you will, Jerry, your planned revisions or updates to
12 10 CFR Part 52 for the rulemaking you are planning to
13 submit later this year.

14 MR. WILSON: Thank you. Let me just say
15 nothing substantive at this time. Mostly
16 clarifications, some lessons learned from our previous
17 design certification reviews. We're in the process --
18 I put out a solicitation last year for comments for
19 anyone who thought there were changes we should make.

20 We've gotten a long list of suggested
21 changes from the Nuclear Energy Institute but I would
22 welcome any other comments while we are preparing the
23 proposed rule. Then, of course, we'll put out a
24 proposed rule and solicit comments beginning at that
25 time.

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1 MR. CAMERON: Are those comments that we
2 have received on that solicitation of interest? Are
3 those comments available for people or can they be
4 made available for people to look at?

5 MR. WILSON: They are available. They are
6 in our ADAMS system and also in our public document
7 room.

8 MR. CAMERON: Okay. If we need to put a
9 finer point on where to get those, we'll do that.

10 Any other questions? Anybody else want to
11 say something on Part 52 at this point? As I
12 mentioned before, we can always come back and revisit
13 this under related topics.

14 Thank you very much, Jerry. It looks like
15 we're ready for Tom Kenyon to come up. Tom is going
16 to talk about permits. Tom is the early site permit
17 project manager. Again, he is in the new
18 organization. If I read this 40 more times, I may
19 remember it. New Reactor Licensing Project Office.

20 Tom.

21 MR. KENYON: Hello. My name is Tom Kenyon
22 and I'm going to talk today about the purpose of the
23 early site permit. The review process that the staff
24 goes through to look at an application, the schedule,

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1 and, more importantly, talk about key points in the
2 review process where the public can participate.

3 Next slide. Subpart A of 10 CFR Part 52,
4 which Jerry was just talking about, gives the staff of
5 the NRC the authorization to issue an early site
6 permit. An early site permit allows an applicant to
7 obtain approval, to build a class or multiple classes
8 of nuclear power plants at a particular site
9 independent of the review of that facility.

10 What this does is allow the applicant to
11 bank a site for future use for 10 to 20 years. This
12 reduces license uncertainty because site-related
13 issues will be resolved early on in the process before
14 large amounts of resources are committed by both the
15 applicant and the NRC.

16 Now, over the years the regulations and
17 regulatory guides have been put in place by the NRC.
18 As mentioned by Jerry, Subpart A was promulgated back
19 in 1989.

20 We have regulatory guides in place. We
21 have a standard review plan and an environmental
22 standard review plan that the staff uses to guide its
23 review. And we have other guidance as well.

24 Now this slide gives you the review
25 process that the staff goes through. When the staff

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1 reviews an early site permit, it looks at three key
2 factors; site safety, emergency preparedness, and the
3 environmental protection.

4 Site safety and emergency preparedness
5 reviews are performed in accordance with 10 CFR Part
6 52 and that is done using the review process shown in
7 the upper part of the slide.

8 Now, the staff's review of the
9 environmental protection is done in accordance with
10 Part 51 of our regulations. It's a little bit
11 different process and is done in accordance with the
12 lower part of the slide.

13 Next slide. Now, when the staff performs
14 its reviews of the site safety and emergency
15 preparedness, it will result in issuing a draft safety
16 evaluation report about a year after the application
17 is received. That SER contains the status of the
18 review at the time of issuance and will contain
19 whatever open items remain to be resolved before an
20 early site permit can be issued.

21 Part of the purpose of issuing this draft
22 to SER is to allow us to initiate discussions with
23 Atomic's ACRS, Advisory Committee on Reactor
24 Safeguards. I'll talk about that process in a few
25 minutes.

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1 Once the staff completes its review, the
2 open issues are resolved, and the discussions with the
3 ACRS are completed, it will publish a final safety
4 evaluation report.

5 This slide gives you an idea of the types
6 of things that are looked at during the staff's site
7 safety review. It involves such characteristics as
8 seismology and hydrology of the site. We'll look at
9 the meteorology and we'll look at site distribution in
10 the area.

11 Now, when the staff performs its
12 evaluation, it will take a look at the application and
13 will form an independent review of other related
14 information just to verify the information provided by
15 the applicant. The staff will go down to the site to
16 evaluate the site layout, take a look at the site
17 characteristics. It will also look at data gathering
18 activities of the applicant.

19 The applicant in order to characterize the
20 site may have to be taking soil samples to determine
21 what the hydrology and seismology of the site are.
22 They may be taking meteorological data. They have to
23 provide a year's worth of onsite met data.

24 Next slide. When the staff performs its
25 emergency preparedness review, it's looking to see

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1 whether or not there are any impediments at the site
2 that would make it difficult to develop and implement
3 an emergency plan.

4 Staff will evaluate the emergency
5 preparedness information that is provided by the
6 applicant. We will also go to the site to see for
7 ourselves the physical impediments to determine
8 whether or not there is something that the applicant
9 may have missed.

10 We'll take a look at the population
11 distribution and the transportation routes in the area
12 such as ingress and egress routes to the site. We'll
13 take a look at support capability in the area such as
14 fire and police stations near the site. The staff
15 will be working closely with the Federal Emergency
16 Management Agency, FEMA, and other federal, state, and
17 local officials to make sure the application is
18 acceptable.

19 Now, finally, the staff performs an
20 environmental review in accordance with the National
21 Environmental Policy Act of 1969. That act requires
22 federal agencies to use a systematic approach to
23 consider environmental impacts of certain decision
24 making proceedings.

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1 Staff will be issuing an environmental
2 impact statement which will provide the results of its
3 review. It is required by NEPA for any major federal
4 action that has the potential to significantly affect
5 the quality of the human environment. I think we will
6 all agree that building and operating a nuclear plant
7 fits into this category.

8 Next slide. This slide gives a little
9 more detail of the environmental review process. I'm
10 going to be talking about that process in a little
11 more detail so you might want to refer back to it from
12 time to time.

13 Now, the NEPA process has certain steps
14 that must be followed. The first step is the staff
15 will notify the public of the NRC's plans to prepare
16 an environmental impact statement and a Notice of
17 Intent that is issued in the Federal Register. That
18 Notice of Intent is issued about a month after the
19 application is received.

20 Then we go into the scoping process where
21 the staff is trying to determine the scope of the
22 environmental review. Part of that process involves
23 solicitation of input from members of the public.

24 We are going to have a public comment
25 period during this time. We are going to go to the

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1 site and have two public meetings where we go down to
2 explain that the review is ongoing and try to solicit
3 input from members of the public.

4 Next slide. The staff will perform its
5 review and take a look at the environmental impacts of
6 constructing and operating a nuclear power plant. It
7 will also look at alternatives to the proposal and
8 what the environmental impacts of those alternatives
9 might be.

10 We will also look at mitigation measures
11 which are things that could be done to reduce the
12 environmental impacts of the proposal near the site.
13 Once the staff has completed its review, it will issue
14 a draft environmental impact statement for public
15 comment.

16 At this point the staff has essentially
17 completed its review and its issuing the environmental
18 impact statement in draft form to allow the members of
19 the public to evaluate what we've done and to provide
20 any comments that they may feel is appropriate.

21 Again, we'll have another public comment
22 period during this time. We'll hold two additional
23 public meetings in the vicinity of the site to inform
24 the public of the results of our reviews and to
25 solicit written and oral comments.

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1 Finally, once the public comment period
2 has ended, we are going to take a look at the comments
3 that we receive. We may have decided that we have to
4 perform additional review or we may have to modify the
5 environmental impact statement. Once we have
6 completed that review to address these comments, then
7 we would issue a final environmental impact statement.

8 The next two slides give you an idea of
9 the kind of things that the staff looks at during its
10 environmental reviews. We are going to be looking at
11 aquatic and terrestrial ecology. We're going to be
12 taking a look at threatened and endangered species and
13 land use.

14 Next slide. We'll also be looking at
15 human health issues and social economics,
16 environmental justice issues and, of course, as I
17 mentioned before, we'll be looking at alternative
18 sites.

19 Now, there are also some issues that the
20 staff is not required to look at in accordance with
21 Part 52. That is the need for power and the cost of
22 power. These issues are going to be looked at during
23 the combined license reviews.

24 The next two slides give you an idea of
25 the key points in our review process for early site

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1 permits where the public can get involved. First off,
2 although it's not required, the staff is planning on
3 having a preapplication public meeting in the vicinity
4 of the site about nine to 12 months before the
5 application is expected.

6 The purpose of this preapplication meeting
7 is to inform affected members of the public that the
8 applicant is considering building a nuclear plant in
9 the area.

10 I've already talked about the public
11 interaction during the environmental reviews, the two
12 public comment periods, and the four public meetings.
13 In addition, the staff has technical meetings with the
14 applicant to discuss technical matters. Those
15 meetings are typically held here in Rockville,
16 although some may be held near the site.

17 These meetings are open to the public and
18 at the end of the meetings the staff tries to allow
19 members of the public to make any comments or ask any
20 questions that they might have.

21 Next slide. Now, in addition, Part 52 has
22 a requirement that for a mandatory hearing for an
23 early site permit that mandatory hearing is conducted
24 by an administrative law panel -- I'm sorry, panel of

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1 administrative law judges known as the Atomic Safety
2 and Licensing Board.

3 About a month after receiving the
4 application the staff will issue in the Federal
5 Register a Notice of Opportunity to participate in the
6 hearing. At that point the members of the public
7 attempt to get standing so they can participate in the
8 hearing process.

9 In addition, the Advisory Committee on
10 Reactor Safeguards, as I mentioned earlier, performs
11 an independent review of the staff's site safety and
12 emergency preparedness portion of the review. They
13 advise the Commission directly.

14 They will have public meetings where they
15 will talk with an applicant and evaluate the safety
16 evaluation report and discuss it with the staff.
17 During those public meetings members of the public
18 also request to participate in accordance with the
19 rules that they set out.

20 This slide is just a summary of where the
21 documentation can be found for our early site permit
22 reviews. I've mentioned the draft and the final
23 safety evaluation reports and environmental impact
24 statements.

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1 In addition we issue meeting summaries
2 shortly after meetings are held between the applicant
3 and the staff. We will be issuing a special report
4 that will give the results of our inspections of the
5 applicant's data gathering activities.

6 This information can be found through our
7 ADAMS system and at the PDR, public document room. We
8 keep key documents such as the SER and the
9 environmental impact statement which are usually put
10 on a website page at our website that is specifically
11 devoted to the review.

12 We will also make available the safety
13 evaluation report and environmental impact statement
14 in a hard copy form at a location near the site that
15 is successful to the public. This is typically a
16 library that we can get permission to leave our
17 documents with during the review.

18 Next slide. Now, when the review process
19 is completed, the staff will take the safety
20 evaluation report, the environmental impact statement,
21 the recommendations of the ACRS and the findings of
22 the ASLB will all be forwarded up to the Commission
23 for their consideration.

24 Although it's not required, the Commission
25 may decide to perform a discretionary review of the

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1 application. They would likely hold a public meeting
2 with the applicant and the staff. Should they decide
3 to vote on it, they could take a vote as to whether or
4 not it's appropriate to issue an early site permit.
5 Whatever results from that vote would be forwarded
6 formally down to the staff for implementation.

7 The Director of Nuclear Reactor Regulation
8 has the authority to issue the early site permit.
9 He's my boss, Sam Collins, and he can do so when it is
10 determined to be acceptable.

11 Now, the staff has been interacting
12 recently with the Nuclear Energy Institute to discuss
13 a process and policy issues for early site permits.
14 Since the 10 CFR Part 52 was promulgated back in 1989,
15 the staff has not yet received an early site permit.

16 Based on our conversations with the
17 industry recently, we are told to expect one sometime
18 in mid-2002 with two more applications coming in 2003
19 and possibly even one more in 2004. If all these
20 applications come in, the NRC is going to be quite
21 busy for the next several years.

22 That concludes my presentation. Are there
23 any questions?

24 MR. CAMERON: Okay. Thank you very much,
25 Tom. Just one clarification before we go to the

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1 audience. The gentleman from Pacific Northwest Lab
2 asked about what the NRC knew about what applications
3 might be coming in. The answer that Jerry gave, is
4 that the same answer that you're talking about?

5 MR. KENYON: -- early site permit.
6 Jerry's presentation was talking about combined
7 license. Now, based on our conversations with NEI,
8 they have indicated that we should be prepared to
9 expect the first application in mid-2002.

10 We've been talking with utilities such as
11 Exelon and Dominion and they are indicating that they
12 have an interest but the decision to come in with
13 those applications are still going to have to be made
14 by their boards and we don't have a firm commitment
15 from any particular utility as to who is going to be
16 the first one coming in.

17 MR. CAMERON: Okay. I just wanted to be
18 clear on the fact that the COL is a different --
19 that's a different --

20 MR. KENYON: License.

21 MR. CAMERON: -- than what you're talking
22 about. Okay. Good. Questions? Comments?

23 MR. PENTECOST: I'm Ed Pentecost from
24 Argonne National Lab. Just curious whether you have
25 an indication on the number or the regulations call

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1 out the number of alternative site locations that
2 should come forth in an application for an early site
3 permit.

4 I would think that might vary from one
5 region of the country or another as far as a viable
6 alternative site location. I'm just curious whether
7 it does specify a minimum number of alternative sites.

8 MR. KENYON: There is not a minimum number
9 specified at this time. Now, we're taking a look at
10 that right now. One of the discussions we're going to
11 have in the future is rulemaking that is being done
12 looking at alternative sites. We're in the process of
13 trying to determine what is an appropriate site.

14 I think there's a minimum number of four
15 or five as recommendation but in terms of what we're
16 going to in light of the new regulatory
17 infrastructures of utilities and that sort of thing,
18 we still need to take a look at that.

19 MR. CAMERON: Does that answer your
20 question?

21 MR. PENTECOST: Yes.

22 MR. CAMERON: All right.

23 Yes, sir.

24 MR. HIGGINS: Jim Higgins, Brookhaven
25 National Lab. As part of the application for this,

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1 you had mentioned about the emergency preparedness
2 part. I was wondering if that actually requires the
3 submit or the applicant to have all the agreements in
4 place with the local officials as part of the
5 emergency plan.

6 If, for example, the local political
7 organizations and the governments don't agree that
8 there is a possibility for safe emergency preparedness
9 and they are not willing to participate, how does that
10 affect the early site permit and does that preclude
11 it?

12 MR. KENYON: Let me ask -- there are two
13 answers actually. The first answer is the applicant
14 can submit a range of emergency planning information.

15 It can range anywhere from just
16 information that demonstrates that the emergency plan
17 is -- that the site is amenable to developing an
18 emergency plan and identification of impediments, to
19 actually submitting a complete emergency plan.

20 You might find that at a site where they
21 are proposing to build a nuclear plant next to other
22 plants that already have an emergency plan.

23 Sorry. Could you repeat the second
24 question?

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1 MR. CAMERON: Is there two answers to one
2 question or two answers to two questions?

3 MR. KENYON: No, that's the answer to the
4 first question.

5 MR. CAMERON: All right. And the second
6 question?

7 MR. HIGGINS: The second part was if the
8 local government doesn't agree that it's possible,
9 what would happen then?

10 MR. KENYON: As I understand it, the
11 applicant can develop its emergency plan.

12 Jerry, you have an answer?

13 MR. CAMERON: Oh, Jerry. Okay. Jerry.

14 MR. WILSON: Thank you. I think, first,
15 I should say for the benefit of the audience that Jim
16 and I used to work on a plant that went through this
17 issue. The way we handle it is the same as we have
18 said in the past, that we are going to invoke the
19 realism rule.

20 If a situation like that came up, that
21 would be determined prior to the authorization to
22 operate. At the early permit stage it would be, as
23 Tom stated, it depends on how much of the emergency
24 plan that the applicant wanted to resolve at that
25 stage.

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1 MR. CAMERON: Can you just put a little
2 bit of flesh on what the realism rule is for those who
3 may not know?

4 MR. WILSON: Ideally we would like to have
5 state and local officials agree to participate in an
6 emergency plan, but if they got to a situation where
7 the NRC believe there was an acceptable emergency plan
8 that could be developed and either state or local
9 officials stated that they wouldn't participate, we
10 make the assumption that in reality if there was a
11 real emergency, they would do their job.

12 MR. CAMERON: Thank you very much, Jerry.

13 Tom, do you have anything else that you
14 would like to add on that particular question?

15 MR. KENYON: No.

16 MR. CAMERON: Does that answer your
17 question? Good.

18 Other questions, comments in the audience?

19 MS. PATTERSON: I am Karen Patterson with
20 Tetrattech NUS. I have a question about the NEPA
21 review process. If you complete the review process
22 and issue the early site permit several years before
23 construction starts or several years before they
24 actually bank the site, do you anticipate that they'll

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1 have to do another NEPA review process to update their
2 environmental information?

3 MR. KENYON: The only thing they are going
4 to have to do is they are going to have to demonstrate
5 how the design actually complies with the parameters
6 that are in their early site permit. I believe we
7 would probably have to do an update to the
8 environmental impact statement just to address those
9 issues.

10 MS. PATTERSON: All right. So the outside
11 environmental you figure once you've done your first
12 NEPA analysis, that's good?

13 MR. KENYON: That's correct.

14 MR. CAMERON: Okay. We are going to go
15 back to Mr. Antonelli.

16 MR. ANTONELLI: Yes. Thank you. I just
17 wanted to piggyback on that question about banking.
18 Can it be modified subsequently, the site? For
19 example, if more units to be accommodated on a site,
20 can you to back and modify to use it in a future date
21 if a time period of a few years occurred before
22 construction? Thank you.

23 MR. KENYON: I may need to defer to OGC
24 but I think the answer would be it could be modified
25 but it would be subject to a hearing again.

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1 Is that true?

2 MR. CAMERON: Geary, do you want to say
3 anything on that particular point for us?

4 This is Geary Mizuno from Office of
5 General Counsel.

6 MR. MIZUNO: Let me just restate the
7 question so I can answer it. I believe the question
8 was whether an early site permit that was granted for
9 a specified number of units, whether that site permit
10 -- sorry, whether that early site permit could be
11 modified subsequently to allow for additional number
12 of units greater than that specified in the original
13 early site permit.

14 I believe that the early site permit could
15 be modified but the early site permit would then have
16 to be reopened to address that matter.

17 The regulation is not really clear on that
18 matter. In fact, that might be something that would
19 be worthy of comment and perhaps a proposal because
20 the regulation, as I recall, does not specifically
21 address that matter.

22 MR. CAMERON: Okay. Thank you, Geary. I
23 think we should just note and Geary's comment that
24 maybe there needs to be some clarification in the
25 regulations on that particular point. Maybe we'll

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1 pick that up later on for discussion about how that
2 actually happens or might happen.

3 Other questions out here or comments on
4 early site permits? Yes.

5 MR. MARTIN: Craig Martin again. Would
6 the Commission possibly give credit for existing
7 information based on a given site? For example, at
8 Savannah River there's been a mixed oxide fuel
9 fabrication facility planned for construction.

10 In terms of the attributes that you're
11 looking for in considering like seismology and
12 geology, etc., there's a significant amount of
13 information on each of those topical areas that is
14 available. Would that be useful and helpful, in your
15 view, to the consideration of an early site permit?

16 MR. KENYON: The answer is yes. Part 52
17 allows the applicant to reference other related
18 information. We would still be require it be
19 submitted, though, and we would still perform a review
20 of it but it certainly would be, you know, of great
21 assistance to the staff in doing its review. The
22 extent to which it would reduce our review hasn't yet
23 been determined yet.

24 MR. CAMERON: Geary, did you want to add
25 something on that?

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1 MR. MIZUNO: Just to be clear, right now
2 the regulations do not provide for credit in the sense
3 that if that information had been adjudicated in
4 another NRC proceeding, there's no current requirement
5 in our regulations that the NRC take that information
6 as information which has already been adjudicated
7 which is no longer open for re-review and potential
8 hearing in the early site permit.

9 I will say that is something that the NRC
10 is looking at. I believe that the Nuclear Energy
11 Institute informally discussed the possibility of
12 amending our rules, either Part 52 and/or Part 51 to
13 see whether credit could be given for that kind of
14 information.

15 By credit I mean the fact that once that
16 information -- had that information been adjudicated
17 in an NRC proceeding, a previous NRC proceeding, that
18 an ESP applicant could reference that information.
19 The NRC would treat that information as adjudicated
20 and acceptable for purposes of the ESP.

21 MR. CAMERON: Thanks for that
22 clarification, Geary.

23 Let me see if any of our colleagues at the
24 front table have any questions or comments.

25 Mike Weber.

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1 MR. WEBER: I had a question and perhaps
2 you could elaborate, Tom, on the differences that
3 would exist for an existing site for an ESP versus a
4 de novo site or a green site.

5 MR. KENYON: You mean in terms of the
6 extended review?

7 MR. WEBER: Yes, and the NEPA process.

8 MR. KENYON: Well, the NEPA process we
9 would have to go through the entire review for the
10 NEPA process. In terms of emergency preparedness
11 review, the site would probably already have an
12 approved emergency plan and the staff would probably
13 rely heavily on the approvals that were done on that
14 before so that would reduce the amount of review.

15 In terms of the site safety aspects of the
16 review, it depends on what kind of information they
17 have as current. They could refer back to the SERs.

18 If the SERs are 20 or 30 years old, we may
19 have to do some review of that information and perhaps
20 get some additional supporting information just to
21 show that the hydrology hasn't changed because of the
22 way that they built the buildings or the population
23 increases in the area, that sort of thing.

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1 I think the answer is it would reduce some
2 of our review effort but we still have to be
3 confirming the acceptability of the site.

4 MR. CAMERON: Anything else, Mike? Does
5 that answer your question?

6 MR. WEBER: I had another one but I think
7 there was one back there.

8 MR. CAMERON: Okay. Let's go out in the
9 audience and then we'll come back up to the table.

10 Yes.

11 MR. HEGNER: Joe Hegner, Dominion. Tom,
12 this is applicable to ESP and I just thought of it now
13 but it may be equally applicable to other parts of the
14 review process. Is the NRC looking at any and new
15 innovative ways of exchanging information, the huge
16 amount of information that would transpire during one
17 of these review processes?

18 In other words, for example, to what
19 extent can we rely on electronic information exchange,
20 websites, things of that nature, as opposed to hard
21 copy kind of information? Is there anything?

22 MR. KENYON: You mean in terms of making
23 the application?

24 MR. HEGNER: Yeah, to the extent that we
25 can rely on electronic information. I didn't mean

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1 specifically ESPs. I was wondering whether the NRC
2 was looking at that as part of the development of the
3 Project Office and how it expected to handle and
4 manage information as we made these kind -- went forth
5 in this arena.

6 MR. KENYON: Part of my answer relies on
7 what we've done with license renewal, that the
8 applicants for license renewal have submitted their
9 application on a CD or electronic form, although I
10 understand that they had to submit one hard copy of
11 the documentation.

12 The thing about it is the application has
13 to contain all of the information so if it's
14 transmitted electronically, it would still have to be
15 made available in our public document room in some
16 form.

17 MR. HEGNER: Were you thinking of perhaps
18 common websites or anything else besides what we are
19 currently experiencing, for example, like in license
20 renewal?

21 MR. KENYON: I don't have anything.
22 Maybe Rich Barrett.

23 MR. BARRETT: I don't think we can answer
24 the question in any great detail. I will say that one
25 of the areas we're looking at in terms of our

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1 readiness assessment is to ask this very question.
2 Maybe the larger question which is what can we do to
3 improve the efficiency and effectiveness of our whole
4 review process.

5 We haven't really gotten into the details
6 of that yet. I don't think we will have those answers
7 in our September report that we are going to be
8 talking about later today.

9 I think we all recognize that in the
10 future we are going to be dealing with applications
11 that have a greater sense of urgency both in the
12 review of the license, the early site permits, and in
13 the inspection of the construction because the
14 construction schedules are going to be -- at least are
15 anticipated to be compressed from our past experience.

16
17 We are going to be looking at ways in
18 which we can do a better job of project managing our
19 reviews using electronic techniques for both the
20 review, exchange of information during the review, as
21 well as for keeping track of things such as the write-
22 offs on construction approvals, construction
23 inspection approvals.

24 While I can't give you a lot of detail, I
25 can't give you any detail, I can say that this is a

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1 commitment that we feel is very, very important for us
2 to make because it's going to be absolutely necessary
3 for us to be successful in this new environment.

4 MR. CAMERON: There is a generic effort
5 going on at the agency called EIE, electronic
6 information exchange, that is being run out of the
7 Office of the Chief Information Officer that would
8 apply generically to any type of licensing.

9 Mike, put this on the parking lot and
10 maybe during the lunch break we can find out some more
11 about how you can get information on that EIE program.
12 I know that the NRMA, Nuclear Record Managers
13 Association, which a lot of people who work for the
14 utilities are working with the agency on how to do
15 that. We'll try to get more information.

16 Marsha.

17 MS. GAMBERONI: I'll just add that I think
18 we did pilot it and that's what we'll look up with at
19 least one of the operating plants and maybe some other
20 licensees in NMSS. That's what we can look up and
21 find out what the status of that is and maybe get
22 information on what the roll-out plan is, if there is
23 one.

24 MR. CAMERON: Good.

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1 MR. WEBER: If I could add, we are about
2 to continue that pilot for some of the larger fuel
3 cycle facilities in the Office of Nuclear Material
4 Safety and Safeguards. There are some limits as it
5 was rolled out in the pilot on file size. I think you
6 are limited to 15 megabytes. Documents that are
7 larger than that are submitted on compact disk.

8 We are also engaged in a rulemaking, or
9 will soon be engaged in rulemaking which will change
10 the regulations to allow the submittal of information
11 electronically and would remove the requirement for
12 paper submittal of documents.

13 I did want to make one comment. We
14 recently did receive the construction authorization
15 request for the mixed oxide fuel fabrication facility
16 and we received that in hard copy. It was three
17 binders. It might be about the same sort of
18 information you would expect for an early site permit
19 review or something like that.

20 It has been difficult to get that
21 information back out to members of the public who want
22 that information to review. For example, I think if
23 you wanted to procure a copy of the application, I
24 think it's \$45 for a two-CD set from the NRC. If you

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1 wanted to download that off of ADAMS, it takes a
2 considerable amount of time.

3 I think as we go forward in this area, we
4 are going to have to wrestle with that and come up
5 with a better way to do business because we need to
6 make that information available to the public and that
7 is part of how we do our work.

8 So it's a challenge I think we all are
9 wrestling with, and if you've got good suggestions on
10 how to best do it, we would be more than happy to hear
11 them.

12 MR. CAMERON: Okay. Thanks, Mike. Other
13 questions, comments on what we are discussing here?

14 Yes, sir.

15 MR. BELL: Good morning. My name is
16 Russell Bell and I'm with the Nuclear Energy
17 Institute. I want to clarify Geary Mizuno's comment
18 about credit for existing information. Industries
19 formerly proposed that credit be given in ESP
20 applications for information about an existing site
21 that has already been reviewed by the NRC and subject
22 to hearing. That is a formal, not informal, proposal
23 that the NRC has.

24 Mike, I have a question, too, if I may.
25 Jerry mentioned earlier, and Tom, you did, too, the

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1 restructured industry, the competitive marketplace and
2 so forth, and that some changes, and I think we're
3 going to hear about some later, to NRC regulations to
4 try and reflect those changes.

5 You also mentioned the need for power was
6 not going to be a subject of review in ESP
7 applications. Does that suggest that need for power
8 might be under your current thinking part of the NRC
9 review at some other phase in the process, or is that
10 one of the things that the NRC may be, or needs to,
11 revisit as a result of the restructured marketplace?

12 MR. KENYON: The need for power and the
13 cost of power are issues that are looked at during the
14 combined license stage. The thinking was, you know,
15 with an early site permit you really didn't need to be
16 concerned with whether or not there was a need because
17 you were only authorizing the site to have a nuclear
18 power plant.

19 You weren't authorizing the actual
20 construction of the plant and operation of the plant.
21 That is taken care of at the COL stage.

22 MR. BELL: As you may know, the industry
23 has also made some proposals to the NRC that perhaps
24 need for power is something the NRC need not concern
25 itself at any point. Frankly, it is unlikely one of

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1 the utilities would bring forward a plant that is not
2 needed in this competitive environment. That was the
3 essence of our proposal.

4 Similarly, on the alternative sites a
5 nuclear operating company may own a particular site
6 that they have in mind to put a new nuclear plant on
7 and there may not be alternatives available.

8 We propose that consistent with the NEPA
9 requirements as they are spelled out, that the NRC
10 concern itself with alternatives, mitigation, perhaps,
11 alternatives related to or within the context of the
12 specific site proposed by the applicant and not
13 alternative sites.

14 These things eminent from the changed
15 marketplace and the energy industry and we have made
16 particular specific proposals to the NRC in this
17 regard.

18 MR. CAMERON: Just to get a clarification,
19 Tom answered the question about the need for power in
20 the context issue in the context of the early site
21 permit.

22 Jerry, do you want to add anything on need
23 for power in terms of the COL?

24 MR. WILSON: Yes. The thinking was at the
25 time we were writing Part 52 that once a utility was

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1 seeking an early site permit, what they were saying in
2 effect was, "We're not ready to build the plant yet
3 but we think in the future we are going to.

4 We know where we're going to build the
5 plant so let's bank that site at this point in time
6 and then later on when the need arises, then we'll
7 submit an application to actually get authorization to
8 build the plant."

9 With that thought in mind, we said that
10 for the early site permit, we wouldn't ask an
11 applicant to demonstrate need for power. We would
12 defer that to the combined license stage.

13 That was the idea there that we didn't
14 require a need for power for early site permits and we
15 would defer that decision to the COL stage when they
16 came in to actually build the plant and that's when
17 they would demonstrate the need.

18 MR. CAMERON: Thank you, Jerry.

19 Other questions or comments on this
20 particular issue?

21 MR. BARRETT: Chip, I would like to say a
22 word. This is Rich Barrett. We've had a number of
23 questions about the specifics of the rulemakings
24 associated with Part 52 and Part 51. I just wanted to
25 call everybody's attention to the fact that we do have

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1 a presentation scheduled this afternoon that will go
2 into some more detail about that.

3 With regard to the proposal we just heard
4 about from the Nuclear Energy Institute, that is one
5 of several proposals from NEI that have been made to
6 us in recent meetings, one in early April and one in
7 June.

8 I believe we also have a letter from NEI
9 suggesting that the NRC delay the rulemaking on Part
10 52 and Part 51 so that some of these issues can be
11 addressed in that rulemaking. That is where I think
12 the status of that is right now. I think Russ is
13 shaking his head yes.

14 Jerry, is that correct?

15 MR. CAMERON: Rich, thank you for that.
16 I guess Eric and Diane may provide -- will provide
17 more information on that this afternoon in their
18 presentation.

19 MR. BARRETT: Right. That will be a
20 further opportunity for questions of this type.

21 MR. CAMERON: Okay.

22 Do we have anybody else here? Yes.

23 MR. ACKRUM: Thank you, Chip. Al Ackrum,
24 Pacific Northwest.

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1 Tom, could you elaborate a little bit on
2 your bullet on slide 11 that says, "Environmental
3 Justice?" What sorts of things are you looking for
4 under that topic heading in an early site permit?

5 MR. KENYON: Staff looks to if
6 constructing the plant in the particular area could
7 impact minority groups, people who really don't have
8 the resources to fight the large companies.

9 They take a look at whether or not there's
10 a particular population area that would be affected
11 and should they be minorities, we have to consider
12 whether or not it's appropriate to ensure they are not
13 being unjustly affected because they don't have the
14 wherewithal to fight the installation of the plant
15 there.

16 MR. CAMERON: Tom, I'm going to go to Bob
17 Weisman from our Office of General Counsel who may be
18 able to put a little bit of more explanation on where
19 the environmental justice issues originated from.

20 Bob.

21 MR. WEISMAN: Yes. Environmental justice
22 comes out of an executive order and the executive
23 order provides that federal agencies should look at
24 high and adverse impacts to minority populations and
25 low-income populations.

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1 What the Commission is doing is first we
2 look to see what populations are around the proposed
3 site and then we do a disparate impact analysis to see
4 if there are any high and adverse impacts to those
5 populations. In a nutshell that's what we do in that
6 analysis.

7 MR. CAMERON: Thank you very much, Bob.

8 Other questions? Okay. It is 11:00 and
9 we are unusually ahead of schedule here. I would
10 thank Tom for that presentation and I guess I'm going
11 to ask Marsha and company, do you want to put Jerry on
12 at this point and do that?

13 MS. GAMBERONI: I think I'm just a little
14 concerned if you went ahead that some people might --
15 since we posted this schedule on the webpage, that
16 some people thought they might come just for the
17 afternoon and might be expecting, you know, to hear
18 design certification discussion. I didn't want to get
19 too far off the schedule that somebody might miss what
20 the plan was.

21 MR. CAMERON: Okay.

22 MS. GAMBERONI: Does that sound
23 reasonable?

24 MR. CAMERON: Well, it does sound very
25 reasonable, although we could always test it at that

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1 point and maybe give a short summary of Jerry's
2 presentation. Unless someone has, "What I did on my
3 summer vacation," we could stay here for a while. It
4 is fairly early to break but, Eric, Marsha, what is
5 your pleasure?

6 Jerry, if you don't mind, we thought we
7 would go to design certification. When we come back
8 from lunch we'll ask if anybody is here that came
9 specifically for design certification and we'll just
10 reiterate that. We won't be behind the game at that
11 point. Okay?

12 Jerry, are you ready? All right.

13 This is Jerry Wilson again.

14 MR. WILSON: Thank you. Could I have
15 slide 2?

16 I'm going to cover background and purpose
17 of design certification, the process, and public
18 participation.

19 Slide 3, please. Now, this part of Part
20 52 has received a lot of action in the past decade.
21 The purpose of it is for applicant and, in particular,
22 vendor to get preapproval of a standard nuclear plant
23 design so they would be able to put that design out
24 there available for sale with the understanding that

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1 if it was referenced, that it has already been
2 reviewed and approved.

3 It comes with a 15-year duration. It is
4 the highest level of design approval that the NRC has
5 ever issued. Goal is to reduce licensing uncertainty
6 and facilitate standardization.

7 Slide 4. Our review scope and design
8 certification. While I'm talking about this, I want
9 to recall how we've done design approvals in the past
10 under Appendix O. In the past we have given design
11 approvals for nuclear steam supply systems and balance
12 of plants.

13 One of the outcomes of that was, I
14 believe, by our senior manager who said there is a lot
15 of interfaces between the nuclear steam supply system
16 to balance a plant that became problematic at the time
17 of eventual licensing of the design and even during
18 the operation of the design.

19 In the future what they wanted to see was
20 essentially a complete design which meant the whole
21 plant with the exception of the site specific design
22 feature such as the ultimate heat sink. The review
23 scope is nuclear steam supply system and the balance
24 of plant. We want to see final design information.

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1 In the case of site parameters, since you
2 are approving the design and you don't know what the
3 site is, what we had the applicants do is specify site
4 parameters. For example, your seismic design they
5 would specify a particular acceleration and design the
6 plant on that.

7 They would look out at all the typical
8 seismic criteria around the country and pick a
9 criteria such as three-tenths of the acceleration of
10 gravity that would be adequate for most of the sites
11 that someone might apply to build the plant at. We
12 had a range of site parameters, seismology, hydrology,
13 wind spreads, tornadoes, areas like that.

14 Then they also had to specify interface
15 requirements between the essentially complete design
16 and those site-specific design features such as the
17 ultimate heat sink. You would have to have some sort
18 of an interface as to what that design needed from the
19 cooling systems.

20 Finally, you would provide the ITAAC for
21 the scope of the design that was in the design
22 certification which was a majority of the ITAAC needed
23 but it didn't cover the ITAAC on operational programs.

24 Slide 5, please. As you see here, design
25 certification as specified in Subpart B of Part 52.

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1 Our design reviews are very similar to reviews we've
2 done on designs for construction permits and operating
3 licenses. We use our standard review plan, the
4 supporting regulatory guides for all of our regulatory
5 standards in Part 20, 50, 73, and 100.

6
7 Also, we had a number of Commission papers
8 discussing policy issues. The Commission's goal at
9 the time that we had done design certifications in the
10 '90s was that the plants that were certifying are
11 going to be at a higher level of safety in the
12 operating fleet.

13 That is the goal that the Commission
14 expressed in its policy statement for future plants.
15 We came up with additional regulatory criteria to deal
16 with severe accidents in these designs. Those are set
17 out in a variety of Commission papers that were issued
18 in the '90s.

19 Finally, what I did is I had all of the
20 papers on rules and policy issues implementing
21 guidance feeling if all the design certifications put
22 together a regulatory history of all the design
23 certifications we did in the '90s, and you can find
24 that under ADAMS. I have the accession number here.

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1 Turn to that and you'll find 100 documents that were
2 used in our design certification reviews.

3 Slide 6. I think another part of design
4 certification is not only what we sought to do but
5 what we didn't do. This is important for someone who
6 references the design as to what remains to be done.
7 Obviously in design certification we didn't do the
8 environmental review so if you referenced a certified
9 design, you would have to provide that information in
10 your combined license application.

11 You would have to describe operational
12 programs, what things the utility would be doing such
13 as its training program for operators. You would have
14 to provide all of the site safety information that you
15 would have to provide and was described for an early
16 site permit. And also we describe site specific
17 design features like the ultimate heat sink.

18 Now, in addition we also had certain
19 design areas that the previous applicants for design
20 certification did not provide. In our first two
21 applications, which were the advanced boiling water
22 reactor and the System 80+ design, they didn't provide
23 final design information on the piping design, on the
24 radiation protection issues, on the instrumentation

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1 and control design features, and on the human factors
2 are man/machine interface in the control room.

3 The certified designs don't have that
4 information, although on AP600 they did have the
5 piping design and the radiation protection design
6 information in their certification.

7 Next slide, please. This is our process.
8 You see, with the application for certification we put
9 out a notice of receipt of the application and we
10 notice an opportunity for a hearing on the review.
11 Provided there is sufficient information, we initiate
12 a staff review and we have periodic public meetings to
13 discuss the design with the applicant.

14 At the conclusion of our review we issue
15 a safety evaluation report and we submit that to the
16 advisory committee for their review. That is also a
17 public meeting process.

18 Finally, we issue a notice of rulemaking
19 because design certification is a rulemaking process.
20 As part of that process there is also an opportunity
21 for a hearing. Upon completion of the rulemaking and
22 any hearing that is held, the Commission makes a
23 decision on the issuance of the design certification.

24 Slide 8 just summarizes those
25 opportunities for public involvement.

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1 Could we go to slide 9? The results of
2 our reviews are in meeting summaries, safety
3 evaluation reports, and our design certification rules
4 which we have issued three and they are currently
5 located in Part 52.

6 Finally, on slide 10 it shows the three
7 designs that the Commission has certified. We are in
8 the process of preparing for an application from
9 Westinghouse for the AP1000 design. We are
10 anticipating receiving that next year.

11 Chip, with that, I'm ready for questions.

12 MR. CAMERON: Okay. Thank you very much,
13 Jerry. That's a third piece in this process that
14 we've just heard about, design certification.

15 Do we have questions here? Comments on
16 design certification?

17 Yes.

18 MR. PARME: Larry Parme, General Atomics.
19 Jerry, I would like to -- this is probably the same
20 question you were asked before. Timing and what an
21 applicant might expect.

22 I do understand your qualifications. They
23 make perfect sense but under ideal questions where you
24 get a well-prepared application, what might an

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1 applicant for certification expect in terms of time if
2 the NRC needs to review this?

3 MR. WILSON: It's really hard to predict
4 that but the three factors that control reviews are
5 quality of the application, availability of review
6 resources, and the priority of your review. As you
7 know, we have a lot of applications at the NRC at any
8 one time and we can't work them all so prioritization
9 becomes a key part of that.

10 Now, assuming we had sufficient resources
11 and you had sufficiently high review of priority, we
12 would take on the application. Duration of the
13 initial part of the review is going to be dependent on
14 the application's adequacy as it resolves all the
15 staff's concerns, as it addresses all of the issues
16 set forth in a standard review plan.

17 That takes some period of time for the
18 staff to assure itself that all those issues have been
19 addressed. Then you would go into rulemaking.
20 Rulemakings typically take a hear with no controversy
21 and longer with controversy. It's hard to imagine a
22 review taking less than two years and depending on
23 whether there's testing issues and policy issues, new
24 regulatory guidance, it's going to take in addition to
25 that.

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1 MR. PARME: So basically three years plus
2 would be reasonable anticipation. I'm not holding you
3 to three years but it's something beyond that?

4 MR. WILSON: Um-hum.

5 MR. CAMERON: Thank you.

6 Let's get you on the record. Just give us
7 your name too, sir.

8 MR. BAKER: Bob Baker again. You nodded
9 your head to the three years. What you're saying
10 under idealistic conditions the best that anybody
11 could expect with everything going for them,
12 outstanding supplemental, is three years?

13 MR. WILSON: I'm not going to say that
14 because I've never been in an idealistic situation.
15 I have no basis for that.

16 MR. BAKER: I understand that but we are
17 all trying to plan for the future and figure out what
18 our schedules are and what our costs are and all this
19 has a great bearing on what the industry plans to do
20 in the future.

21 Obviously you at the NRC, if you can't
22 answer it today, obviously we need to put it on the
23 parking lot or something. What we are really
24 proposing is an idealistic situation which isn't real.

25 At the same time, and you don't have to

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1 answer this, there are probably some kind of cost
2 range for industry making a supplemental as to what
3 that would cost in the future, NRC cost to obtain
4 certification.

5 MR. CAMERON: Thanks, Bob. We're going to
6 go to Rich and Jerry and then, Rich, or whatever.

7 Rich, you wanted to provide some more
8 information and then we'll go to this gentleman.

9 MR. BARRETT: Yeah. I just want to say a
10 couple of things. First of all, we recognize this is
11 a very important question. As we do the readiness
12 assessment that we are doing right now, one of the
13 items we are going to get a handle on is what do we
14 think are reasonable schedules for the various types
15 of reviews or what we call scenarios. A scenario
16 would be a design certification of the scenario. An
17 early site permit is a scenario.

18 We publish our readiness assessment
19 report. We send it to the Commission in September and
20 we expect to have information on the types of
21 schedules and the types of resources associated with
22 these reviews. That's a work in progress right now.

23 In addition to what Jerry said about all
24 of the things that would affect that, there's one
25 other thing, too, as well, and that is the scope of

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1 the review. For instance, in the case of the AP1000
2 the applicant is trying to limit the scope of the
3 review by referencing a lot of the information that
4 has already been approved about the AP600 design and
5 folding that constant for the AP1000 design.

6 That should simplify the review phase.
7 That is an additional factor. All the qualifiers
8 Jerry already put in there. Our bottom line is we
9 recognize this is important to you. It's important to
10 us and we are trying to get a handle on it.

11 MR. CAMERON: Thanks, Rich.

12 Jerry, anything to add?

13 MR. WILSON: No.

14 MR. CAMERON: Okay.

15 MR. WILSON: I recognize the need for
16 certainty but it's hard to provide certainty in that
17 type of review.

18 MR. CAMERON: All right.

19 Yes, sir.

20 MR. BEACH: I'm Robert Beach from Fluor
21 Hanford. Just a question on capability within the NRC
22 today. Do you have the technical capability to review
23 a design review, for example, for a liquid metal
24 cooler reactor or a gas cooled reactor?

25 MR. CAMERON: Thank you.

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1 MR. WILSON: Once again, these are issues
2 we are looking at in our readiness assessment.
3 Clearly in the case of liquid metal cooled reactors
4 and gas cooled reactors we have very limited
5 experience in those reviews. We have done some review
6 of prism and safer designs in the late '80s, early
7 '90s.

8 Also the MHTGR design. We have a few
9 people but any application we have to improve our
10 technical capability in that area. As I say, we're
11 looking at critical skills as part of our readiness
12 assessment.

13 MR. CAMERON: There is a presentation
14 tomorrow at 9:00 on readiness assessment
15 organizational development staffing. We'll note that
16 on the parking lot and come back to it.

17 John Flack, NRC staff. John.

18 MR. FLACK: Yeah. This is John Flack from
19 the Office of Research. This is one of the major
20 objectives of a preapplication review is to really
21 figure out what we're going to need to do the
22 application and establish that infrastructure.
23 This is what we're going through with Exelon right now
24 basically. This is trying to get a handle on that.

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1 With respect to the office itself, as we
2 begin to approach that question in establishing the
3 infrastructure, we are using a matrix approach which
4 is not only utilizing the resources already in the
5 Office of Research, for example, in thermohydrolics
6 and fuels but, at the same time, bringing the office
7 up to speed in high tech and evolving technology. We
8 are taking advantage of the situation now in trying to
9 catch up and establish that infrastructure so when we
10 get the application in, we will be prepared for it.
11 Thank you.

12 MR. CAMERON: Thanks, John.

13 Anybody at the table? Jim? Rich?

14 Ah, Bob. Bob Weisman.

15 MR. WEISMAN: I just wanted to point out
16 that the three designs that we certified so far did
17 not involve any request for a hearing. If there was
18 a request for a hearing involved, that would also
19 extend the schedule beyond what the staff is
20 projecting.

21 MR. CAMERON: Thanks, Bob. That is useful
22 information.

23 Let's go back to Steven Antonelli.

24 Steven.

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1 MR. ANTONELLI: Thank you. I just have a
2 clarification on your slide 10. I didn't really
3 understand it, the standard design certification. I
4 thought earlier we were talking that you may have
5 received a preapplication for the pebble bed and I
6 didn't see it listed here so I don't really know what
7 the slide says. Maybe you could explain it again.

8 MR. WILSON: Let me clarify that. We are
9 doing a preapplication review of the pebble bed
10 reactor and that is a review in anticipation of an
11 application for a combined license. We discussed that
12 in my earlier presentation on combined licenses.

13 In the case of AP1000 they are
14 anticipating submitting an application for design
15 certification next year. That is why they are on this
16 list on slide 10.

17 MS. SMALL: Steven, do you -- thank you.
18 Anybody else? Yes.

19 MR. SILLIN: Hi. I'm John Sillin with
20 Mactec. Just a question. How long did it take for
21 the certification to be approved for the three
22 previous designs that are already certified?

23 MR. WILSON: ABWR, I think the initial
24 application came in in '87. If I recall, the safety
25 evaluation report was issued in '94 and the rule was

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1 issued in '95. Eventually the process was completed
2 in '97. System 80+, if I recall, they started in
3 about 1989 and they also completed in 1997.

4 AP600, their application came in 1992 and
5 their SER was issued in '98. Their final rule was
6 issued in December of '99.

7 MR. CAMERON: Okay. Thank you. Did that
8 give you the time? As Bob Weisman pointed out, it may
9 not be reflective of what will happen if there is a
10 hearing.

11 MR. QUINN: Jerry, I think it's important
12 to ask you on gas reactor technology if you look at
13 infrastructure issues. I understand there will be a
14 discussion tomorrow on the readiness of the
15 organization, but I think it's appropriate today to
16 look at some generic issues that address things such
17 as containment, fuel integrity.

18 That process that could be defined as
19 preapplication issues, but you can look at it from
20 staff infrastructure issues. You can look at it from
21 the generic issues that should be addressed as part of
22 the near-term.

23 Can you advise how you look at the
24 technology of gas reactor process knowing that there
25 are lessons learned from, say, the AP600 going to the

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1 1000. What are you doing with the staff and what do
2 you see as key areas to focus on?

3 MR. WILSON: I think in the case of gas
4 reactor the staff capability and issue resolution from
5 the light water reactor in a lot of areas is available
6 and the difficult part of the review is going to be,
7 first of all, what testing needs to be done and,
8 second of all, issues in the gas reactor where they
9 change more emphasis on prevention and less on
10 mitigation.

11 What does that mean in terms of our
12 regulatory criteria? How is the Commission going to
13 deal with that on a policy level. That is going to be
14 the most difficult part of the review.

15 I'll ask John Flack if he wants to amplify
16 that answer.

17 MR. FLACK: Jerry always gives me the easy
18 questions to answer.

19 Well, remember now that we've gone through
20 this process somewhat before with the MHTGR and we've
21 learned a lot from that process. Right? So the
22 question is starting from that point where are we
23 today that's different.

24 A lot of these questions are tough
25 questions. We are going to rely on the Commission

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1 guidance on this. We're going to package what we can
2 through SECY papers. We plan two SECY papers on our
3 preapplication review of the pebble bed this November
4 and another one later next year, probably mid next
5 year, that will be raising these to the Commission.

6 The question is how much technical
7 information we can provide in establishing a basis for
8 that decision as part of this preapplication review.
9 These are the ones we're struggling with but we expect
10 to come up with a clear proposal option on a pathway
11 through this and it's ultimately going to be a
12 Commission decision in the end. I don't know if that
13 helps. Maybe Rich can answer.

14 MR. BARRETT: Yeah, John. I was going to
15 point out we actually published a Commission paper on
16 the 2nd of May on this subject where we outlined what
17 we thought were the important parts of the
18 preapplication review. I don't recall the SECY
19 number.

20 MR. FLACK: For the pebble bed it's 00-70.

21 MR. CAMERON: Did everybody catch that?
22 We'll put it on the board in case you didn't. That's
23 the SECY number on it.

24 MR. FLACK: SECY 00-70 that talks about
25 the plan on the pebble bed review, preapplication

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1 review. We could talk about this a little more
2 tomorrow during the preapplication discussion.

3 MR. CAMERON: Okay. Great. Does that at
4 least begin to get to your issues? All right.

5 MR. BARRETT: There also have been a
6 number of public meetings with Exelon which have been
7 documented. Minutes of those meetings have been
8 docketed and those should be available as well.

9 MS. GAMBERONI: And are available on that
10 web page that I mentioned earlier, as well as I
11 believe that SECY is on there. If it's not, we'll
12 double check to make sure it is on there. All that
13 information if you go to that website, you'll see
14 activities listed as one of the items you click on and
15 preapplication reviews.

16 Then it goes into the specific
17 preapplication reviews and you'll see the meeting
18 summaries that Rich mentioned, as well as the
19 background document.

20 MR. CAMERON: Okay. Thank you, Marsha.
21 Other questions, comments?

22 Okay. Thank you Jerry. Jerry, just be
23 alert to the fact that when we come back from lunch if
24 we need to have you do a quick reprise on design
25 certification.

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1 MR. WILSON: I have to come back?

2 MR. CAMERON: Okay.

3 MS. GAMBERONI: Yes.

4 MR. CAMERON: The presentation was good
5 enough so that I'm sure someone else can do it.

6 We will break for lunch at this point.
7 It's a little bit, I guess, before 11:30, or after
8 depending on which way my watch is wrong. How about
9 5 after 1:00 be back. That gives you approximately an
10 hour and a half. If you need to know eating
11 possibilities, just talk to one of us and we'll tell
12 you that. We'll resume a little bit after 1:00.
13 Thank you.

14 (Whereupon, at 11:34 a.m. off the record
15 for lunch to reconvene at 1:05 p.m.)

16

17

18 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

19 1:08 p.m.

20 MR. CAMERON: Good afternoon, everybody.
21 Welcome back from lunch. We're going to start off and
22 revisit one point that we talked about this morning.
23 Jerry Wilson when he was talking about Part 52 talked
24 about various options. Then we had a question from

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1 Steven Antonelli about why isn't pebble bed up on the
2 design certification.

3 It raises the whole issue of what I call
4 the mix and match capability of Part 52. In other
5 words, there are all sorts of ways you can go through
6 this process. Jerry was just going to take a minute
7 to do that for us.

8 Then I want to ask whether there is
9 anybody new here this afternoon who specifically came
10 to hear the design certification presentation from
11 this morning. We were ahead of schedule. We did that
12 presentation but we will be glad to go back and do
13 that again if we need to.

14 Jerry, do you want to try to talk about
15 the options and sequencing or whatever?

16 MR. WILSON: Yes. Thank you, Chip. As I
17 said this morning, the Commission has been licensing
18 nuclear power plants with its two-step licensing
19 process that is set forth in Part 50 of our
20 regulations. That process is still available.

21 But the Commission also set out to provide
22 alternatives to that process so we have several
23 alternative licensing processes in Part 52. On this
24 slide you see the first one is early site permits and
25 that's for utility that is seeking to bank a site in

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1 anticipation of using it in the future to build a
2 nuclear power plant.

3 Also we have design certifications.
4 That's where you seek preapproval for a design that
5 someone could reference and build in the future. We
6 have our combined license process which is shorthand
7 for combined construction permit and conditional
8 operating license. That's our prime process for
9 reforming the licensing process to build a new nuclear
10 plant.

11 Then we also have some other alternative
12 licensing processes that were formerly in Part 50 that
13 are now in Part 52. Appendix M is for manufacturing
14 license. Appendix N is for duplicate plants built on
15 different sites.

16 Appendix O is our process for obtaining
17 preliminary and final design approvals. And finally
18 Appendix Q is a process for getting approval of
19 certain sites suitability issues. All of those
20 alternatives are available and ready to go.

21 MR. CAMERON: In terms of how a particular
22 applicant wants to use those, they could really use
23 anyone of those bullets and none of the others if they
24 wanted to? I mean, can you combine them in various
25 ways?

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1 MR. WILSON: Yes. An applicant for a
2 combined license could come in with his design
3 information and site information and seek a combined
4 license that way. Or they could reference an early
5 site permit and then provide design information or
6 reference a design certification and provide the site
7 information.

8 Or reference both an early site permit and
9 a design certification, demonstrate that that plant
10 design fits on that site, provide the additional
11 information about the utility and its operational
12 programs, and then get a license that way.

13 MR. CAMERON: Okay. Let's just go out and
14 see if anybody has any questions on this.

15 Yes.

16 MS. PATTERSON: Karen Patterson from
17 Tetratech NUS. I'm going to display my ignorance here
18 but since this was promulgated when the possibility of
19 new nuc was not very, you know, low on people's
20 screen, has this ever been tested in court? I mean,
21 have you ever gone through this? Do you see that it
22 may be held up for an extended period of time legally?

23 MR. WILSON: After Part 52 was issued in
24 1989 there was a suit challenging whether or not
25 certain features of Part 52 conform to the Atomic

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1 Energy Act. That was processed and the NRC won on
2 that. I don't think we'll have problems with legal
3 challenges on the process.

4 MR. CAMERON: Okay. Yes.

5 MR. PARME: Larry Parme, General Atomics.
6 Jerry, one or more potential future applicants is
7 looking at going first for a combined license but
8 ultimately interested in design certification. Do you
9 think you could elaborate perhaps a bit more on
10 somebody who went for a combined license first to
11 build that first plant but was looking to certify that
12 as the standard design.

13 Incrementally once I get a combined
14 license, what additional work or what would be the
15 expectations of NRC perhaps just to give us some
16 feeling of what more would be required to get that
17 certification on something that you've gone through
18 and gotten the combined license for?

19 MR. WILSON: Probably -- let me assume the
20 design is approved for the combined license, which it
21 would be, and is finalized, and all of the testing had
22 been completed.

23 If the applicant didn't plan to make any
24 changes to that design when they came in for design
25 certification, then the design review would be

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1 completed, in effect, and it's just a matter of
2 processing it and making sure there weren't any
3 regulatory changes in the interim from when the COL
4 was issued to when the design certification would be
5 processed and then going through the rulemaking.

6 I don't know of any additional
7 requirements but the specifics depends on exactly how
8 the COL review would be done.

9 MR. CAMERON: Does that take care of your
10 question?

11 MR. LYONS: This is Jim Lyons. Maybe,
12 Jerry, there's one other thing that I was just
13 thinking about off the top of my head was that for the
14 site parameters that if you did a combined license,
15 you were looking at a specific site and you might have
16 set your design parameters just for that site.

17 MR. WILSON: That's a good point.

18 MR. LYONS: You might want to expand those
19 parameters so that it could meet more sites.

20 MR. WILSON: That's right. Let's assume
21 for purpose of discussion that for the COL the site
22 was such that the seismic input was .2G. Then they
23 wanted to make a design that could be cited at many
24 more sites and they changed that to .3G or increased
25 wind speeds or something about flood levels at the

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1 site. Setting parameters could affect the design.
2 That could mean redesign and re-review. It depends.

3 MR. CAMERON: Okay.

4 MR. BARRETT: If I could ask a question.
5 I think earlier when we had a similar question, one of
6 the issues that came up was to what extent the same
7 information has to be adjudicated again. It seems
8 that it probably would have to be adjudicated again
9 for a separate action like this. Would it?

10 MR. CAMERON: That is a question directed
11 to our Office of General Counsel?

12 MR. BARRETT: I think Geary answered this
13 question before.

14 MR. CAMERON: Do you get the gist of --
15 okay.

16 MR. MIZUNO: Well, what I was talking
17 about before was the context of the finality of
18 information in the context of an early site permit.
19 The same concept also applies here which is that there
20 is nothing in Part 52 that specifically provides for
21 finality of information that was approved and
22 adjudicated in issuance of a combined license for
23 purposes of having issue finality in a subsequent
24 design certification.

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1 To put it into concrete terms, I think
2 that Exelon is considering getting a combined license
3 for their specific site using the PBMR technology, and
4 then following up sometime later with a design
5 certification application.

6 The fact that Exelon may be able to get a
7 combined license using the PBMR design doesn't negate
8 the need to go through the design certification
9 process and to have all issues open for notice and
10 comment in the subsequent design certification
11 rulemaking.

12 MR. CAMERON: Does that answer your
13 question, Rich? Okay. PBMR better known as the
14 pebble bed? All right.

15 Any other questions on this sort of
16 overview of how Part 52 and these other items fit
17 together?

18 Yes.

19 MR. PARME: Given what you are pointing
20 out on the legal aspects of a follow-on to a design
21 certification, would it be to the benefit of an
22 applicant following this path where the first focus is
23 on a combined license and then with a later goal of a
24 design certification, would there be a benefit then to
25 applying for both simultaneously so that you

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1 officially go through the review for both purposes at
2 the same time and you don't reopen the same questions?
3 I don't know if you can answer that.

4 MR. CAMERON: Does anybody from the staff
5 want to say anything about that before we go to --
6 Jerry.

7 MR. WILSON: I'll just say you could do it
8 that way. I mean, it would be an extra review effort
9 going on in parallel. There would be mandatory
10 hearing for the combined license. Then there would be
11 a notice and comment rulemaking for the design
12 certification. Basically the issues should be the
13 same. In both cases we want to have a resolution of
14 a complete final design. You could do it that way.
15 It depends on what your goals are.

16 MR. BARRETT: It would certainly simplify
17 the review if the same information was submitted
18 simultaneously about the design for the two purposes.
19 That, it seems to me, would be important from a
20 resource, cost, and a schedule perspective.

21 MR. CAMERON: Okay. Let's let Geary add
22 one thing and then we're going to go back to Steven
23 Antonelli.

24 Geary.

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1 MR. MIZUNO: I guess I just wanted to
2 caution people that although you may have a
3 simultaneous rulemaking and a licensing proceeding
4 happening at the same time and the staff's or the
5 Commission's review scope may be overlapping and
6 largely the same with respect to design, there is
7 still the separate procedures that have to be
8 followed.

9 You couldn't combine the combined license
10 proceeding with the rulemaking hearing -- sorry,
11 rulemaking notice and comment and possibility of
12 hearing. I mean, they would be separate and the
13 issues would be separate because in the combined
14 license proceeding, the issues that would be open for
15 purposes of a hearing would be limited to those things
16 which meet the contention standards. Whereas in the
17 design certification rulemaking, basically any and all
18 issues can be raised as part of a notice and comment
19 proceeding.

20 MR. CAMERON: Thank you, Geary.

21 Let's go to Steven Antonelli.

22 MR. ANTONELLI: Hi. This is Steven
23 Antonelli, public citizen. You may have just answered
24 my question but I guess an issue that has come to my
25 mind is the question of the hearings. The difference

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1 is that for the design certification it's not a
2 mandatory hearing. Did I say that correctly? Yes.
3 And the combined licensing it is.

4 If there is some alternate of these two
5 processes, is there a priority about the kind of
6 hearings? Would they in terms of a legal sense cover
7 each other or not? I guess that was the issue I would
8 like to know in terms of hearings and the sequencing
9 of the way that someone presents their applications.

10 MR. CAMERON: Thank you, Steven. I think
11 Geary is going to try to give us an overview on that
12 right now.

13 MR. MIZUNO: First of all, it is the NRC's
14 position that the notice and comment opportunity
15 required by the Administrative Procedure Act, in fact,
16 is a hearing and satisfies any requirement for a
17 hearing as that term is used in the Atomic Energy Act.

18 But it is true if you're talking about a
19 hearing in the context of an adjudicatory proceeding,
20 especially a formal adjudicatory proceeding where
21 people think about it in terms of a trial typically
22 used in nuclear power plant licensing proceedings,
23 that there is no requirement for that kind of a
24 hearing as part of design certification.

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1 However, Part 52 does provide the
2 Commission with the discretion to provide both an
3 informal hearing as well as a formal hearing from an
4 adjudicatory trial like hearing in certain
5 circumstances. The circumstances are -- at least the
6 Commission has talked about the procedures and the
7 circumstances and the standards that would be used in
8 the -- those are proposed rulemakings for the past
9 three design certifications, the ABWR, the CE System
10 80+, and the AP600. What that published?

11 MR. CAMERON: Yes.

12 MR. MIZUNO: So if you look back at those
13 Federal Register notices, you will see in the proposed
14 design certification rulemaking a discussion of the
15 Commission's procedures and standards that would be
16 used to evaluate whether informal and possibly formal
17 hearings would be provided.

18 Did that answer your question with respect
19 to design certification? Was there any additional
20 aspect of hearings that you wanted to have me discuss?

21 MR. ANTONELLI: No. I was just sort of
22 being hypothetical about the sequencing of these sort
23 of three parts of design in the early site permit and
24 what would happen if there was sort of a conflict.

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1 MR. MIZUNO: I think the important thing
2 to remember is something that Jerry said, I think,
3 several times now. Each aspect of Part 52 is a
4 separate process and can be used independently and can
5 be juggled around.

6 In terms of the time sequence, they don't
7 necessary have -- you don't necessarily have to see
8 one before the other. And there are hearing
9 opportunities associated with each stage, although the
10 opportunities and the standards vary.

11 MR. CAMERON: Thanks, Geary. That was a
12 nice summary. Anybody want to add anything at this
13 point? Okay.

14 I would like to ask the audience. We did
15 get a little ahead of ourselves this morning and the
16 item that is on your agenda at 1:30, design
17 certification, we covered that as the last item this
18 morning with the caveat to all of us that if someone
19 came specifically to hear that particular
20 presentation, that we would do a summary of it.

21 I know there are people here who were not
22 hear this morning. Does anybody want us to go through
23 that particular presentation again, design
24 certification? We'll be glad to do that so don't be
25 bashful about it. Throw a shoe or something like

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1 that. All right. Okay. But if you do have questions
2 on design certification anytime today or tomorrow,
3 bring it up and we'll ask it.

4 Jerry, do you have another presentation or
5 are you done?

6 MR. WILSON: I'm done.

7 MR. CAMERON: All right. Thank you.

8 Okay. We're going to go to Joe Sebrosky
9 right now. Joe is the construction reactivation
10 project manager in the New Reactor Licensing Project
11 Office and he's going to talk about construction
12 inspection and reactivation construction permits.

13 MR. SEBROSKY: Thank you, Chip. May I
14 have slide 2, please.

15 I guess what I wanted to do in my
16 presentation is reiterate some points that Jerry made
17 earlier today and talk about how ITAAC fits in with
18 the construction inspection program.

19 Then I would like to talk about an issue
20 that we are currently trying to resolve and we have a
21 Federal Register note out on right now seeking
22 comment, and that is programmatic ITAAC. I'll give
23 you some background on that.

24 Then the last thing I would like to do is
25 talk to you about the construction inspection program

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1 reactivation, an effort that we currently have
2 underway.

3 It's going to feed into the future
4 licensing and inspection readiness assessment that Nan
5 Gilles is going to be talking about tomorrow. I don't
6 want to concentrate on fluoride. I just want to let
7 you know what the construction input is going to be
8 for that paper.

9 Next slide, please. On this slide I'm
10 reiterating some points that Jerry made in his
11 presentation and to reiterate what ITAAC stands for.
12 ITAAC is inspection test analyses and acceptance
13 criteria and it was a concept that was developed for
14 Part 52.

15 If you look at the high-level goals for
16 Part 52, as Jerry stated this morning, provide a
17 stable and predictable licensing process, reduce
18 financial risk to COL holders, resolve safety and
19 environmental issues before starting construction, and
20 enhance safety and reliability through standardization
21 of designs. Those are the high-level goals.

22 Next slide, please. How ITAAC fits into
23 these high-level goals is ITAAC is the program for
24 verifying that the facility has been constructed and
25 will be operated in conformity with the license, the

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1 provisions of the Atomic Energy Act, and the
2 Commission's rules and regulations.

3 As Jerry stated this morning, we do have
4 three certified designs, the ABWR System 80+, AP600
5 that have ITAAC that were developed, reviewed, and
6 approved by the staff and are part of the rulemaking
7 for those designs.

8 If you look at Part 52, specifically Part
9 52.99 its title is Inspections During Construction.
10 It provides high-level what we intend to do with the
11 ITAAC during construction.

12 What it says is, "After issuance of a
13 combined license, the Commission shall ensure that the
14 required inspections test and analysis are performed.
15 Prior to the operation of the facility shall find that
16 the prescribed acceptance criteria are met." That's
17 kind of how ITAAC fits in with the construction
18 inspection process.

19 One of the things that we're looking at
20 for the construction inspection program there is four
21 inspection manual chapters that cover that. The
22 inspection manual chapters run from the
23 preconstruction permit phase all the way through power
24 accession.

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1 If you look at ITAAC, though, ITAAC end at
2 fuel load. As soon as you meet the ITAAC, you load
3 fuel and then you can go all the way through the power
4 accession phase.

5 The inspection manual chapters that were
6 written back in the '70s and '80s regarding start-up
7 testing and power accession aren't really affected by
8 this new process that hasn't been tried before. The
9 inspection manual chapter, specifically 2512 that
10 deals with construction, is obviously heavily
11 effective by the concept of ITAAC.

12 Next slide, please. I guess that's the
13 background of how ITAAC and the construction program
14 kind of fit together. What I would like to move onto
15 now is to give you a brief description of a
16 programmatic ITAAC issue that we currently have a
17 Federal Register notice on. Programmatic ITAAC, the
18 issue boils down to should a combined license
19 application contain ITAAC on operational programs such
20 as security training and emergency planning. We
21 consider those types of things programmatic issues and
22 that is how I get the title Programmatic ITAAC.

23 If you look at the background documents,
24 there's a series. This isn't a new issue. This is
25 discussed in a series of SECY papers. The most recent

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1 and up-to-date information is contained in these
2 documents. SECY 0092, the combined license review
3 process, the staff requirements memorandum on the SECY
4 dated September 6 and May 14, 2001 letter from NEI
5 provides their position on the issue.

6 Briefly in SECY 0092 what the staff states
7 regarding this issue is that ITAAC are the sole source
8 of acceptance criteria and it is essential that COL
9 ITAAC include all significant issues that require
10 satisfactory resolution before fuel loading. We think
11 programmatic ITAAC should be considered.

12 In its May 14, 2001 letter, NEI states
13 that it is not the one-time verification of ITAAC on
14 operational programs that will provide the NRC with
15 reasonable assurance that the facility will be
16 operated as licensed. Rather, it is continued
17 compliance with operational program requirements and
18 the ongoing NRC oversight of licensee performance that
19 provides this reasonable assurance. There is a
20 disconnect in the two positions.

21 Next slide, please. The SECY 0092
22 recognized this disconnect. In the SRM response the
23 Commission directed that the staff seek public comment
24 on this issue as part of the resolution. What we
25 decided to do to comply with the Commission's

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1 direction is to issue a Federal Register notice and we
2 did that on June 25.

3 The public comment period on that Federal
4 Register notice ends August 8, 2001. That's a brief
5 synopsis of the programmatic ITAAC issue and where we
6 stand right now on that.

7 Next slide, please. I guess what I would
8 like to move on to now is the construction inspection
9 program reactivation and what we're looking at as an
10 input for the future licensing and inspection
11 readiness assessment. In that paper we're going to
12 have different licensing scenarios relative to the
13 inspection program and resource estimates.

14 The licensing scenarios that we will have
15 in there are reactivated plants. There are several
16 plants that still have construction permits that are
17 in effect, WMP-1 being an example.

18 May 3 of this year Energy Northwest came
19 in and described to the staff where it stands with the
20 possibility of completing construction at WMP-1. What
21 they told us is they are doing a viability study that
22 they expect to publicly release in August of this
23 year. Then 3 to 18 months after that they will make
24 a determination on whether or not to complete
25 construction of that unit.

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1 If they do go ahead and complete
2 construction of that unit, the FLIRA paper will have
3 resource estimates for what we think it will take both
4 in licensing and inspection resources for the NRC to
5 support that effort.

6 The other licensing scenarios are standard
7 design and custom design. The standard design refers
8 back to the three designs that have already been
9 certified. If someone decides to build those plants,
10 what inspections would go along with that. Then
11 custom design is the PBMR scenario.

12 The reason that these are a little bit
13 different is it goes back to the AP600 Systems 80+ and
14 ABWR all having a set of ITAAC that have been reviewed
15 and approved by the staff.

16 The PBMR, the pebble bed modular reactor
17 scenario. What Exelon has told us, it's their
18 intention that they would apply for a combined license
19 in 2003. The time frame for that is early 2003. When
20 they do that, in accordance with Part 52 requirements
21 they would submit ITAAC at the time of the combined
22 license application. However, those ITAAC will not
23 have been approved and reviewed by the staff. That is
24 going to affect what we do with the construction
25 inspection program.

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1 Specifically, one of the fundamental
2 assumptions that we have is that once you get a
3 combined license application, you can start writing
4 the detailed procedures to support the ITAAC that are
5 on the books. We won't have that in the case of the
6 PBMR.

7 The resource estimates, what we intend to
8 do is identify the work that needs to be done,
9 estimate the resources to perform the work, and
10 identify the critical skills that will be needed.

11 Next slide, please. There are four key
12 documents that we're using to guide us through this
13 process. The first document that's on this slide is
14 the one that is the most important to us at this time
15 and that is a draft report on the revised construction
16 inspection program dated October 1996.

17 We actually put this on our website.
18 That's our heavily we're using this as part of the
19 FLIRA assessment. If you go to our website that
20 Marsha described earlier, you'll find a reference to
21 this document.

22 Basically what it did is back in 1994 --
23 up until 1994 the NRC had under active development a
24 revision to the construction inspection program to
25 incorporate lessons learned from the past and to also

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1 update for the Part 52 requirements that were being
2 promulgated at the time.

3 That effort ceased in 1994 because there
4 was no near-term application for construction
5 inspections at the time. It was decided to save the
6 resources for that effort.

7 However, they did make a decision that
8 they would write a report on where they stood at the
9 time so that if the program was restarted, you could
10 use that as a starting point. That report was issued
11 in October of 1996. Like I said, that's a key
12 document for us.

13 There's other documents that also provide
14 us guidance. SECY 94-294, the construction inspection
15 and ITAAC verification. It lays out some policy
16 issues that need to be picked up. SECY 91-041 on the
17 early site permit review readiness.

18 Tom talked this morning about the early
19 site permit. There are inspection activities that are
20 associated with that. We have an inspection manual
21 chapter that provides the generic guidance for that.
22 It's 2511. It's preconstruction permit phase.

23 That mainly deals -- it was written back
24 in the '70s and mainly deals with construction
25 permits. There's some aspects of that inspection

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1 manual chapter that are directly analogous to the
2 early site permit review. That's why that's
3 mentioned.

4 Lastly, SECY 89-104 assessment of future
5 licensing capabilities provides resource estimates.

6 Next slide, please. Going back to the
7 draft construction inspection program report, it does
8 present some challenges as we're looking at resource
9 estimates. What the report does is it does provide
10 the actions associated with future construction
11 inspection program reactivation.

12 It makes recommendations as to when you
13 pick the program or restart the program up, how you
14 should do it, what you should do, resource estimates,
15 that kind of thing. It does provide high-level
16 guidance.

17 It also identifies agency and programmatic
18 policy issues. It identifies at a high-level the
19 changes that need to be made to inspection manual
20 chapters 2511 through 2514.

21 Just to go back again, what's contained in
22 inspection manual chapters 2511 through 2514, 2511 is
23 preconstruction permit phase. 2512 is construction
24 phase. 2513 is preoperational testing and operational

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1 preparedness phase. 2514 is start-up testing phase.
2 That's what those inspection manual chapters cover.

3 Next slide, please. Because the report
4 was written from the period of 1994 through 1996,
5 there are some things that have changed since then.
6 What this slide is meant to contain is some of the
7 challenges that we have as part of the assessment that
8 we're doing for the future licensing inspection
9 readiness.

10 One of the things that the SECY papers and
11 the draft construction inspection program report does
12 not contain is the custom plan scenario, the pebble
13 bed modular reactor. I referred to some of the
14 challenges earlier and that one of the main challenges
15 is that you will not be starting from a place where
16 you have a set of ITAAC for the design that has been
17 reviewed and approved by the staff.

18 The next bullet, the compressed
19 construction schedule, kind of shows you where we
20 moved from. SECY 89-104 for resource estimates
21 assumed 13 years from the time of a construction
22 permit application to commercial operation of the
23 plant. Licensees and vendors realized that in this
24 day and age that's not a feasible construction
25 schedule from their economic point of view.

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1 What the draft construction inspection
2 report did at the time in 1994 when it was written, we
3 had a schedule for the advanced boiling water reactor
4 at the time. General Electric told us that they
5 thought it would take 48 months from the first
6 concrete pour until all the ITAAC are met.

7 Then there would be an additional six
8 months from the time all the ITAAC are met until all
9 the power accession testing was done. The complete
10 construction schedule from concrete pour to commercial
11 operation would be 54 months. That schedule is even
12 being compressed more.

13 The AP600, which came after that, has told
14 us that they think they can do that same from the
15 first concrete pour to all the ITAAC being met in 30
16 to 36 months.

17 In a May 25 letter from Exelon to staff
18 they proposed a schedule of 20 months from first
19 concrete pour to when the ITAAC on the first module
20 would be met. The construction schedules are much
21 more compressed than what we have seen in the past,
22 the proposed construction schedules.

23 The next bullet, the use of risk insights
24 is just meant to recognize that back in '94 and '96 we
25 were in a different place in time regarding the use of

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1 risk insights. For example, today we have the lessons
2 learned from the revised reactor oversight process and
3 how it used risk for inspection activities.

4 We would obviously when we restart this
5 program take the lessons learned from that activity
6 and see how and where we can apply that to the
7 construction inspection program process.

8 The last bullet is just a recognition that
9 the inspection manual chapters that I talked about
10 earlier, 2511 through 2514, all have light water
11 reactor in their title. They don't recognize gas
12 cooled technology. The thought right now is that you
13 could provide generic guidance that applies to a gas
14 cooled reactor or to a light water reactor and then
15 the inspection procedures would be developed
16 separately for gas cooled reactors from light water
17 reactors.

18 That ends my presentation, Chip.

19 MR. CAMERON: Thank you very much, Joe.

20 Do we have questions for Joe on the
21 construction inspection program, the challenges that
22 Joe identified up there? Any comments on that?

23 Yes, sir.

24 MR. BORTON: I'm Kevin Borton from Exelon.

25 As we go through this you are readdressing a lot of

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1 the CIP. You also noted that changes have happened
2 since the original CIP procedures are out there. Do
3 you also envision changes of the purpose in scope of
4 CIP now faced with the new process Part 52 that now
5 has ITAAC? In other words, looking at redundancy of
6 what one program did and now is being replaced by Part
7 52?

8 MR. SEBROSKY: Well, actually, if you go
9 back to that draft report that was issued in 1996, and
10 we think we're going to follow the same model, its
11 basic contention is that you can write generic
12 guidance for an inspection process that applies to
13 either Part 50 or to a Part 52 application. The
14 generic guidance would apply for Part 50 or Part 52 as
15 you update the construction inspection program.

16 It also recognizes that Part 52 has unique
17 aspects such as ITAAC and that needs to be folded into
18 the process. What its recommendation is is if you fix
19 it for Part 52 and update that process for Part 52,
20 you can also apply that minus the ITAAC to a Part 50
21 application.

22 So, for example, if WMP-1 were to complete
23 construction or Belfont or Watsbar-2, we only have to
24 revise the inspection manual chapters once.

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1 MR. BORTON: Maybe just to get a little
2 bit more clarity. If the Part 52 process is now
3 focusing on ITAAC and that process is approval of a
4 license, do you have to redefine what readiness is
5 then during construction phase if the decision has
6 already been made to issue an operating license?

7 MR. SEBROSKY: The short answer -- I think
8 the short answer is yes. The longer answer is that
9 within those inspection manual chapters, detailed
10 inspection procedures would be developed to support
11 the general guidance.

12 The thought is right now that for a
13 certified design you could write a set of detailed
14 inspection procedures for an AP600 that would contain
15 the provisions of the Part 52 process and would also
16 contain guidance to the inspector on how we intend to
17 verify the ITAAC that have already been developed.

18 To answer your question, and I hope I'm
19 answering it, the fundamental split would be where the
20 detailed procedures are developed and that would be at
21 the inspection procedures. The thought is that the
22 high-level guidance in the inspection manual chapters
23 could be the same and you would deviate at the --

24 MR. CAMERON: You want one more? Okay.

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1 MR. BORTON: This isn't a question. It's
2 just a comment. We envision with the PBMR that the
3 ITAAC will be examining traditional construction
4 activities, concrete steel and pipe. We don't
5 envision anything special with the PBMR design versus
6 any other design out there.

7 That was a comment but I guess there's a
8 question, too. Are you looking at trying to
9 consolidate your efforts knowing what the different
10 ITAACs are out there for three certified designs and
11 try to get a jump on saying there's probably some
12 generic inspection guidance that could be developed as
13 a framework where only minor adjustments need to be
14 made for specific ITAAC?

15 MR. SEBROSKY: The short answer to your
16 question is yes. One of the things that will be
17 discussed in the paper -- the decision hasn't been
18 made on it yet but one of the things that will be
19 discussed in the paper is to restart the construction
20 inspection program revision effort that was halted
21 back in 1994. There's enough general activity out
22 there that we ought to pick up that ball and start
23 running with it again.

24 If you look at that draft report and if
25 you look at SECY 94-294, there were issues regarding

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1 the construction inspection program that were
2 identified but were not resolved. It may be
3 appropriate at this time to start looking at those
4 issues and try to resolve them on a generic basis.

5 One example is the programmatic ITAAC. I
6 mean, that is obviously going to have an effect on the
7 construction inspection program. That's just one
8 example of several of how we have already identified
9 that we went to move on that and we are doing that.
10 There are other issues and we have not made a
11 determination yet on what resources we're going to
12 apply to that.

13 MR. CAMERON: All right

14 MR. HIGGINS: Jim Higgins, Brookhaven
15 National Lab. Two questions on the 2513
16 preoperational test program. Is that included within
17 what you are calling the construction inspection
18 program? Secondly, do you envision full 2513 program
19 being condensed down to review of the defined ITAAC or
20 would there be a broader 2513 inspection program?

21 MR. SEBROSKY: Actually, if you go to the
22 draft construction inspection program, the first
23 question is what's the scope of the revision for the
24 construction inspection program if I understood it.
25 What we're looking at is all four inspection manual

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1 chapters, 2511 through 2514. I think the second
2 question is what do you envision as changes that will
3 be necessary for 2513 which is the preoperational
4 testing and operational preparedness phase.

5 Now, if you go to the Part 52 process,
6 fundamental to the Part 52 process is that ITAAC end
7 at fuel loading. If you look at the inspection
8 procedures that are contained in the inspection manual
9 chapter 2513, there are inspection procedures that
10 would have to be complete and would be part of ITAAC.

11 What the draft construction inspection
12 program report recommended is as far as ITAAC goes, we
13 think all that guidance ought to be contained in one
14 inspection manual chapter. We think that all ought to
15 be contained in 2512 which is the construction phase.

16 The recommendation is that the inspection
17 procedures that used to be in 2513 that would have
18 ITAAC tied to them get moved to 2512. So there are
19 changes mainly moving those inspection procedures in
20 2513 that would have ITAAC tied to them to 2512. That
21 is part of the recommendation. I don't know if that
22 answers your question.

23 MR. CAMERON: You have need for more
24 clarification? All right.

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1 MR. HIGGINS: I guess what I was thinking
2 is that the old preoperational inspection test program
3 was fairly detailed and went into a lot of review to
4 verify that the various safety systems could
5 functionally operate, that they had been properly
6 tested to ensure that they had functionally operated
7 in various phases.

8 Without having seen the details of the
9 ITAAC it wasn't clear to me that is all going to be
10 folded into the ITAAC and will be picked up by that or
11 would you still need the 2513 wherever it sits?

12 MR. SEBROSKY: I think one of the efforts
13 that was ceased when we stopped the revision of the
14 construction inspection program was we had some
15 examples of ITAAC that had already been developed for
16 the ABWR. There was a template of we know what the
17 ITAAC is and we know what the target is.

18 What would the inspection procedures look
19 like to verify that ITAAC. So you can imagine for the
20 start-up phase that there are some ITAAC -- not the
21 start-up phase, the preoperational phase that there
22 are some ITAAC on systems, like you mentioned that on
23 a system-by-system basis the 2513 contains very
24 detailed inspection guidance, that lend themselves to
25 verifying the ITAAC during that review.

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1 We need to pick up that effort and figure
2 out we have the high-level ITAAC guidance but we have
3 not written the detailed inspection procedures that
4 would verify those ITAAC. Certainly revisions to the
5 old 2513 inspection procedures to do that is part of
6 that process.

7 MR. CAMERON: Bill.

8 MR. BORCHARDT: Bill Borchardt form the
9 staff. Jim, I think there will be a lot of
10 similarities between the old inspection program and
11 what we will use for any future construction activity.

12 The ITAAC at a relatively high level will
13 still need the detailed inspection activities to
14 verify compliance with all the other regulations that
15 are applicable. I don't see an inspection program
16 that only goes to the level of detail to simply verify
17 the relatively few acceptance criteria that are
18 designed as ITAAC.

19 MR. CAMERON: Okay. Thanks, Bill.

20 Anybody have any other questions about how
21 ITAAC construction inspection program fits into the
22 whole framework of new licensing?

23 Okay. Great. Thank you, Joe.

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1 I think right now we're going to go to
2 what I think is going to be an interesting
3 presentation.

4 Marsha, are we going to that interesting
5 presentation? All right.

6 We are going to have Eric Benner. Eric is
7 the regulatory infrastructure project manager in the
8 new organization. Then we're going to have Diane
9 Jackson, PBMR project manager in the same
10 organization, talk about regulatory and policy issues.
11 It may serve to wrap up a lot of the things we've
12 heard this morning or put a finer point on what the
13 big issues are.

14 Eric, ready to go?

15 MR. BENNER: Yeah. Is this working?
16 Okay. First slide, please.

17 You've been hearing a lot today. You've
18 heard the word rulemaking used for the design
19 certifications. You've heard the word petition going
20 around. We haven't really discussed what all that
21 entails. What this session is going to do is talk a
22 little bit about the rulemaking process that the NRC
23 has and then talk about some of the specific
24 rulemakings that the NRC has going on in this area.

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1 Just a point to add. Obviously if
2 somewhere down the line someone comes in for a design
3 certification, there would be a design certification
4 rulemaking added to this list.

5 Next slide, please. Earlier this morning
6 you heard Bill Kane talk about the role of the NRC to
7 provide adequate protection to public health and
8 safety. In support of that responsibility, the NRC
9 has the responsibility to establish regulations on the
10 safe use of nuclear materials including operating a
11 nuclear power plant.

12 The process we used with these regulations
13 in place is called rulemaking. Typically rulemakings
14 are initiated by the staff internal to the NRC, but
15 there is a petition process by which any member of the
16 public can ask the NRC to initiate a rulemaking. I
17 will talk a little bit about the petitions we are
18 hearing about before.

19 Next slide, please. How do rules get
20 published? There's a lot of background work that goes
21 into one. I'll get into a couple of the things the
22 staff does before this.

23 When the staff has something that feels is
24 worthy of public comment, it publishes a proposed rule
25 in the Federal Register for public comment with a set

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1 comment period. Subsequently the comments are
2 factored into a final rule which, again, when issued
3 is published in the Federal Register.

4 Particularly for contentious issues the
5 INRC may hold meetings and workshops before a proposed
6 rule is drafted, again to try to get to the point that
7 when the proposed rule is put in the Federal Register,
8 the people who are commenting on it are commenting on
9 a fairly complete product.

10 There's also another process called
11 advanced notice of proposed rulemaking in which, a
12 gain, in the early formative stages where the staff
13 really isn't sure what direction to go. It could put
14 out advanced notice in ANPR in the vernacular to seek
15 comment, present options, ask questions, and other
16 ideas.

17 This is generally the process for most
18 rules but for rules of a minor administrative nature
19 or emergency rules, the NRC can issue a direct final
20 rule without seeking public comment. That is not the
21 case for any of the rules we're going to talk about
22 here today.

23 Next slide, please. I'll give you the
24 link for the rule form website. That link will
25 probably change after the web redesign is done. There

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1 will ultimately -- right now on our public webpage
2 there is a link there for rulemaking which essentially
3 takes you here. When the web redesign is done, there
4 will still be a link there for rulemaking. That will
5 take you here.

6 This is something the NRC started, again,
7 to try and facilitate public confidence. They created
8 the rule form website which lists all docketed
9 petitions for rulemaking and all rulemakings that the
10 NRC is working on and to the extent that information,
11 the status of those activities.

12 Next slide, please. I'm going to talk
13 about a couple of specific rulemakings some of which
14 were referenced to earlier in the day. Hopefully I
15 can bring some of this together.

16 You heard earlier about what 10 CFR Part
17 52 is. It's an alternative to the traditional two-
18 step licensing process. Those alternatives include
19 early site permits, standard design certifications,
20 and combined licenses.

21 Next slide, please. Why does the new rule
22 need to be revised? Overall the rule is in pretty
23 good shape we think, but when the rule was promulgated
24 a while back, there was some realization that as the
25 rule got exercised, there would be the need to revise

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1 it based on lessons learned. Now we're at the point
2 where you've heard again that we've had three standard
3 design certifications. There's been some lessons
4 learned from that that we want to feed back into the
5 rule.

6 There's also some small clarifications
7 that we were going to do in the rulemaking. There was
8 also the deletion of some appendices redundant between
9 Part 52 and Part 50.

10 Next slide, please. Where does the
11 rulemaking stand? In September of 1999 there were
12 letters issued to interested stakeholders to solicit
13 comment. This was basically at the request of the
14 Commission.

15 Subsequent to that, comments have been
16 received and are being incorporated into a proposed
17 rule which the staff would publish in the Federal
18 Register later in the year, like Barry Wilson said,
19 and the rulemaking plan for this rule, which does give
20 a lot of this background information including what
21 the staff proposed to the Commission and the words
22 that the Commission sent back, are on that rule form.
23 That's the specific link. Obviously, the statement I
24 made before, that link may change when the web design
25 is done.

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1 Next slide, please. Alternative site
2 reviews. You've heard a lot about alternative site
3 reviews today. I just want to stop for a second and
4 say the petitions we've been talking about I'm going
5 to address those at the end of my presentation because
6 there is some question as to where they fit best.

7 Where are alternative site reviews
8 addressed? Basically we have 10 CFR Part 51 which is
9 our regulations that implement the National
10 Environmental Policy Act. That discusses
11 consideration of alternatives to proposed actions
12 which is basically the heart of the National
13 Environmental Policy Act as the consideration of
14 alternatives.

15 Supplementing that we have specific
16 guidance in Regulatory Guide 4.2 preparation of
17 environmental reports from nuclear power plants, and
18 in NUREG-1555 environmental standard review plan which
19 does discuss specifically what we mean by alternative
20 sites.

21 Next slide, please. Why does the rule
22 need to be revised? Well, both documents reflect the
23 older industry structure where you had utility with a
24 service area. It's kind of easy to assess what would
25 be reasonable alternatives to the proposed action. A

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1 rulemaking now would account for industry deregulation
2 and restructuring.

3 Now you have utilities that have sites all
4 over the country. What could be considered reasonable
5 that could significantly increase. Also the
6 rulemaking could consider the recent evolution in the
7 citing process and really the goal would be to reduce
8 uncertainty in the licensing process to provide
9 guidance as to what would constitute a set of
10 reasonable alternatives.

11 Next slide, please. Where does this
12 rulemaking stand? This rulemaking is somewhat in the
13 formative stages. The staff in conjunction with the
14 contractor has filed a detailed history of alternative
15 site reviews and it's using that information now to
16 support the development of a formal rulemaking plan.

17 Next slide, please. The last rulemaking
18 I'm going to discuss is 10 CFR Part 51 Table S3 and
19 S4. Again, 10 CFR Part 51 implements National
20 Environmental Policy Act. What are Tables S3 and S4
21 specifically? They generically address environmental
22 impacts associated with the uranium cycle. They were
23 originally issued in the early 1970s for that purpose.

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1 Next slide please. The question of why do
2 these tables need to be addressed is basically because
3 they were issued in the early '70s to discuss this.

4 Update environmental data and consider
5 changes in the industry. Some of the things that
6 would be incorporated in there to consider is future
7 repository performance, if there is a repository to
8 consider, any fuel processing that may take place, to
9 consider higher burn-up and higher enrichment fuels.

10 What would these tables be used for?
11 Basically in the application process the licensee has
12 to submit an environmental report. The benefit of
13 this would be to provide stability in the licensing
14 process by providing environmental data associated
15 with the uranium fuel cycle which would be codified in
16 the regulations as opposed to having to regenerate
17 that data every time a license was received.

18 Next slide, please. Where does this
19 rulemaking stand? Again, this rulemaking is somewhat
20 in the formative stages. The staff just developed an
21 estimation of the resources necessary to develop the
22 rule and the proposed schedule for the rule.

23 Again, all these rules would be published
24 in the Federal Register for comment subject to public
25 comment and be on the rule form website.

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1 Now, for the petitions, you heard about
2 two petitions. Just to summarize, one is a petition
3 to eliminate alternative site reviews. A second is a
4 petition to be able to take credit for information
5 that has been previously adjudicated by the NRC.

6 The request from the Nuclear Energy
7 Institute is to have both of those -- the information
8 in both of those partitions folded into the 10 CFR
9 Part 52 update rulemaking that we're talking about
10 having a proposed rule out by the end of the year.
11 The staff has those petitions. It's reviewing them.
12 It's reviewing whether or not we would include them in
13 that rulemaking.

14 As you can see, we have rulemaking --
15 we're starting a rulemaking on alternative sites so
16 there is some question of whether that petition would
17 better be folded in to that rulemaking process. I
18 don't want to go much further than that other than say
19 that those petitions are being considered right now
20 and they will be put out again in a public form or
21 comment.

22 Chip, that's about it for mine.

23 MR. CAMERON: Okay. I think we are doing
24 well on time so why don't we go for questions to all
25 of you for Eric. Thanks for taking us through that

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1 rulemaking process, too, Eric. Then we'll go to
2 Diane.

3 Questions on the rulemaking process or the
4 specific rulemakings that Eric talked about, the
5 petitions? Anything on that?

6 MR. BARRETT: Chip, while people are
7 thinking about questions, I would like to make a
8 suggestion.

9 MR. CAMERON: All right.

10 MR. BARRETT: Back on slide 7 we talk
11 about the purpose of the Part 52 rule changes to
12 incorporate lessons learned from previous design
13 certifications. I was wondering, Eric, could you give
14 just a couple of examples of what those provisions
15 are? Or maybe Jerry could give those.

16 MR. BENNER: I think I'll turn it over to
17 Jerry.

18 MR. WILSON: Well, let me say in general
19 the design certification process worked well and was
20 sufficiently flexible to deal with the applications
21 that we've received so far.

22 One of the things we're going to be
23 changing, though, is when we first came out with
24 design certification, there was a lot of question of
25 what is a design certification review and how do we do

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1 that. We put in a provision that required someone to
2 apply for final design approval under Appendix O
3 simultaneously with your application for design
4 certification. Then it was, in effect, looked at as
5 an expansion of the type of review we did for final
6 design approvals.

7 Now that we've done design certification
8 reviews, we know how they're done. The process is
9 understood and we don't need that additional
10 requirement anymore. One of the things we are going
11 to do is we are going to propose to remove that
12 prerequisite from the design certification review
13 process. That's an example of one of the things we're
14 doing.

15 MR. CAMERON: Jerry, while we have you up
16 there, the comments that you referred to this morning
17 that came in when we did a solicitation of interest on
18 that, that's also on this particular subject, isn't
19 it?

20 MR. WILSON: That's correct.

21 MR. CAMERON: Okay.

22 MR. WILSON: We actually only received
23 comments from the Nuclear Energy Institute. No one
24 else has submitted any comments at this time.

25 MR. CAMERON: All right.

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1 Eric, anything to add on that?

2 Yes.

3 MR. SILLIN: Just a question, and that is
4 if -- again, this is John Sillin with Mactec. If you
5 go for early site permitting process, I'm probably
6 going to display my ignorance here, but does it mean
7 that during that permitting process that the Part 51
8 rulemaking would handle alternative sites as
9 automatically pulled into this process? How does that
10 work?

11 MR. BENNER: Right now our environmental
12 standard review plan does talk about the assessment of
13 alternative sites. Where we're at today is that
14 alternative sites would be addressed.

15 What the rulemaking would try to do would
16 be to codify and clarify what constitutes the
17 reasonable set of alternatives as opposed to now where
18 there is more guidance on just assess the reasonable
19 alternatives and because of the changes in the
20 industry, that could broaden significantly.

21 Really the rulemaking would be to try and
22 clarify how many different sites and what types of
23 different areas would need to be addressed. It really
24 is to try and clarify that process as opposed to try

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1 and increase or decrease the requirement. Did I get
2 to it?

3 MR. CAMERON: Is that clear? All right.
4 This is a complicated area in terms of how this all
5 fits together so if you do have any questions on this,
6 please ask them.

7 Geary Mizuno.

8 MR. MIZUNO: Generally speaking, if there
9 was a licensing proceeding ongoing while there was a
10 rulemaking in place, the rulemaking wouldn't have any
11 effect on the ongoing licensing proceeding. Let us
12 assume that somebody came in with a combined license
13 application and the requirements of the current Part
14 51 would have to be complied with including whatever
15 it says with respect to alternate sites in Table S3
16 and S4 and that sort of thing.

17 The fact that there may be rulemakings out
18 there, or simultaneously petitions for rulemakings
19 submitted by other parties in no way in and of
20 themselves affects the scope of the review that is
21 done by the staff under Part 51 and what has to be
22 done in order to comply with Part 51.

23 Now, the Commission as a matter of
24 discretion could decide in the course of the
25 proceeding to suspend the application of the rules of

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1 current Part 51 and substitute a different set of
2 rules. That would be a matter of discretion on the
3 part of the Commission.

4 I guess I might also point out that there
5 is a process within the proceeding, the licensing
6 proceeding, the hearing proceeding. If someone wanted
7 to raise a contention and to propose an alternative
8 requirement be in place, there is a process within 10
9 CFR Part 2 for that kind of a request to the
10 Commission.

11 But in the absence of something being done
12 by the Commission either on its own motion or through
13 this special process in Part 2 of the general rule is
14 that ongoing rulemaking has no impact upon the
15 requirement to comply with the current rules that are
16 in effect.

17 MR. BENNER: Just to follow up on that,
18 Geary, what would be the situation if the final rule
19 was issued during the proceeding?

20 MR. MIZUNO: You would have to look to the
21 final rule's effective date and its implementation
22 requirement to actually determine. Presumably the
23 Commission in developing or setting forth that
24 implementation requirement would take cognizance of
25 the fact that there may be proceedings out there.

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1 MR. CAMERON: Okay. Thank you, Geary.

2 We're going to hear from another member of
3 the General Counsel's Office.

4 Bob.

5 MR. WEISMAN: I just want to add a
6 footnote to what Geary said. If you want to see an
7 example of where an ongoing rulemaking had some effect
8 in a proceeding, you can look at the Oconee license
9 renewal proceeding from a couple of years ago. I
10 can't recite to you all the details of what happened
11 there but that was a proceeding where there was an
12 ongoing rulemaking and it had some effect on how the
13 proceeding came out.

14 MR. CAMERON: Thanks, Bob.

15 You may have gotten more than you wanted,
16 but do you still have any questions?

17 MR. SILLIN: Not really a question. It's
18 just an observation that if you come in and you're
19 thinking that you're going to be operating under one
20 rule, let's say Part 52 for, let's say, just a
21 hypothetical example, an early site permit
22 application, and then all of a sudden you find that
23 somehow or the other you are involved in Part 51 and
24 you really didn't realize that was going to take
25 place.

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1 I mean, that is sort of what I'm trying to
2 get at, is that you come in with the assumption that
3 you are going to be operating under one rule and then
4 you find out that you are having to deal with another
5 rule.

6 MR. CAMERON: Eric.

7 MR. BENNER: Even under the Part 52
8 process you are operating under Part 51. We're not
9 trying to add that in. Part 51 are our environmental
10 regulations. Part 52 is a process rule which points
11 you to allow different technical requirements.

12 The process by which you would be
13 licensing under Part 52 would not change but there may
14 be some change in the technical requirements that you
15 are required to meet.

16 Does that get to it? It wouldn't be that
17 right now you don't have to deal with Part 51 and
18 because of this rulemaking would have to deal with
19 Part 51. You have to deal with Part 51.

20 MR. CAMERON: And to the extent that -- go
21 ahead, Rich.

22 MR. BARRETT: I was just going to say I
23 think the general point is a good one, though there is
24 always the possibility that you will be licensed under
25 some different requirement than the one that you

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1 thought was in place or the one that was in place at
2 the time you docketed the application.

3 As we have pointed out many times today,
4 licensees in the past, because in the old process had
5 to face a great deal of that, I think our record in
6 the recent past has been to be a much more
7 predictable. Let's say that things have settled down
8 a lot in that area.

9 MR. CAMERON: The staff has already taken
10 the initiative to try to pull all of these not
11 necessarily disparate elements together in terms of
12 the implications they have for new licensing, but to
13 the extent that the website for your efforts list
14 rulemakings or whatever that may have implications.
15 I think it would be helpful for someone who doesn't
16 necessarily have all the resources to know what's
17 going on in the Commission that may be a way to do
18 that.

19 Yes.

20 MS. PATTERSON: Karen Patterson,
21 Tetrattech. I guess I have a follow-on question to
22 that. If you want to change the rule because the NEPA
23 alternatives analysis in 51 doesn't work very well
24 anymore for a variety of reasons, one of them being

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1 deregulation, you're going to change it under 52 or in
2 51?

3 MR. BENNER: In 51. Right now what it is
4 is 51 just talks to alternative.

5 MS. PATTERSON: Right.

6 MR. BENNER: It's very general. It's more
7 the guidance document that gets into more of the
8 details.

9 MS. PATTERSON: Right.

10 MR. BENNER: Again, 52 is a process rule
11 which points to the other technical requirements. I
12 don't believe there would be any revision to 10 CFR
13 Part 52 to reflect any of these changes. It would all
14 be contained in 10 CFR Part 51.

15 MS. PATTERSON: Okay. So then license
16 renewal and everything would reflect the new 51. This
17 would apply to more than just new plants.

18 MR. ZALCMAN: This is Barry Zalcman was
19 staff. I operate in the environmental area as well as
20 the rulemaking branch. The point you raise is
21 probably targeted to one of the issues Eric raised,
22 alternative sites, alternative sites specifically
23 identified within Part 52 early site permits.

24 Insofar as the staff would be undertaking
25 a rulemaking on alternative sites to be reflected in

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1 Part 51, it is likely to revisit the statement in 52
2 to decide whether or not that needs to be changed at
3 the time we undertake a rulemaking for alternative
4 sites. It would be foolish not to look at Part 52
5 where it is specifically identified.

6 The key to the rulemaking is to provide
7 stability and predictability so that all parties
8 understand what the scope and breath of alternative
9 site considerations should be.

10 Right now it's unbounded. What we want to
11 do is put that into appropriate context so that you
12 have the appropriate reasonable range, reasonable area
13 to be considered. In light of the utility
14 restructuring, in most likelihood, it may not be
15 utility that submits an early site permit application.
16 How far should we go?

17 If you have some utilities that are across
18 the country with supplies being provided in the mid-
19 part of the country and the east coast, what is the
20 area that they ought to be looking at? That is a
21 fundamental issue that we need to address, but it is
22 specifically addressing Part 52 right now.

23 The Commission provided us direction back
24 in the SRM 91-041 to look at alternative sites. While
25 it's been on the books for some period of time, it's

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1 just risen to the surface of undertaking the efforts
2 of 52, 51 and also addresses the earlier point. 52 is
3 process related. 51 provides some of the details on
4 complying with environmental protection requirements.

5 MR. CAMERON: Okay. Let me just check in
6 with Steven Antonelli who asked us earlier today about
7 the implications of restructuring for what is going
8 on.

9 Steven, you heard some comments
10 particularly in terms of alternative site review about
11 why this particular part of the rule may be changed.
12 Do you have any other questions or comments on that at
13 this point?

14 MR. ANTONELLI: Thank you for addressing
15 that. I found it to be interesting. I was aware of
16 the NEI petition.

17 The only thing that is a little unclear to
18 me is the logic. Most of the sites are -- the sites
19 are not the same and if in a deregulated environment
20 it would seem to me that consolidation would have more
21 access to a lot of different sites so it's hard for me
22 to follow the logic of a bigger company.

23 If you were talking about merchant
24 operators having access to sites, why they would need
25 to be getting rid of alternative site considerations.

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1 If anyone wants to address that, I would be willing to
2 listen. Thank you.

3 MR. CAMERON: Thanks, Steven. Diane, were
4 you going to get into any of that aspect?

5 MS. JACKSON: No.

6 MR. CAMERON: Okay. Well, Eric or Barry
7 or any of the rest of you?

8 Well, why don't we go to you, Russell.

9 MR. BELL: I might try to address the
10 last comment. It's true that the companies are
11 consolidating. They have access to many more
12 resources.

13 Our point is -- and, of course,
14 alternative sites is a matter that the applicant will
15 clearly consider going forward with the business
16 decision and will consider that in context to the need
17 for power in that region, the public's acceptability
18 towards -- amenability towards nuclear power in the
19 immediate vicinities of the sites that are available
20 and the state and local requirements associated with
21 site selection and determining need for power. It is
22 not that these companies wouldn't consider a number of
23 alternative sites in deciding to move forward. They
24 would do so as a matter of their business decision and
25 as a matter with the state and local governments.

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1 Our point is that when determining which
2 is the best site to proceed with the nuclear project
3 on, I'll just put it this way. It's probably not in
4 the area of expertise of the Nuclear Regulatory
5 Commission to make that determination or to assert
6 itself in that decision. It's really between the
7 company, the state and local governments, the citizens
8 around the affected area.

9 Our point is the NRC should get out of the
10 business of the alternate site review. It's largely
11 as a result of the restructured environment, the
12 competitive market place going forward. Among other
13 changes, this part of the NRC's past practice and
14 rules need to be updated.

15 Eric made the point earlier that Part 51
16 in general talks about alternatives and not that you
17 need to consider alternative sites. I think that is
18 an important point. It's a matter of guidance and
19 practice that the NRC has always considered or
20 reviewed information on alternative sites.

21 MR. CAMERON: Thank you. We have another
22 question here and then I think we'll try to get Diane
23 on.

24 MR. BARRETT: Excuse me. Before we go on
25 to another question, I think it would be useful to

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1 amplify that answer. I know I'm not the right person
2 to do this. Probably Barry is.

3 Keep in mind there are really two possibly
4 ways in which this rule could change. The one is in
5 the direction of the NEI petition which would be to
6 eliminate the requirement all together.

7 The other would be more of what has been
8 looked at from the point of view of the NRC which is
9 to recognize the fact now that some of the people who
10 are proposing might be proposing merchant sites and,
11 therefore, could possibly be faced with an unlimited
12 number of alternatives that you might want to delimit
13 that in some way or fashion in order to avoid
14 unnecessary burden.

15 I think it would be useful for someone at
16 the NRC to summarize why it is in NEPA that we want to
17 look at alternative sites and why that is an important
18 part of the disclosure process under NEPA. Perhaps
19 Barry could --

20 MR. CAMERON: Barry.

21 MR. ZALCMAN: I would love to. I'll try
22 and keep it short.

23 MR. CAMERON: All right.

24 MR. ZALCMAN: As Eric indicated, the
25 essence of NEPA is the consideration of alternatives

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1 and while it's clearly the prior practice of the
2 agency and Atomic Energy Commission previously.

3 We look at a whole set of alternatives,
4 the first being can't you manage the demand better
5 rather than increasing supply. Another alternative,
6 you want to build a nuclear power plant. Why nuclear
7 and not fossil plant or some other set of alternatives
8 that are available?

9 The question on alternative sites is why
10 here and not there. These are all part of the frame
11 work of what we have considered previously and it has
12 served us well.

13 We recognize that the economic factors and
14 competitive market place has changed recently but the
15 role of the agency hasn't changed. Our primary focus
16 is on health and safety insofar as we have a health
17 and safety role. We also have a NEPA obligation and
18 the breadth and scope of our NEPA review includes
19 those specific factors.

20 You mentioned earlier a question on need
21 for power. I just want to make it very clear that the
22 agency recognizes the role of license holders,
23 applicants, state authorities deciding whether or not
24 there is a need for power.

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1 You also have to realize there is a NEPA
2 need that has to be considered as well. That is, if
3 the agency is going to be part of the decision making
4 process to allow the construction of a facility, that
5 we ought to assure that there is likely to be some
6 public good that comes out of this.

7 You don't want to construct or undertake
8 a major construction activity without assuring that
9 the plan is likely to come on line. We've been
10 through a pretty good experience in the '60s and '70s
11 and '80s where a lot of construction activities have
12 occurred and plants have not materialized.

13 Our need for power really amplifies or
14 informs the NEPA decision making process as well as
15 the need for power that is not our role. For license
16 renewal if you take a look at that as being the
17 classic example, the agency has recognized -- the
18 Commission has recognized that we don't have a role in
19 that and all we are doing is preserving the option for
20 other decision makers to decide whether or not that
21 plant would operate including the licensee.

22 The need for power is part of our decision
23 making process right now. We recognize there is a
24 petition before the Commission to consider doing away

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1 with that and that has to be weighed and balanced with
2 other factors in our evaluation role.

3 I don't know if that addresses it entirely
4 but we do look across the spectrum of alternatives.
5 It's a very important factor. It's necessary under
6 our current framework. If our framework changes, our
7 framework changes.

8 MR. CAMERON: Okay. Thanks a lot, Barry.
9 Let's take one more question and then we'll take a
10 little break before Diane gives her presentation and
11 we have a wrap-up.

12 MR. BEACH: This is Robert Beach again.
13 I think it's very important that we differentiate
14 between the NRC regulations, the radiological controls
15 associated with those, and the EPA regulations. NEPA
16 requirements are quite severe.

17 If you've had any exposure to those
18 outside of the NRC, you'll find that alternative sites
19 means alternative environmental impacts. It's not
20 anything to do with dollars, profits, need for power.
21 It's to do with can you go to a site where your
22 environmental impact is less or more.

23 That can get quite expensive if you get
24 into it. If you run into darters or fish or things

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1 like that, it can get very, very tight so you're
2 pretty lucky if you've got one-stop shopping here.

3 MR. CAMERON: Anybody want to clarify?
4 Did you say the EPA regulations? Maybe just have
5 Barry clarify what the NRC's NEPA responsibilities are
6 and where those regulations come from.

7 Barry.

8 MR. ZALCMAN: I won't do this without
9 counsel support. I'm going to refer to Yellow Creek
10 as being the case.

11 The agency through its adjudicatory
12 process considered what role we should have. Our role
13 is not to second guess EPA or some delegated
14 authorities from EPA on consideration of some
15 environmental impacts.

16 We do have a role to consider in
17 mitigation. While another agency may have a
18 permitting responsibility either EPA directly or
19 delegated down to the state, the NRC would not look
20 behind that decision.

21 The NRC has recognized its limited
22 authority to look at certain issues like that.
23 Certainly on balance we have to make our regulatory
24 determinations and we do look at issues associated
25 with mitigation.

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1 If I can ask counsel if there is more you want
2 to say on Yellow Creek to help narrow the scope of our
3 environmental review.

4 MR. CAMERON: I think the need for
5 clarification was probably just in regard not to other
6 agencies permitting authorities, but the fact that
7 NEPA regulations are the NRC's NEPA regulations and
8 our responsibility to administer under the National
9 Environmental Policy Act. They are not the province
10 of another agency.

11 MR. ZALCMAN: Right. If you take a look
12 at the 40 CFR 1500 series which is CEQ's Counsel on
13 Environmental Qualities regulations dealing with
14 environmental protection. The agency has embraced
15 those and built our own regulatory framework. As an
16 independent agency we have the authority to do that.
17 That is Part 51. That's where all of our
18 environmental protection regulations are.

19 MR. WEBER: This is Mike Weber. And EPA
20 does have a role because they do a review of the
21 environmental impact statements that we produce.

22 MR. ZALCMAN: Yes. There's a small
23 provision of the Clean Air Act that gives EPA the
24 authority to serve as a central repository for all
25 environmental impact statements.

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1 There is an Office of Federal Activities
2 that serves as a clearinghouse to assure that
3 environmental impact statements generated by the
4 agency are reviewed by the regional offices where it
5 is a site specific issue or by their headquarter's
6 offices if it's a generic type issue.

7 Counsel on Environmental Quality has also
8 participated with us in the past on rulemaking type
9 activities. There's a process to inform decision
10 making. Whenever we undertake a rulemaking, I'm sure
11 that EPA does take a look at what we do in
12 environmental space.

13 MR. CAMERON: Okay. Thank you, Barry.

14 Why don't we take a break for 15 minutes
15 and come back and we'll hear from Diane Jackson.

16 (Whereupon, at 2:40 p.m. the meeting was
17 in recess.)

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A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

2:58 P.M.

1
2
3 MR. CAMERON: Okay. We're going to go for
4 our final presentation, and then we'll do a wrap-up,
5 but Diane Jackson is with us, and Diane is going to
6 talk about some specific policy issues, and she is in
7 the new Reactor Licensing Project Office, PBMR Project
8 Manager, correct?

9 MS. JACKSON: For NRR.

10 MR. CAMERON: In the Office of Nuclear
11 Reactor Regulation.

12 MS. JACKSON: There's also a Research
13 Project Manager who has overall control.

14 MR. CAMERON: Okay.

15 MS. JACKSON: Just to help differentiate.

16 MR. CAMERON: All right.

17 MS. JACKSON: My slides were not in the big
18 package, they are in a supplemental package, for
19 anyone that is following along.

20 I am going to discuss legal and financial
21 policy issues that have been put before the agency.
22 The proposals are mainly due for changes in the way
23 plants may choose to operate or because of new
24 designs.

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1 We've categorized these issues into three
2 groups: issues stemming from operations as a merchant
3 plant; issues based on a modular plant design; and
4 those issues based on non-light water reactor designs.
5 These issues are being proposed and led by Exelon
6 Generation, who have the Pebble Bed Modular Reactor
7 preapplication review underway now.

8 Merchant Plant Issues - Due to the new
9 regulated market, some electric companies see a
10 benefit in operating a nuclear power plant as a
11 merchant plant. Being a merchant plant differs from
12 the traditional utility, in that there's no defined
13 service area, and they will operate more like a retail
14 business to sell electricity at market price.

15 As a result, Exelon has identified some
16 regulations, including decommissioning funding
17 assurance, which assures that there's adequate funds
18 to complete decommissioning; antitrust reviews, which
19 is a protection to allow for competition and financial
20 qualifications, which requires you to demonstrate that
21 you have adequate funds to construct and operate a
22 plant for the first five years. They've identified
23 these regulations as either being burdensome to a
24 merchant plant, in that they might not be able to be

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1 competitive then, or that they are just not applicable
2 to a way a merchant plant would operate.

3 Modular Plant Issues - These issues are
4 really based on not being modular, but being a small
5 reactor. Exelon's Pebble Bed Modular Reactor design
6 consists to up to ten of what they call modules, which
7 are individual 115 megawatt electric reactors that are
8 connected in one control room. Now, the design will
9 be talked about more tomorrow, but it was pertinent to
10 today.

11 The first three of these issues, the
12 Price-Anderson Protection Act, - I'm sorry, it's not
13 an act, rule, which looks at financial protection, the
14 number of licenses and the annual fees for current
15 utilities is very straightforward. You have a
16 reactor, you have a license. For the modular
17 reactors, they are asking questions to say, well, if
18 we have ten reactors will we have ten licenses? Will
19 we have ten annual fees? Will we be ten times the
20 Price-Anderson financial protection limits that they
21 have to have?

22 So, they are saying that, you know, this
23 could be an overwhelming burden and a discouragement
24 for a utility or electric company to come forth and
25 want to use a modular design.

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1 The last one is — oh, and before I go on,
2 the answers to these might not all be the same. I
3 talked about one and one, and ten, and ten, and ten,
4 well, depending on how our laws are stated and
5 structured, or also depending on for annual fees what
6 the staff effort is for a PBMR facility, the answer
7 may differ. So, we might be able to give one license,
8 but there might be — there might not be one annual
9 fee. There might not be one Price-Anderson Act fee.
10 So, that may seem very transparent that you should
11 have one and one, but the answers aren't always as
12 easy as they may seem.

13 The last issue is operator staffing, and
14 that issues comes from a mix from modular plant issues
15 and non light water reactor design issues. In our
16 regulations, operator staffing is a requirement of how
17 many operators and senior operators you will have per
18 reactor. Now, Exelon has asked, based on having a
19 number of reactors in one control room, and also they
20 have said it's a simpler design that would require
21 fewer operator actions to a transient, that the same
22 amount of operators may be too many for a PBMR, so
23 they are asking to be able to justify for a Pebble Bed
24 Reactor the amount of operators that would be
25 appropriate for their facility.

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1 The last set of issues are non-light water
2 reactor designs, and the two that have been identified
3 here are the decommissioning funding formula, which is
4 a cost estimate for decommissioning a nuclear power
5 plant, and the uranium fuel cycle and transportation
6 environmental impacts. Both of these, in our
7 regulations, are designed specifically for light water
8 reactors, so it's been asked by Exelon to be able to
9 submit information that would be applicable to a gas
10 cooled reactor.

11 Now, I've gone over these issues. These
12 issues currently is what is before the staff. We
13 haven't made any decisions on what the answers should
14 be. The proposals came to us in a letter dated May
15 the 10th from Exelon, and I give you the exact date
16 because it is on our web site, if you are interested
17 in finding out exactly what the rationale for each of
18 these issues are.

19 Also, to follow the issue, we have monthly
20 meetings with Exelon, and our meeting summaries are on
21 our web site as well. The staff response to these
22 issues is expected to be finished in a Commission
23 paper that is due up at the very beginning of
24 November, so that is all I had to say on these issues.

25 Are there any questions I can answer?

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1 MR. CAMERON: Thank you very much, Diane.
2 Questions or comments on some of the
3 policy and legal issues that Diane spoke to?

4 MS. JACKSON: Okay.

5 I would like to retouch on Steven
6 Antonelli's question then about merchant plants and
7 how they affect — how plants operate in their new
8 environment, and maybe Exelon should answer this, but
9 they've put forth the PBMR with the expectation of two
10 things, that it would be attractive to operate as a
11 merchant plant and not as a normal utility, and so
12 this design is in response to what they see as a need
13 for the United States, and also the modular design
14 they are hoping is in response to the need of the
15 United States, that you can add on modules as the need
16 for more electricity comes along. So, perhaps, you
17 only want to build two modules, and then in a few
18 years build more when more electricity is needed.

19 MR. CAMERON: Okay, thanks, Diane.

20 Do we have any other comments particularly
21 on that, the issue that Diane just discussed?

22 Yes? This is Ted.

23 MR. QUINN: Ted Quinn, General Atomics.

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1 I have a comment and a question. The
2 comment is that for what Exelon has applied to you for
3 in a modular site, whether it's ten for that or for GA
4 say it's four, it applies similarly, so that I hope
5 that we have the opportunity to talk to you to also
6 address those issues.

7 The question is, the point of this SECY
8 paper as you go forward, a portion of this activity
9 will require, I assume, some legislation changes, or
10 recommended legislation changes. Can you describe the
11 time path that goes forward to November, well, beyond
12 November, what do you expect at either the Commission
13 level or to Congress?

14 MS. JACKSON: I don't think I want to
15 comment on how fast Congress is going to pass any type
16 of bill. What we are responding to in the Exelon
17 letter is, they are looking at a feasibility to go
18 forward in the United States with the Pebble Bed, and
19 they are trying to make an economic decision whether
20 it would be a viable design in this country.

21 So, based on our responses to them, they
22 are going to decide whether to go forth with this
23 design. Timetables after that, it won't — we will
24 not be addressing them in the November Commission
25 paper. Some of the issues, though, will not require

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1 changes in regulations or with the Atomic Energy Act
2 or anything like that, they are just a matter of
3 interpretation or letting Exelon know what we can do
4 within our existing regulation.

5 And, the second part to that is, you said,
6 General Atomic is looking at four modules, and, yes,
7 these issues are broader than just Exelon's PBMR, the
8 questions we're specifically answering are the ones
9 that Exelon asked, so they are directed towards their
10 design, but I would think some of the rationale would
11 go beyond just the PBMR.

12 MR. CAMERON: And, in terms of the
13 assumption that Ted made, was that there was going to
14 be a need for legislation, and you stated that the
15 regulations might need to be changed. Are we still,
16 I mean, is that a correct assumption, that there will
17 be a need for legislation on this or is that an issue
18 that's still being looked at?

19 MS. JACKSON: I'm looking at my OGC
20 representative, and he's kind of shaking his head no.

21 MR. CAMERON: Well, let's see if we can —
22 do you want to — we can't get that head shake on the
23 transcript, do you want to say anything?

24 MR. MIZUNO: Anything.

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1 All we can say is that we are — the
2 Office of General Counsel is looking at the issues,
3 and whether the Atomic Energy Act and other
4 legislation permits us to do what Exelon requests, and
5 we have not come to a decision yet.

6 And, apart from the question as to whether
7 the statute may permit something, I think that there's
8 a separate question as to whether it's a good idea to
9 move forward in that direction, and I think that
10 that's something for the Commission after consultation
11 with the staff would come to.

12 MR. CAMERON: Thanks, Geary, and as Diane
13 noted, the May 10th letter is on the web site.

14 MS. JACKSON: It is on the web site.

15 MR. CAMERON: All right, good.

16 MR. BORDEN: Kevin Borden from Exelon.
17 Just to clarify anything, it is our position that
18 there are no changes, statutory changes, that's why we
19 came to the NRC first. It's within our realm, if we
20 thought there were statutory changes, also to pursue
21 outside of the NRC to make those changes.

22 As far as an earlier comment, Diane, you
23 are correct, Exelon is a merchant company. We are not
24 per se the company that's designing this reactor, we
25 are the one that's going to be the power producer and

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1 using it. So, we looked at attributes like can we
2 handle demand better with a smaller module reactor?
3 It seemed like this was a good choice for us.

4 Other areas, like territorial, you know,
5 the siting issues, we don't have a territory per se in
6 the deregulated environment, so, again, being a
7 merchant company adds a lot of new dynamics to the mix
8 here, and we're pursuing each one of those.

9 We are still in the decision phase on the
10 PBMR. We are going to be close to making that
11 decision in November, and what we are trying to do in
12 preapplication space is identify all those issues
13 ahead of time so we can make those good decisions when
14 the time comes.

15 MR. CAMERON: Thank you very much.

16 Other questions at this point on the
17 issues that Diane talked about?

18 Yes, Eric?

19 MR. BENNER: Looking at it more generally,
20 Diane talked about the fact that we do have a
21 Commission paper going up the end of the year, really
22 in response to the questions asked by Exelon, but the
23 staff under me in my regulatory infrastructure role
24 will be looking at whether or not there needs to be
25 any regulatory infrastructure changes, i.e., changes

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1 to rules because of these issues that have been
2 brought forth, and that we don't quite have a time
3 frame for that but we are looking at the current
4 regulations and to see whether or not there is some
5 changes we could make to just make things better in
6 these areas.

7 So, that was just a comment.

8 MR. CAMERON: Okay, thanks, Eric.

9 Anybody else?

10 Let me introduce a new member of our, not
11 a panel, but some of the managers up here. This is
12 John Flack from the Office of Nuclear Regulatory
13 Research, and John is the Branch Chief of the
14 Regulatory Effectiveness, Assessment and Human Factors
15 Branch. He's joined us, and he'll be here tomorrow
16 discussing some specific aspects of designs, I guess,
17 but, John, go ahead.

18 MR. FLACK: Yes. I just had — I did have
19 a question in response to Kevin's comment regarding
20 the preapplication review. I'll be talking about the
21 preapplications tomorrow, but the question I had was
22 that Exelon needs to make a decision, and I understand
23 now that that decision is being pushed up to November,
24 and the preapplication review continues onward,
25 scheduled out past November, and the question on the

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1 number of issues and solutions to be fleshed out
2 before that I guess brought a question to my mind, is
3 to what extent did you feel that all the issues and
4 possible past resolution could be achieved within this
5 short period of time so that you could make that
6 decision. Maybe you could comment on that, Kevin, or
7 are you ready to comment on it? That was a question,
8 I guess, coming back to your comment.

9 MR. CAMERON: Kevin, do you want to address
10 that?

11 MR. BORDEN: Yes. We're working with your
12 staff to get through the areas that we're hoping to
13 get the most we can out of preapplication space. As
14 you can imagine, trying to make sure that we have the
15 right infrastructure in place, both in our house and
16 in your house, to make these reactors a reality in the
17 United States is a delicate balance between going too
18 far with our preapplication and also getting enough
19 information to do that.

20 I think we're getting out of the
21 preapplication what we could expect at this point in
22 time. We are heeding of the big issues. We had an
23 earlier review internal without interface with the NRC
24 and identified some of those areas. Through our
25 interactions with the NRC, we are confirming that

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1 those are the areas where there issues, like these
2 nine what we called regulatory financial merchant type
3 issues.

4 And, I think to answer your question, we
5 are getting a good amount of information. It is being
6 factored into our decision, and I think also, because
7 of the preapplication work that we are doing, it will
8 also help us prepare, if the decision is to go further
9 we already have a jump start on a lot of these issues
10 and we can get right into a more systematic approach
11 to licensing the PBMR.

12 MR. BARRETT: Kevin, before you give up the
13 microphone, could you, just so everyone in the room
14 understands what the decision is that you are going to
15 be making in November?

16 MR. BORDEN: Yes, there's a few decisions
17 we have to make, and we spoke about these during
18 Commission meetings and so forth, but the first
19 decision is, we are a partnership with PBMR in South
20 Africa, the designers of this plant, and there is a
21 decision to be made internally to go ahead with a
22 demonstration plant in South Africa. So, that would
23 be one of our business decisions in house, to support
24 that demonstration plant in South Africa.

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1 Around the same time, there's also a
2 decision to look at the technology. It's actually the
3 same type of information that goes into the decision,
4 but whether or not it's a viable option for us as a
5 utility or a merchant company to invest in the PBMR in
6 the United States.

7 We'll probably have a phased approach to
8 this, and the first decision is to go ahead with the
9 early siting permit. There will be latter decisions
10 of whether or not to go ahead with the COL, but I
11 think as we get closer to the end of the year
12 confirmation is going to be what we are finding
13 ourselves doing as we go along.

14 There's board decisions to be made by
15 Exelon each step of the way. There's also board
16 decisions to be made with our partners in South Africa
17 and the PBMR PTY, which is similar to an incorporated
18 with South Africa.

19 MR. BARRETT: Thank you.

20 MR. CAMERON: Thank you, Kevin.

21 All right.

22 MR. PARME: Larry Parme, General Atomics.

23 Diane, I have a question, and you've talked about a
24 November staff letter, I hope you understand question,
25 I want to ask it, but as I've listened to this there's

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1 degrees of your — I would guess there are degrees to
2 which you will be able to answer these questions and
3 in some of the meetings you had with Exelon there's
4 discussions.

5 To what extent do you think you will be
6 able to give clear answers to all these issues in
7 November in the letter, questions like, for example,
8 you've been asked about staffing requirements, but you
9 are not reviewing the design for exactly how the
10 control system or what the transients are, so the
11 question on these in general, do you have confidence
12 that you are going to be able to answer these
13 questions, or do you think on some of them you are
14 going to have to put off an answer?

15 MS. JACKSON: It varies for each issue, you
16 know, so we are — we do have a range at this point,
17 because we are still in the process of looking at
18 these issues. Some we can't say much at all on,
19 because we are still looking at the issue, so I can't
20 tell you what the answer is going to be, we don't know
21 it yet. Some, like operator staffing, we've already
22 come back to say, yes, it's within our regulations to
23 look at a justification for a different number of
24 operators, and what regulations Exelon or any other
25 design or utility would come in would have to look at

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1 to show us — to demonstrate how many operators they
2 would need. So, some of the answers are very
3 specific, some of them we can't say yet.

4 MR. CAMERON: Can I ask a clarifying one on
5 that. The question seemed to tie the November staff
6 paper to Exelon, but isn't it a broader staff paper,
7 in terms of new reactor initiatives? I mean, can you
8 clarify that?

9 MS. JACKSON: There are currently two
10 November Commission papers, and that's probably where
11 the confusion is.

12 MR. CAMERON: Okay.

13 MS. JACKSON: One that I spoke of with all
14 these issues is directly because Exelon wrote to us
15 and asked us these specific questions, and there may
16 be broader applications, but they are a direct result
17 of Exelon.

18 The second one is the one that Eric Benner
19 is in charge of, that is looking at a licensing
20 approach. Again, Exelon has asked the initial
21 question, and it's also based on information that
22 General Atomics had done earlier to look at a more
23 risk-informed criteria. And, that would be a broader
24 scope type of effort.

25 MR. CAMERON: Okay.

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1 MS. GAMBERONI: If I can just add, with the
2 policy papers, while it's in response, and I think
3 this has been coming out, but while it's in response
4 to Exelon's submittal the issues are going to have a
5 more generic application.

6 MR. CAMERON: Okay. So, people can be
7 looking for, whenever they are released, two
8 Commission papers.

9 MS. JACKSON: There are other designs,
10 particularly, General Atomics, that is looking, their
11 design is also modular, so you can get a flavor of
12 where the agency is going on these issues.

13 MR. CAMERON: Okay.

14 Yeah, sure, Geary.

15 MR. MIZUNO: Two things. I haven't seen the
16 latest version of the General Atomics' concept, so I'm
17 relying upon MHTGR description, but I believe that
18 their concept of their modular reactor is different
19 from the PBMR concept. I think that is going to —
20 that difference, okay, is not one simply of scale, the
21 issues that are raised were going to a discussion of
22 how you would resolve some of those issues. So, I
23 don't think that General Atomics should sit back and
24 assume that Exelon is necessarily representing their
25 — I mean, when Exelon presents their views with

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1 respect to these issues, that they are going to
2 necessarily be consistent or co-extensive with General
3 Atomics' interests, and I think that the staff
4 understands that, or at least we have told the staff
5 that they should be aware that they cannot answer
6 these questions solely upon PBMR/Exelon discussions,
7 that they have to take into account the fact that
8 there are other potential modular designs out there
9 and any answer that they provide Exelon with respect
10 to an answer has to be considered for its impact upon
11 other potential designs.

12 My understanding is that NEI was supposed
13 to be coordinating the industry's general response
14 with respect to all of these issues, and I had
15 presumed that General Atomics was participating in
16 that.

17 I guess my only comment is simply, if you
18 are not I believe that General Atomics should do
19 whatever is necessary to get their view heard to the
20 NRC, because we are currently making our deliberations
21 now. And, if you have any information to provide to
22 us, or any perspectives, we need to step up to the
23 plate now.

24 MR. CAMERON: Okay, thank you, Geary.

25 Michael?

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1 MR. WEBER: Geary really hit on what I was
2 going to ask about, but I was going to ask it in a
3 question, and that is, I heard a number of points on
4 how can various stakeholders have input to the staff
5 in its deliberations on these issues? Do we have an
6 answer for that? Would we welcome comment letters or
7 meetings with —

8 MS. JACKSON: Certainly they can send in
9 comment letters for these policy issues that I
10 discussed. We are having monthly meetings with
11 Exelon, and in the last two months they have been
12 discussed and we have asked any members of the public
13 if they had any comments at each of these meetings.

14 MR. WEBER: But, to be timely, when would
15 we need that input?

16 MS. JACKSON: Soon.

17 MR. WEBER: End of August or —

18 MS. JACKSON: I'd say mid-August. There's
19 a meeting with Exelon on the 15th and 16th, and if they
20 have comments or questions, certainly bring them by
21 then, if not, you know, before then. The sooner we
22 get information or comments the better we could be
23 able to respond to them.

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1 MR. WEBER: And, that would apply similarly
2 to NEI and utilities, merchants, designers, members of
3 the public?

4 MS. JACKSON: Yes, they are all our
5 stakeholders.

6 MR. WEBER: Right.

7 MS. JACKSON: And so, we are looking for
8 everyone.

9 MR. CAMERON: And, just so everybody
10 understands it, the context that they would be sending
11 us comments in would be the context of the May letter
12 that's on the web site, correct?

13 MS. JACKSON: For these issues, yes, but if
14 there are other issues, like Eric's, I'll put him on
15 the spot, Eric's effort —

16 MR. CAMERON: Although, Eric doesn't have
17 the —

18 MS. JACKSON: — at the licensing
19 approach, the initiation letter is also on the web,
20 but, you know, comments —

21 MR. CAMERON: A different deadline, though,
22 I guess, in terms of the mid-August, not the same
23 deadline.

24 MS. JACKSON: Yes.

25 MR. BENNER: The same deadline.

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1 MR. CAMERON: Okay, mid-August then. All
2 right, good, thanks, Eric.

3 MR. BENNER: Eric Benner, NRC staff. Like
4 Diane said, there are a couple of papers that we are
5 forwarding up to the Commission in the November time
6 frame. One discusses these issues in the context of
7 Exelon submitted information papers and asked for
8 certain things, and those papers will, to the extent
9 possible, address the things Exelon is asking for.

10 I said just before that we understand that
11 these issues are more generic, and that's why there is
12 some activity in the regulatory infrastructure space
13 to see if any changes need to be made generically,
14 because of the questions that Exelon has asked.
15 That's point one.

16 Point two, the other paper that's going up
17 in the November time frame, Exelon has proposed a
18 licensing approach, in that a lot of our regulations
19 do deal, have a light water reactor spin to them, so
20 they are trying to come up with an approach by which
21 the NRC and Exelon could agree as to what items are
22 necessary to achieve, to license a reactor of,
23 essentially, a different technology.

24 So, that also has generic components, and
25 we also have this regulatory infrastructure group

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1 looking at, hey, the questions Exelon is asking, does
2 that have generic implications for our rules and any
3 rule changes that would be necessary. That's point
4 two.

5 The last point I wanted to make is, you
6 were talking about, hey, isn't there a paper that
7 talks more generically about this stuff? There is a
8 third paper going up to the Commission, and I believe
9 it's in the October time frame, that is doing the
10 readiness assessment that we keep referring to, that
11 we are going to talk a little bit about tomorrow.
12 That talks more about budget and potential scenarios,
13 i.e., numbers of applications and what not, and that's
14 another paper, September, I'm sorry, September time
15 frame, that is looking at more what the NRC is going
16 to need to do to get ready to accomplish all these
17 things that are being before us.

18 So, that was all.

19 MR. CAMERON: Okay, great, that sort of
20 lays out what the specific actions, or some of them at
21 least, and we will talk about readiness more tomorrow.

22 What I wanted to do before we close, but
23 there's one more question or a comment out here. Yes,
24 sir.

25 MR. WOLF: It's more of a comment.

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1 MR. CAMERON: You might tell us who you
2 are, too.

3 MR. WOLF: My name is Luther Wolf,
4 University of Maryland, Department of Materials and
5 Nuclear Engineering. I'm coming from Germany and I
6 have seen both German modular designs for BBR and
7 Siemen's, and I wonder, by hearing all these comments,
8 both from NRC, whether the NRC is ready to step into
9 discussions with the German government and get some
10 information, and regulators in Germany who still
11 exist, you have international agreements, the
12 government forum on exponential data, you need all
13 these things which are done and so on and so on. Are
14 you doing that?

15 MS. JACKSON: You are leading us down the
16 primrose path. We have a team right now of five NRC
17 representatives over there now talking with the German
18 regulators and industry, one from NMSS, two from
19 research, and two from NRR, to cover the range of
20 issues.

21 MR. CAMERON: Does anybody want to add
22 anything on to that?

23 MR. FLACK: I might want to add that Don
24 Carlson, who is on that team, was a graduate student
25 and spent seven years in Germany within that Pebble

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1 Bed program that was going on, so he has first-hand
2 knowledge and information about that program very
3 early on in the process.

4 MR. WOLF: The question was whether during
5 the time spent on the AVR, experiments with THTR
6 operation, or the model reactor designs?

7 MR. FLACK: The focus is the fuel, that's
8 pretty much the interest at this point, and
9 understanding it, understanding some of the
10 experiments that were done in the past that had raised
11 some questions specifically with melt wires in the
12 pebbles and other things of that nature. So, the
13 focus is primarily, at this point, on the fuel part of
14 it, at least that's from research, I don't know —

15 MR. CAMERON: Okay. One more
16 clarification, Luther?

17 MR. WOLF: Yeah, I agree the fuel is
18 certainly a central part, but there are other problems
19 like the high temperature, high cycle fatigue,
20 confinement versus containment, and some of these
21 things.

22 MR. FLACK: Yes. I didn't want to downplay
23 those other important issues, they are very important
24 as well.

25 MR. CAMERON: Okay.

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1 Let's go to Steven Antonelli.

2 MR. ANTONELLI: Hi, yes, I just wanted to
3 follow up on this because I saw it regarding the fuel
4 cycle, which is an interesting question regarding
5 these advanced reactors, good questions like nuclear
6 waste, and what was going to be done at the back end
7 of the fuel cycle, for the types of maybe newer
8 combinations of fertile and fissile material that may
9 be used in these advanced reactors, those kinds of
10 issues, technical issues. I'm not referring to the
11 containment or the confinement issues, just that,
12 would that come under that last bullet, or is that
13 something that's not being discussed in these policy
14 issues?

15 MR. WEBER: We have a presentation tomorrow
16 that's going to talk about the remainder of the fuel
17 cycle, including the waste fresh fuel issues,
18 transportation, some of the safeguards aspects. I
19 think as was described this afternoon, it's
20 specifically focused on the S-3, S-4, Part 51
21 connection, but you are absolutely correct, there are
22 other issues that deal with the infrastructure needed.

23 I was only going to also offer additional
24 information, not only are we cooperating with the
25 Germans, but there are other countries that we are

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1 reaching out to that have experience, both current and
2 previous experience, and so we are trying to draw from
3 all resources we can through our cooperative
4 agreements with the various countries.

5 MR. CAMERON: Okay, thanks, Mike, and I
6 guess that that last exchange just is a caution in a
7 sense that Diane's presentation identified certain
8 policy and legal issues. You heard others from Eric,
9 but as Mike indicated, there's a whole slew of policy
10 and legal issues that are being examined as part of
11 this, and I guess the difficult thing is how do you
12 easily keep track and have a coherent list of what's
13 going on in various categories.

14 But, we are going to be back tonight for
15 a meeting at 5:30. We are going to be doing a summary
16 of some of the issues and presentations today. And,
17 we are also going to try to do a short overview of the
18 regulatory framework tonight, and we do have a
19 presentation by Mindy Landau from the Executive
20 Director of Operations office on public participation
21 mechanisms.

22 As I mentioned this morning, you are all
23 more than welcome to come back and join us tonight at
24 5:30 for that particular session.

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1 If you have not signed in with us, please
2 sign in. We do have the feedback forms also that we'd
3 like to receive from all of you.

4 Tomorrow morning, let me just go through
5 the parking lot, just one of the issues was
6 implications of deregulation restructuring, and I
7 think that we had a number of comments. We had some
8 discussion of that. There was one issue about the
9 potential need to clarify the early site permit
10 regulations to try to deal with what I'm calling the
11 modification process, and I don't know where or when
12 we are going to get to that, or if we do, but we'll
13 try to figure that out, and that was one of the
14 colloquies, I guess, that Geary had participated in
15 this morning.

16 The issue of electronic information
17 exchange was brought up, tomorrow morning's first
18 substantive presentation, we are going to add a
19 presentation by a gentleman called John Scotchless,
20 from the office of the chief Information Officer, and
21 he's going to talk about what the agency is doing
22 generally in the area of electronic information
23 exchange.

24 And, a big issue, and I think this is
25 going to be a big topic of discussion tomorrow when we

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1 talk about readiness, a number of people said the NRC
2 should provide a reasonable schedule and cost so that
3 there is some predictability to this process, not only
4 for the industry, but also for people who are planning
5 to participate in this process.

6 And, a related issue on staffing
7 readiness, does the NRC have the resources necessary
8 to do this, and the gas reactor was specifically
9 mentioned. Again, it looks like that readiness
10 presentation tomorrow is going to capture a lot of
11 this.

12 Action items, again, NRC EIE initiatives.
13 We are going to take care of that tomorrow. The
14 potential of listing relevant actions on the NRC web
15 site for new reactors is going to be considered, and
16 we also talked about the NEI comments that were
17 submitted in the solicitation of interest on changing,
18 I guess it was, Part 52, right, Jerry? And, NEI is
19 the only one who has submitted anything on that.

20 And, before we close, let's just open it
21 up for any further comments.

22 Mike?

23 MR. WEBER: Chip, just a question. I'm not
24 sure I understand that last action item. By relevant
25 actions, are we referring to these various papers

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1 we've been talking about, or is this more the
2 application of the different regulations, or what the
3 options are under the regulations?

4 MR. CAMERON: No, the context, let me try
5 to explain this in terms of the context in which it
6 came up, which was basically how would people, this
7 gentleman I think raised the issue, how would people
8 know, if they are in the middle of planning for a
9 particular type of application, and they are counting
10 on these particular regs being in place, how will they
11 know if the regulatory infrastructure is changing.
12 And, this idea is that, perhaps, that some of these
13 issues, new proposals, could be captured just on the
14 web site and maybe it would link to somewhere else.
15 It's just an idea, but I think that there's something
16 there for the staff to consider.

17 Marsha?

18 MS. GAMBERONI: I think we can probably,
19 you know, improve in that area, and I'd just mention
20 also for the web site, we have two points of contact
21 and they are listed right on the site, and it's Joe
22 Williams and Eric Benner. So, if there are, even
23 after this meeting, additional thoughts after you go
24 back and look at that web site, or information you see
25 that would be useful, or, you know, an improvement,

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1 you know, please send your e-mail to those contacts
2 and we can consider your suggestions.

3 MR. CAMERON: Okay.

4 Any questions about the meeting tomorrow
5 or what we are going to be doing tonight, any final
6 comments? We will be back at 9:00 tomorrow, for those
7 of you who don't join us at 5:30.

8 Again, both meetings in this room.

9 Okay, well, thank you for being here
10 today, and we'll either see you at 5:30 or tomorrow
11 morning.

12 (Whereupon, the meeting was recessed at
13 3:40 p.m., to reconvene at 5:30 p.m., this same day.)

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MR. CAMERON: Good evening, everybody, and welcome to the NRC's public meeting on the NRC's plans and preparations for evaluating new reactor license applications, and this meeting tonight is part of a series, so to speak, of meetings that started this morning. We went all day this morning, and we are going to be going from 9:00 to 12:00 tomorrow, Thursday.

We wanted to have this session, where we would at least summarize some of the information, detail the information, that we gave during today's session, for those people who might not have been able to attend the daytime session.

And, my name, by the way, is Chip Cameron. I'm Special Counsel for Public Liaison at the

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1 Commission, and I'll be your facilitator for tonight's
2 meeting. And, basically, I just wanted to talk
3 briefly about objectives of the meeting tonight,
4 format and ground rules, and tell you what's going to
5 be on the agenda, and introduce some of the NRC staff
6 that are up here, and then turn it over to Marsha
7 Gamberoni from the NRC staff who is up here, but
8 before we do that, basically, broadly stated, the
9 objectives are to provide information to the public on
10 the NRC's preparation for evaluating, and effectively
11 evaluating, any new reactor license applications that
12 come in.

13 As you'll hear, there are very many pieces
14 to the plans and preparations for evaluating these new
15 reactor applications, and we wanted to provide
16 information to all of you, not only on those
17 individual activities, but also on the overarching
18 issue of preparing to evaluate new reactor license
19 applications and the relationship between all of these
20 particular pieces in what may seem like a puzzle to
21 all of you.

22 The second objective is to hear your
23 comments on any of these individual issues, many of
24 which may have their own separate public participation
25 process, but to hear your comments on the individual

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1 issues, and also on the overarching issue and the
2 NRC's organizational plans, staffing, whatever, for
3 preparing for those materials, or those applications.

4 Format is very simple. We are here in a
5 town hall meeting, and the NRC staff, Marsha is going
6 to do an overview of this morning's discussion. We'll
7 go out to you for questions, and if we need to get
8 more detailed we'll be glad to get more detailed in
9 our discussion.

10 We do have an additional presentation
11 tonight, Mindy Landau, from the Office of the
12 Executive Director for Operations, is going to
13 specifically talk about public participation
14 mechanisms at the NRC, and we'll answer any questions
15 that you might have on that.

16 If you do want to ask a question or make
17 a comment, just please signal me and I'll bring you
18 this talking stick. We are taking a transcript. Our
19 court reporter is right over here, and I would ask you
20 to just state your name and affiliation if appropriate
21 for the transcript.

22 We have a limited amount of time, but I
23 think we'll have time to hear from everybody, but it
24 may be that we need to ask you to be a little bit

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1 concise on what you are saying. But, I think we are
2 in good shape on time.

3 And, we are going to keep track of any
4 potential action items that the NRC needs to follow up
5 on over here. I think that since our presentation is
6 not split into a number of topics, that we probably
7 can be pretty wide ranging in terms of what issues
8 that are covered, so we probably won't need to worry
9 too much about a parking lot, in terms of issues to
10 come back to.

11 I would just thank all of you for being
12 here, many of you for the second time, and thank those
13 of you who came from far distances to join us today,
14 and we'll try to give you as much information as
15 possible.

16 Let me just introduce the people that are
17 at the head table. Marsha Gamberoni is here, and
18 Marsha is the Section Chief in a new organization
19 that's been formed within the NRC's Office of Nuclear
20 Reactor Regulation, and that is the New Reactor
21 Licensing Project Office. Okay? And, Marsha is the
22 Section Chief. She's going to be giving us an
23 overview in a minute.

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1 Next to Marsha is Rich Barrett, and Rich
2 is a Deputy Director in — Deputy Director, right?
3 No.

4 MR. BARRETT: Director.

5 MR. CAMERON: Director, excuse me, in the
6 Office of Nuclear Reactor Regulation, and Rich was the
7 manager of the transition to the new organization that
8 I just talked to you about, the transition
9 organization was called, very simply I guess, the
10 Future Licensing Organization. So, Rich is going back
11 to his division director responsibilities that deals
12 with issues of risk, but he's here to complete the
13 transition to the director of the new office, Jim
14 Lyons, who is right here, and many of the people who
15 have done presentations today work for Jim in the new
16 organization.

17 Next to Jim is John Flack, who is from our
18 Office of Nuclear Regulatory Research. John is a
19 Branch Chief, and, John, do you want to give that
20 branch, I don't have it in front of me.

21 MR. FLACK: Regulatory Effectiveness,
22 Assessment and Human Factors Branch.

23 MR. CAMERON: Okay, thanks, John.

24 And, what we have in this effort on new
25 license applications is the involvement of many

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1 different offices and people in the Commission, and so
2 that's why we have our Office of Research here.

3 Mike Weber is from our Office of Nuclear
4 Material Safety and Safeguards, also a Division
5 Director of the Fuel Cycle Safety and Safeguards
6 Division.

7 We have other staff here from our Office
8 of General Counsel and the Office of Nuclear Reactor
9 Regulation, and we'll just try to give you as much
10 information as possible.

11 And, I guess, Marsha, do you want to do a
12 summary, do your summary at this point, and we can
13 have some interaction, and at some point we'll have
14 Mindy come up and do her piece on public
15 participation, but some of the issues that Marsha is
16 going to be talking about, all of them have particular
17 public participation aspects to them.

18 Are we going to have Jerry sort of do the
19 overview for us, in terms of the regulatory framework,
20 or are you going to do that? We'll get it out, okay,
21 good.

22 Marsha, thank you.

23 MS. GAMBERONI: Welcome back, to those of
24 you who were with us all day, and welcome to our new
25 participants.

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1 This is our first public workshop on new
2 licensing activities, and I just wanted to start off
3 by saying why an evening workshop, and why an open
4 session.

5 We got some feedback at our recent
6 workshop that the Advisory Committee on Reactor
7 Safeguards held in June, from some members of the
8 public, and they had stated that they can't make it to
9 our day meetings always. So, we wanted to try to
10 accommodate people who can't come out during the day,
11 and that's why we're having an evening workshop.

12 And, why an open session? Well, we tend
13 — one of the other comments during that workshop was
14 that we always hear what you want to tell us versus
15 what we want to hear, so we wanted to open it up to
16 have issues raised related to this topic, new reactor
17 licensing and inspection, that we may not have covered
18 during the day.

19 But, as Chip stated, I'm going to do a
20 summary of the issues we covered today and, really,
21 the issues we are going to cover tomorrow in case you
22 are not back with us tomorrow, just quickly, about a
23 slide on each topic, and I just wanted to throw out
24 for the new participants, if there is an area that you
25 want us to go back in more depth we can do that. I'll

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1 have the project manager come up and we'll go in a
2 little more depth. So, please, feel free to let us
3 know, because, again, we're having this session for
4 you.

5 Again, Chip stated what the purpose was,
6 but I'll just reiterate, it's to present an overview
7 of the licensing processes and current activities
8 associated with future licensing, and, again, to
9 provide an opportunity for external stakeholders to
10 comment on our processes and raise issues.

11 Just as a way of background, we have three
12 different program offices who are involved in these
13 activities, Nuclear Reactor Regulation, our Research
14 Office, and Nuclear Material Safety and Safeguards.
15 We also work very closely with our Office of General
16 Counsel, and we have four regions, and we've been
17 interacting with them on a lot of the inspection and
18 construction inspection program reactivation.

19 This shows what was the Future Licensing
20 Organization, and now is the New Reactor Licensing
21 Project Office. While this slide is a little out of
22 date, it really isn't, we've just made that change
23 just this week, so that shows where Jim falls out on
24 the organization. He reports directly to Bill
25 Borchardt, who is in our audience, the Associate

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1 Director for Inspection Programs, and then there's
2 myself and our project managers. We're transitioning
3 now to a permanent organization.

4 Our near-term objectives are to provide
5 central points of contact for NRR in future licensing
6 efforts, manage current activities. We have a number
7 of preapplication reviews, and I'll talk about them a
8 little bit later, and some rulemaking efforts ongoing;
9 coordinate FLIRA, FLIRA stands for the Future
10 Licensing Inspection Readiness Assessment, and
11 stakeholder interactions.

12 Our Office of Nuclear Material Safety and
13 Safeguards really branches out into their entire
14 office and has a wide variety of activities, and I
15 won't read them off, but they are listed on the slide.

16 Can we move on?

17 This is their key organizational slide.
18 I think that's most important for people to know,
19 because this shows where the Special Projects Branch
20 is located within our office. So, some of the other
21 organizational slides that are in the package are just
22 by way of background, again, showing that they reach
23 out into other parts of the office.

24 You can skip about three slides. Again,
25 these are the slides that just show those different

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1 offices. Research has the Advanced Reactor Group, and
2 John Flack is heading up that group.

3 I'll go through the purposes or their
4 objectives. Provide central point of contact for
5 research advanced Reactor activities, preapplication
6 reviews also, but for non-light water reactors,
7 Generation IV reactor work, and framework issue. They
8 are also planning on matrixing their expertise out to
9 their other organizations, and they are also involved
10 with stakeholder interactions.

11 Getting into the topics then we covered
12 today, part 52 and Combined Licenses, this was the
13 regulation that was created as an additional licensing
14 process in 1989, and it combined construction permit
15 and conditional operating license for a nuclear power
16 plant. The primary reason it was instituted was to
17 resolve safety and environmental issues before
18 authorizing construction of the nuclear plant. The
19 regulation provides an opportunity for public
20 participation prior to siting and construction of new
21 plants.

22 Early site permits allow applicants to
23 bank a site. There are a number of issues involved in
24 the review, site safety, emergency planning and

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1 environmental protection, and that process has several
2 opportunities for public involvement.

3 The design certification process allows
4 applicants to pre-approve a standard plant design by
5 rulemaking. Again, this helps to reduce licensing
6 uncertainty and facilitates standardization. Three
7 standard designs have been certified, and right now we
8 are working on a pre-application review for AP1000,
9 and we're potentially expecting an application for the
10 AP1000 in 2002.

11 ITAACs, or Inspections, Tests, Analyses
12 and Acceptance Criteria, are the program for verifying
13 that the facility has been constructed and will be
14 operated in conformity with the license. One of the
15 main issues with respect to ITAAC right now that the
16 staff is looking at is the issue of programmatic
17 ITAACs. The question is, should a combined license
18 application contain ITAAC on operational programs such
19 as security, training and emergency planning. We
20 issued a Federal Register Notice in June of this year,
21 and there's a public comment period that's currently
22 ongoing with respect to this issue.

23 We are working to reactivate our
24 Construction Inspection Program in anticipation of new
25 plants. Our report that I mentioned earlier, the

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1 Future Licensing and Inspection Readiness Assessment,
2 which is due to the Commission by the end of
3 September, will be addressing this issue, and it will
4 include the reactivated plant scenario, standard
5 design and custom designs. I'll just mention, one of
6 the key documents that we're using on this issue is a
7 draft report on a revised construction inspection
8 program, and that's available on our web site.

9 We have a number of rulemakings we are
10 working on, or plans in place for future rulemakings.
11 One of them is an update to 10 CFR Part 52, and we
12 have rulemaking plans in place for Alternative Site
13 Reviews and Part 51, Tables S-3 and S-4, which are the
14 environmental tables.

15 In February of this year, the Commission
16 issued us a staff requirements memorandum and asked us
17 to assess our technical licensing and inspection
18 capabilities, with respect to new reactor licensing.
19 And also, they asked us to assess our regulatory
20 infrastructure supporting both Parts 50 and 52. Our
21 report, as I said, is due to the Commission in
22 September, and will include postulated scenarios,
23 schedules, resources and critical skill needs. We
24 have a number of challenges associated with that, but

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1 one of our big ones is ensuring that we know what
2 industry's plans and schedules are, so we can prepare.

3 As I stated, we are currently working on
4 the AP1000 preapplication review, and also the Pebble
5 Bed Modular Reactor preapplication. Our Advanced
6 Reactor Policy Statement encourages early interactions
7 for new reactor designs, and that's part of this
8 process. This helps us to identify issues for
9 Commission policy guidance and staff technical
10 resolution issues. We also expect a number of other
11 preapplication reviews in the next year or so, the gas
12 turbine-modular helium reactor (GT-MHR) and the
13 International Reactor Innovative and Secure (IRIS).

14 There's a number of nuclear fuel cycle
15 issues involved with the new reactor licensing, and
16 they are listed on that slide. I'll just hit on a few
17 of them, transportation issues, spent nuclear fuel
18 storage and handling, decommissioning, safeguards.

19 And, that covers just a brief summary of
20 the topics we ran through today, and as I stated
21 earlier if anyone would like additional information on
22 any one of those specific topics we can do that now,
23 or, Chip, we can move into Mindy's presentation and
24 then come back to that with open discussion.

25 MR. CAMERON: Okay.

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1 Mindy, how long is your's?

2 MS. LANDAU: Short.

3 MR. CAMERON: Okay.

4 Why don't we have Mindy, and then we'll
5 open it up for discussion.

6 Mindy?

7 Thanks, Marsha.

8 MS. LANDAU: Thank you, Chip.

9 When I was invited to come here tonight,
10 I kind of had to reflect to myself and think, you
11 know, three years ago, and possibly even two years
12 ago, public participation would not have been an
13 agenda item at an NRC workshop, and I think that
14 that's an indication of how far we've come in our
15 agency with this particular subject.

16 Ever since public confidence was
17 identified as one of the NRC's four strategic goals,
18 we have been gaining such momentum in the
19 communication areas at NRC and public participation,
20 and I think you can ask just about everybody at NRC
21 and it's certainly on their radar a lot more now than
22 it was a few years ago.

23 And, I think my position, which is
24 Assistant for Communications up in the Executive
25 Director for Operations Office, was specifically

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1 created to look at ways that NRC can improve its
2 public participation policies, and also improve our
3 communications with our own employees, which we think
4 are very important as well.

5 And, this workshop was really a specific
6 example of how we can get information from you, and as
7 Marsha said we're, you know, certainly willing to hear
8 requests from the public to hold meetings in the
9 evening, and we are doing so a lot more frequently now
10 to accommodate people that need to work during the
11 day.

12 I'm going to be very brief today. I'm not
13 going to go through all the individual opportunities
14 for public participation, but I think what I'd like to
15 do, Eric, is just go through the three types of
16 applications that we are planning to receive here at
17 NRC and identify some of the areas where the public
18 will have an opportunity to be notified of something.
19 These are not very good, but they are in your handout.
20 And also, the areas where they have an opportunity to
21 be involved in the process, either through a meeting,
22 or submitting comments, or that sort of thing.

23 In the design certification process, as
24 you can see, and it's easier to identify by color
25 because the letters are not very clear, but the color

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1 yellow indicates where we are going to notify the
2 public about an action, whether it's a receipt of an
3 application, or a notification of a hearing
4 opportunity, or a notification of a meeting. And
5 then, the orange parts are the places where NRC can
6 actually participate in the meeting or hearing. And,
7 that's the design certification process.

8 Okay. For the early site permit process,
9 this one is a little different in that one of the
10 boxes, the yellow and orange box at the bottom, is the
11 notice of the environmental review, in which we
12 specifically have extensive public involvement, and we
13 go out and develop what's called an environmental
14 impact statement, which we go out and hold scoping
15 meetings with the public who we think are going to be
16 affected by the proposed site. We want to know what
17 kind of environmental effects they believe that site
18 will have, aquatic, endangered species, social,
19 economic issues, that sort of thing, and there's a lot
20 of public involvement that goes on at that stage in
21 particular, but then as well there's other
22 opportunities for meetings and hearings and so on.

23 And then, for the combined license
24 processes, again, you can see where we have either a
25 notice of a hearing opportunity, a meeting

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1 opportunity, or actual involvement in the hearings and
2 meetings.

3 And, you know, in addition to that, I
4 mean, we have — we always are able to be written to,
5 e-mailed, called, a variety of ways, and I think we've
6 distributed a contact sheet tonight where people can
7 get in touch with — no, we haven't, okay. Okay, on
8 the web site there are the names of people that you
9 can contact for further questions.

10 All these opportunities that we've
11 identified up here are going to be identified, at a
12 minimum, through a Federal Register Notice, but we are
13 well aware that many people don't get the Federal
14 Register delivered to their doorstep, so we will have
15 on the New Reactor Licensing web site we'll have the
16 notice of the meetings that are coming up, we'll also
17 have the documents related to those meetings, the
18 meeting summaries, hopefully things like that, and so
19 I think that site will be worthy of your examination
20 periodically so you can really see what's going on.

21 In addition to the web site, we'll be
22 putting out press releases for those meetings that are
23 very highly visible and we think that the public will
24 be very interested in. We'll be putting ads in local
25 papers for some of those meetings, and we may even

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1 send letters to local officials who have told us that
2 they would like to be informed.

3 Most, if not all, of our meetings are
4 going to be open to the public. Very few are closed.

5 The other thing I wanted to talk about
6 today is some of our other public participation
7 initiatives that we are undertaking in the agency. We
8 have been extensively training our employees on how to
9 interact with the public. In fact, we even go through
10 dry runs of public meetings, and we, you know, really
11 try and encourage them to put their documents in plain
12 English, their slides in plain English. We spent a
13 lot of time on that, and we hope it's realized some
14 good results.

15 And, in the response to public
16 suggestions, we instituted a feedback form. We
17 started this about nine months ago, and we are in a
18 pilot program now. You've each, I think, been given
19 a copy of this feedback form, if not there are some at
20 the desk outside, and we really encourage you to fill
21 them out and give us your honest assessment of how you
22 feel this workshop has gone today, because we do take
23 your comments into consideration. We do want to hear
24 whether you think it was effectiveness, what did you
25 learn, what other suggestions you might have for the

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1 future. We are going to be reevaluating all the
2 feedback forms that we've received over a period of
3 about 18 months, and then we'll either make some
4 changes to the feedback form or keep it the way it is,
5 but I think we will always be having some sort of
6 feedback mechanism. That's proven to be very
7 successful.

8 And, another initiative that we are
9 underway is a redesigned web site, and we've talked a
10 little bit about this before. We have a — NRC has a
11 total new web site that we are unveiling probably this
12 fall, and I think you'll find that there is a lot more
13 content, it's more graphically rich and interesting.
14 It's designed so that it's easier for you to kind of
15 navigate your way through the site. There's a lot
16 more background material, and as I said before, the
17 New Reactor web site is going to give you specifically
18 information in this particular area.

19 We also have a public involvement button
20 on our web site, which will tell you how to get
21 involved in NRC activities generally, and I have
22 copies of this booklet, which you may all want to take
23 a copy of as you leave, which kind of gives you some
24 guidance on how to get involved in NRC activities
25 generally, not just this activity, but rulemakings,

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1 and meetings in general and other initiatives that we
2 may be planning over the years.

3 In addition, we held a meeting on April
4 4th, which was a rather large workshop that we held
5 with a number of non-governmental officials, public
6 citizens. They were in roundtable format. There were
7 a lot of people on the telephone, and the meeting was
8 held specifically to give us input on how we can
9 improve our public participation policies and
10 activities, and we got a lot of good suggestions, and
11 we put those suggestions into a Commission paper that
12 will be sent up to the Commission just about any day
13 now. So, we do take your suggestions into account,
14 and we do want to hear about them.

15 And, in summary, I just want to say that
16 we really do want to receive your input. We are here
17 because of that fact. We'd like you to fill out the
18 feedback forms. We are trying our best to improve, but
19 we know we can always do better, and we're really
20 depending on you to let us know how we can do that.

21 So, thank you.

22 MR. CAMERON: Thank you, Mindy.

23 I was thinking about how we should, since
24 we did give a broad overview of a number of topics and
25 issues, about how to proceed in terms of for people

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1 who don't know, or might not know much about this
2 particular area, I guess that there were three pieces
3 of the puzzle talked about, Part 52, early site review
4 was mentioned, design certification was mentioned.
5 Mindy covered public participation for those areas,
6 specifically, and public participation generally.
7 There were also a number of rulemakings mentioned, and
8 I just wondered, is it clear what purpose all of these
9 areas cover, what purpose they serve in new reactor
10 licensing and what the relationship is between them,
11 is maybe one set of fundamental questions, before we
12 think about, well, what is the public participation
13 associated with those areas, how are those areas
14 changing through rulemaking or other initiatives.
15 That's one particular approach, or we can just open it
16 up for just questions generally.

17 Mike?

18 MR. WEBER: Mike Weber from NRC. I had a
19 question of clarification for Mindy. The slides you
20 showed on the processes for the combined license and
21 the design certification, you don't show an
22 environmental review component. Is there a NEPA
23 component to those processes, because that would bring
24 additional opportunities for public involvement in the
25 process.

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1 MR. CAMERON: And, this is Jerry Wilson,
2 again, part of the New Reactor Licensing Project
3 office. Jerry?

4 MR. WILSON: There isn't an environmental
5 review aspect to design certification, because that's
6 just limited to the design review. But, the combined
7 license, if the site review was done as part of the
8 combined license review, it would have that same
9 environmental review and all of the same participation
10 stages as shown in the early site permit. We just
11 didn't show that detail, because we knew that part of
12 the presentation was going to cover that.

13 MR. WEBER: Good.

14 MR. CAMERON: Okay, thank you.

15 Anybody have a question or comment? I
16 don't know, I don't want to put a lot of pressure on
17 Lou and Janet, but, Lou?

18 MR. ZELLER: Lou Zeller of Blue Ridge
19 Environmental Defense League. I had a question about
20 this flow chart here that's very clear with regards to
21 notification of opportunity for public participation,
22 and then the opportunity for public participation with
23 the color scheme. My question is, in your key here
24 the notification of opportunity for public
25 participation, let's say in the design certification

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1 process or even in the early site permit process, with
2 the application for design certification, or with the
3 early site permit application, you note an optional
4 preapplication meeting, for example, in the early site
5 permit process. What would be the opportunity for
6 public participation at that point, let's say, within
7 the application? Could we ask for those documents?
8 Could we correspond with somebody within the office,
9 and what would be the results of that correspondence?

10 MR. CAMERON: And, is it clear, Jerry, what
11 particular process that Lou is referring to?

12 MR. WILSON: No, I need a clarification.

13 MR. CAMERON: Okay.

14 In design certification, in focusing for
15 now on the design certification process, okay, what's
16 the nature of public participation in design
17 certification? What can members of the public do?
18 What can they request from the NRC? What can they
19 say? How is it handled, those types of issues.

20 MR. WILSON: Okay.

21 First of all, you can have access to the
22 application, the same material the staff is reviewing.
23 We provide a notification when we receive the
24 application and discuss the availability of that
25 application.

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1 Then, during the actual staff review, we
2 hold meetings with the applicant, and those generally
3 are public meetings, and you can receive the materials
4 that are presented by the applicant to the staff at
5 those meetings.

6 Then, after the staff finishes its review,
7 we issue a Safety Evaluation Report, and that's a
8 public document that we put out, and that's available.

9 Our Advisory Committee reviews the staff
10 review, and they hold public meetings and put out
11 letters that are publicly available.

12 And then finally, we hold a Notice and
13 Comment Rulemaking that describes the rule that would
14 certify the design, and there's an opportunity to
15 comment on the proposed rule, and, of course, that's
16 open to everyone.

17 MR. CAMERON: How would — then, there's a
18 new design certification, I guess, that's going to be
19 coming in, so we are in the preapplication phase,
20 could you — is it possible to give a concrete
21 illustration about what the staff would do in terms of
22 public notification in the — for that, do a
23 hypothetical on that. In other words, when do we do
24 preapplication, public involvement, what does that
25 mean, would that be helpful to see some details?

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1 MR. WILSON: We're in a preapplication
2 review with Westinghouse regarding the AP1000 design.
3 They are trying to decide whether they are going to
4 seek design certification or not, and as part of that
5 we are holding meetings with Westinghouse. We put out
6 a notice of those meetings, typically, ten days in
7 advance of the meeting, and describe the location and
8 time of the meeting, and then hold that meeting.
9 It's, typically, here at the NRC. Those meetings are,
10 typically, open to the public.

11 MR. CAMERON: And so, the notice would be
12 on the — would be somewhere on the NRC's — it would
13 be a meeting notice on the NRC web site?

14 MS. GAMBERONI: Right.

15 In addition, just to add to those
16 meetings, we've been giving an opportunity at each one
17 of those meetings, and really all our public meetings
18 involved with new reactor licensing activity, to have
19 the public comment actually during those meetings.
20 We'll put a time on the agenda, and our meeting
21 notices state that. So, we have a meeting notice web
22 page, but then also on our New Reactor Licensing
23 Activities web page you can click under the activity
24 AP1000 Review, or AP1000, upcoming meeting, click on
25 that, and then you'll see all the notices. And, we're

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1 trying to — usually our meeting notices have to go
2 out about ten days in advance of the meeting, that's
3 our goal, and so we are trying to get them on the web
4 page within about a day of that.

5 So, it's just something you'd probably
6 have to check periodically, depending on what issue
7 you were interested in.

8 MR. ZELLER: Will there be a clearly
9 identified person to correspond with in each one of
10 these cases? I mean, all we'd need is an e-mail
11 address or a mail drop or whatever.

12 MS. GAMBERONI: Yes, usually at the bottom
13 of our meeting notification forms there's a point of
14 contact listed, and you'll see the participants from
15 NRC, as well as industry or other stakeholder
16 participants.

17 So, in addition to that, on the web page
18 you'll see there's a point of contact, and so if you
19 ever had questions it's Eric Benner and Joe Williams,
20 and their names are on the web site, and you could —
21 their e-mail addresses are there also.

22 MR. CAMERON: Jim Lyons wanted to say
23 something.

24 MR. LYONS: I guess I was going to ask
25 Jerry before he sat down to maybe discuss the bottom

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1 portion of that time line on the notice of an optional
2 hearing, and whether an optional hearing would be
3 held, and maybe that's something that would be of
4 interest also, the process for that.

5 MR. WILSON: Yes. In design certification,
6 there is a possibility of a hearing. We put out a
7 notice of the opportunity to participate in the
8 hearing after receipt of the application, and then if
9 parties were interested in the hearing they would have
10 to petition and identify their issues, and a decision
11 would be made by the Commission on whether to hold a
12 hearing on that.

13 MR. CAMERON: And, before that opportunity
14 for a hearing, though, there is the notice of proposed
15 rulemaking, is that correct, that anybody can comment
16 on, and we need to consider their comments?

17 MR. WILSON: Well, there's both. The
18 notice of opportunity for a hearing would actually
19 happen before the notice and comment rulemaking.

20 MR. CAMERON: Okay. All right.

21 MR. BARRETT: Chip, I just want to add one
22 point about the periodic meetings that we have. We
23 document, put together summaries of those meetings
24 after the fact for those who are unable to attend, and
25 we put those out on the web site, along with material

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1 that was made available to the participants in the
2 meeting. And, I think we've been doing a pretty good
3 job of getting those things out in a timely fashion.
4 So, I think that might be one way.

5 MR. CAMERON: Okay.

6 Any other questions or comments on this?
7 Let's go to Steven Antonelli.

8 Steven?

9 MR. ANTONELLI: Yes, I'm Steven Antonelli,
10 public citizen.

11 I was aware, I may be wrong, but last year
12 there was some activity about changing the hearing
13 process, and maybe it's this year, I thought it was
14 begun in 2000. I'm not certain what part it was
15 under, but there was talk of having a Subpart C, and
16 it basically was talking about tracking and putting
17 certain kinds of proceedings formally and informally.
18 And, these have the implications of getting certain
19 things on the record for public interest, and I'm
20 wondering if these things that we just spoke of and we
21 saw the slides incorporate this new activity about
22 hearings.

23 Thank you.

24 MR. CAMERON: Do you want me to just
25 address that generally?

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1 What Steven is referring to is a proposed
2 rule that the Commission has issued that would change
3 the Commission's rules of practice, which are in Part
4 2 of the Commission's regulations, and these rules
5 govern hearings on various types of materials and
6 reactor license applications. They are not aimed
7 directly at new reactor license applications, although
8 they may be, there may be important implications, but
9 the important point is, is it is a proposed rule out
10 for public comment. Comments are due by September
11 14th of this year, and when the staff evaluates those
12 comments that come in they will revise the proposed
13 rule accordingly and send a draft final rule to the
14 Commission for review.

15 And, it could result in significant
16 changes to the hearing process. Some of that hearing
17 process would, undoubtedly, apply to some of these
18 areas. So, if you are interested in this area, it
19 would be important to keep track of what is happening
20 with that proposal.

21 The proposed rule is on the rulemaking
22 part of the NRC web site.

23 And, Steven, does that clarify what that
24 is all about?

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1 MR. ANTONELLI: I'll answer my own
2 question, I guess. It's a proposed rulemaking, it's
3 not applicable to what we are discussing right here.

4 MR. BARRETT: Well, it would be.

5 MR. WEBER: Yes. If the Commission were to
6 conclude that rulemaking, depending on how they
7 conclude that rulemaking, it could apply to new
8 reactor licensing.

9 I just wanted to point out that, you know,
10 the analysis that led to the proposed rule goes back
11 a number of years, and it was under consideration and
12 being developed within the Office of General Counsel
13 well before there was any talk about future reactor
14 licensing, at least, you know, in the last year or so.

15 MR. CAMERON: Okay.

16 John?

17 MR. FLACK: For the record, I'd be curious
18 to understand whether or not this has an impact on
19 public confidence, this proposed rulemaking, if it
20 goes one way or the other.

21 MR. CAMERON: Well, I guess it depends on
22 what an individual believes of the changes. I mean,
23 there is legitimate arguments to be made for, for
24 example, a formal adjudicatory process which is like
25 a trial, and there's cross examination, presentation

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1 of witnesses, versus what's called, typically, an
2 informal process, where papers are filed, comments,
3 basically, submitted to the court, rather than having
4 testimony and cross examination.

5 And, there is public policy arguments for
6 both of those types of hearings. And, one may be more
7 suitable for a particular type of license application,
8 but not for another. For example, the Commission, in
9 the proposed rule, did not change the licensing
10 process for the Department of Energy license
11 application for a high-level waste repository. That
12 is still going to be a formal adjudicatory proceeding.

13 So, what it does in terms of public
14 confidence is going to depend on your viewpoint, I
15 think.

16 MR. WEBER: And, I would add to that that
17 I believe the proposed rulemaking notice talks about
18 the relative merits, at least from the Commission's
19 perspective, of the proposed rule, and it gets into
20 some of these tradeoffs on where is public confidence.

21 MR. CAMERON: Any other comments or
22 questions on that, or some of the issues that Marsha
23 went over?

24 Janet?

25 MS. ZELLER: Thank you.

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1 Janet Zeller, Blue Ridge Environmental
2 Defense League. I have three questions. First, what
3 is the role of proprietary information in the new
4 licensing activities?

5 MS. GAMBERONI: Do you want me to — I'll
6 address them one at a time?

7 MS. ZELLER: Yes.

8 MS. GAMBERONI: Applicants or licensees can
9 submit proprietary information, and it would be
10 treated just as it would for operating plants or other
11 issues ongoing, and, basically, if they need to submit
12 proprietary information the staff would review it and
13 make a proprietary determination.

14 If it was something that was going to be
15 needed to discuss in a meeting, we'd notice that, that
16 it was a proprietary — that there may be a need to
17 close that portion of the meeting.

18 Does that answer your question?

19 MS. ZELLER: Yeah, it does, but could you
20 give me some examples? I mean, is a reactor design
21 going to be proprietary?

22 MS. GAMBERONI: Portions of it may be,
23 portions of the code analysis or different issues.
24 Also, in addition to the proprietary information they
25 submit, whoever is submitting that information needs

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1 to submit a non-proprietary version, so that way they
2 are just identifying what select portions of that
3 submittal are actually proprietary, and that's what
4 we're doing our review against.

5 MR. WEBER: If I could just build on what
6 Marsha has already relayed, of course, there has to be
7 enough information in the public record to provide a
8 convincing argument that this facility is going to be
9 safe, if that's the staff's judgment, and that's why
10 there is a non-proprietary version available.

11 And, there's also a mechanism, I believe,
12 OGC can correct me if I'm wrong, but there's a
13 mechanism by which if there is a hearing parties to
14 that hearing can get access to the proprietary
15 information to the extent that that's relevant to the
16 arguments before the board, or the contentions,
17 provided that there's non-disclosure agreements signed
18 and all that sort of procedure.

19 So, there is a mechanism to provide access
20 to that information.

21 MR. CAMERON: And, let me just have Bob
22 talk to that briefly.

23 MR. WEISMAN: I'm Bob Weisman from the
24 Office of the General Counsel, and, typically, what
25 happens in a hearing is, the parties get together and

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1 they make whatever arrangements they want to make so
2 that proprietary information can be disclosed within
3 the context of the hearing.

4 If they are unable to agree, then a party
5 seeking disclosure of proprietary information can go
6 to the board and ask for a protective order, and then
7 the board will have to decide whether or not to issue
8 such an order.

9 But, those are the usual mechanisms.
10 Usually, the parties just simply agree on who has
11 access to the information and the manner in which it
12 will be controlled. That's usually what happens.

13 MR. WEBER: And, the intent is not to
14 preclude people from getting access to information
15 that they should have access to, there is very
16 specific criteria laid out in Part 2 of the
17 regulations, 2.790, and it describes the basis on
18 which the staff has to conclude that, indeed, the
19 information is proprietary, and that's another
20 separate part of the review process. And, obviously,
21 the objective — one of the objectives is to ensure
22 that there's not disclosure of business or
23 confidential information that could provide an unfair
24 competitive advantage to another business.

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1 So, there's a hierarchy, and there's also
2 a rigor that the staff applies in making those
3 decisions, and I think people in the audience that
4 have gone through that process can attest to it's not
5 a rubber stamp type review that the staff goes through
6 to say, yeah, it's all proprietary.

7 MR. CAMERON: And, Janet, I think that
8 answers your question, but does the answer satisfy
9 your underlying concern about availability of
10 proprietary material?

11 MS. ZELLER: Well, we've gone through this,
12 of course, recently with the plutonium fuel issue, and
13 the disclosure agreement was so difficult to find,
14 because we were afraid of being sued if we used
15 information that we got from another source, because
16 we have been able to put together some of the
17 information that is proprietary, and we already have
18 that information.

19 And so, anyway, it can be very difficult
20 for public participation.

21 Okay. And then second, shoo, banking for
22 20 years, a lot of things change at a site in 20
23 years, what mechanisms are there to make sure that the
24 environmental impacts are the same after two decades?

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1 MR. WILSON: The review is going to have to
2 look at the duration of the early site permit, whether
3 it's a ten-year or a 20-year permit, and thoroughness
4 of review is going to have to take that into
5 consideration.

6 Now, let's assume that a site was granted
7 an early site permit, and 19 years went by and then
8 they referenced that early site permit and came in
9 with an application to build a plant at that site. At
10 that time, I believe the process has within it the
11 capability for someone to question, do you need to
12 update anything, or does the siting information, or
13 the data used in the environmental assessment need to
14 be updated after that amount of time has gone by?

15 But, generally speaking, we believe that
16 you can issue a permit that will be good for that time
17 period.

18 MS. ZELLER: Thank you.

19 And then finally, I don't mean to hog the
20 microphone, finally, what is the role of environmental
21 justice, what's the role of community acceptance or
22 lack of, and what is the role of the need for the
23 electricity? This was touched on a bit today, but not
24 enough. How are these factored into licensing
25 decision-making?

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1 MR. CAMERON: All right. Thank you. I
2 think we're on the environmental impact statement
3 process connected to new reactor applications. Does
4 someone want to give us a review on that, and need for
5 power was cited.

6 MR. KENYON: Environmental justice.

7 MR. CAMERON: Environmental justice, and a
8 separate issue is what the community believes about
9 that, and we may want to talk, we should talk, about
10 what is the NRC's statutory responsibility in regard
11 to these types of applications.

12 But, Tom, why don't you talk about the
13 environmental, and then we can get into some of the
14 rest.

15 MR. KENYON: Well, I'll answer the easy
16 question first. For the early site permit review, the
17 need for power is not required to be reviewed.
18 However, we review that when they come in for a
19 combined license at a later time. So, when we look at
20 the early site permit, the belief of the staff at the
21 time that we issued Subpart A was that this just
22 allowed the applicant to bank the site. We weren't
23 concerned with the banking of the site at that time,
24 the concern of the need for power becomes a concern
25 during the combined license process.

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1 You asked about what the role of EJ is —
2 MR. CAMERON: Environmental justice.

3 MR. KENYON: — Environmental justice, I'm
4 sorry, the staff has a requirement to look to see if
5 there are any significant impacts to a minority or
6 low-income groups in the area of the site, to make
7 sure that they are not being unfairly impacted by the
8 proposed action.

9 And, perhaps, our Office of General
10 Counsel would like to elaborate on that at all?

11 MR. CAMERON: Just one thing, Tom, is
12 environmental justice specifically looked at in the
13 early site review?

14 MR. KENYON: It's looked at in the early
15 site review.

16 MR. CAMERON: Okay.

17 MR. KENYON: Under our environmental impact
18 statement development.

19 MR. CAMERON: Bob, do you want to just give
20 the same clarification you did today?

21 MR. WEISMAN: Yes. Environmental justice,
22 as you may know, that kind of evaluation is performed
23 in accordance with an Executive Order that President
24 Clinton issued, and the thing that the Executive Order
25 directs federal agencies to examine is whether an

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1 action will have a high, an adverse impact on either
2 minority populations or low-income populations in the
3 area around the site of where an action is going to
4 take place.

5 So, the way the Commission implements that
6 is to look at the demographics of the low-income and
7 minority populations that may be in the vicinity of a
8 site, and according to the Commission's direction we
9 perform a disparate impact analysis to see if the
10 action would have any kind of high or adverse impact
11 on such populations.

12 MR. CAMERON: Okay.

13 That's early site review. Now, in terms
14 of the two examples that Janet mentioned,
15 environmental justice, need for power, what happens
16 when you are in Part 52 or design certification.

17 MR. KENYON: Well, the design certification
18 is just a technical review.

19 MR. CAMERON: So, there's no — I just want
20 to make sure everybody understands what the components
21 are connected to each of these three. So, I'm sorry,
22 Tom, you were going to say that it's only a technical?

23 MR. KENYON: Well, it's a technical review
24 to determine the acceptability of the design. It's

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1 not involved with the concern with need for power, or
2 environmental justice.

3 MR. CAMERON: So, there's no environmental
4 assessment or review connected to design
5 certification?

6 MR. KENYON: To the design certification
7 part of the process.

8 MR. CAMERON: Okay.

9 And, how about when you get to the
10 combined operating license?

11 MR. KENYON: Well, it depends on if an
12 early site permit was being referenced in the combined
13 license. The staff reviews environmental justice
14 during its review of the environmental aspects of an
15 early site permit, and should that be — should it be
16 determined that that's a central issue in an early
17 site permit then when it goes to the COL, if the COL
18 application references that early site permit that
19 issue has already been looked at and adjudicated.

20 Now, if they come in with a COL
21 application with just site information at the time,
22 without referencing an early site permit, then we
23 would be performing an environmental — putting
24 together an environmental impact statement, in
25 accordance with the requirements of the National

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1 Environmental Policy Act, and we would be required to
2 look at environmental justice at that time.

3 And then, for the COL, as I mentioned
4 earlier, we would be looking at the need for power as
5 well.

6 So, there's kind of different steps, and
7 the design certification is just to certify the actual
8 design of the plant, regardless of where it might be
9 sited, and the early site permit can be granted
10 without having a particular plant reference. They may
11 be referencing performing a bounding analysis using up
12 to maybe 100 different parameters that could be
13 showing that a bounding — what's a good way of
14 putting this — performing a bounding analysis, but
15 not having actual site design specified for that early
16 site permit.

17 And then, of course, the COL has a
18 particular site in mind and a particular design.

19 MR. CAMERON: Okay.

20 And, Janet may have a follow-up, but I
21 think the other question is broader than the NEPA,
22 it's how are the feelings about the application, the
23 feelings, the attitudes in the community, factored
24 into the NRC decision-making process. I believe that
25 was what you were trying to find out.

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1 And, Mike, do you want to say anything
2 from your experience on these issues? I guess that
3 the bottom line is, is that the NRC's statutory
4 obligations are to review the safety and environmental
5 aspects of a facility, and if the facility, if the
6 license application meets those requirements then the
7 NRC grants a license. That's all we are obligated to
8 do.

9 In other words, if someone met those
10 regulations and the community didn't want it, the NRC
11 would still have to follow through on its part, and
12 the political process, or some other process, would
13 consider what the community felt.

14 But, as Mindy Landau talked about earlier,
15 we are very interested in what the community does
16 think, what the concerns are, providing information,
17 and trying to do as much as we can to find out what
18 those concerns are. So, that's how we try to factor
19 in what the feelings in the community are.

20 But, I would open it up to any of my
21 colleagues to expand on that or say anything that they
22 want to on it, including our representative from the
23 Office of General Counsel.

24 MR. WEBER: I think you've characterized it
25 very well. I guess in my experience, if the applicant

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1 demonstrates that they meet the requirements, both
2 from an environmental protection standpoint and from
3 a safety standpoint, NRC as an agency has got an
4 obligation to follow through on the request.

5 Certainly, as Chip points out, we want to
6 know what the concerns are of the community, and it's
7 often through the stakeholder input those concerns,
8 there's something behind those concerns and sometimes
9 that is a legitimate environmental issue or safety
10 issue, that then the staff gets involved in and
11 evaluates for its merits. And, that's the way of
12 informing the review process.

13 But, it's not a guarantee. The fact that
14 a local group or individuals does not want to see a
15 facility get a license doesn't make it so. Of course,
16 that entity, or those people, have other recourses to
17 go outside of the NRC's administrative review process
18 and seek remedies in the courts.

19 MR. FLACK: And, of course, to make all our
20 decisions as transparent as possible, making it
21 public, and providing the justification for those
22 decisions, is about as best as can be done at that
23 point.

24 MR. CAMERON: And, to the extent that we
25 can, also if there's understandable fears in a

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1 community about radiation and accidents, we try to
2 explain what the — give people an idea of what the
3 risk might be and how our regulations try to minimize
4 any risk.

5 MS. ZELLER: I'd like to follow up.

6 MR. CAMERON: Go ahead, you feel free.

7 MS. ZELLER: Okay.

8 I'd like to address the need for power
9 again, please. What about merchant plants and need
10 for power evaluation?

11 MR. WILSON: There is still going to be a
12 requirement to address the need for power. The
13 balancing between the environmental impact of building
14 a plant is the need for power. You wouldn't allow
15 that impact if there wasn't a need for that plant.
16 So, there's still going to be a need for power review,
17 it's just a question of the timing of when that's
18 going to be done.

19 MR. CAMERON: And, let me, we have one of
20 our agency experts here on environmental review, Barry
21 Zaleman. Barry, do you want to add anything to what
22 you've heard?

23 MR. ZALEMAN: A couple of comments.

24 One of the things that John just touched
25 upon, the transparency issue is fundamentally

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1 important to our work. As you may have heard earlier,
2 or if you pick up some of the material, you'll see the
3 agency has really laid out what its review basis would
4 be. And, if you look at environmental area, there's
5 an environmental standard review plan. That was
6 published in March of 2000.

7 We explained to the public, and that
8 includes our perspective applicants, but we explained
9 to the public how the agency is going to conduct its
10 business, for an early site permit, for a combined
11 license, for a construction permit or an operating
12 license. That's laying out the rules in advance. So,
13 no matter who is a participant in the process, they
14 understand how the agency will conduct its work.

15 The agency does reach out into the
16 community. Tom pointed out in one of his slides that
17 there would be preapplication dialogue. We'd go into
18 the community to identify that we hear word that there
19 is going to be a perspective applicant to explain the
20 process, you know, what an early site permit is, if
21 that's the application, or what a combined license is,
22 just to make sure that the locals have an
23 understanding of, not only what the issue is, but how
24 they can participate in the process as well.

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1 Mindy pointed out that we not only use the
2 formal mechanisms to notify the public, but we use
3 other mechanisms on our own. It's not common reading
4 for me to pick up the Federal Register every day, I
5 wouldn't imagine a member of the public would once a
6 week, but when we have meetings, and if I use our
7 recent experience in license renewal, we purchase ads
8 in local community papers, sometimes they are
9 bilingual because that happens to be the community
10 that we are operating in, just to make sure the public
11 is aware that the agency is coming down to hold a
12 public meeting and engage them in dialogue.

13 While the agency has experts in many
14 areas, one of the things that we don't have is a local
15 presence other than our resident inspectors. Those
16 are good for operating plants, but where we have not
17 yet established a resident at a site we expect the
18 public knows the community better than we do.

19 And, during the scoping processes, we
20 begin to lay out the issues. We are also seeking
21 public engagement. You know your site better than we
22 do, what's important to you? And, if those issues
23 operate within environmental space, they will be
24 captured within the environmental review.

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1 So, we attempt to get the pulse of the
2 community. Some of you may be familiar that we only
3 have facilitated meetings in some of our environmental
4 reviews, and, you know, my mantra is if Chip's not
5 available we don't have the meeting. But, the reality
6 is, our facilitator does reach out and try and
7 interact with the local interest groups that have a
8 stake in this issue.

9 We attempt to understand what their
10 concerns are. We try and be as creative as we can in
11 the public meetings, so that the public understands
12 the issues, understands what our role is in
13 undertaking our review.

14 We are not promoters of nuclear power. We
15 are regulators of nuclear power. If you want to talk
16 to the promoters you can go talk to the Department of
17 Energy, but we regulate, and the decisions that we
18 make are founded on technical bases, and the basis
19 that we use is explained to the public well in advance
20 of an application.

21 I hope that was useful.

22 MR. CAMERON: Thank you, Barry.

23 All of you who have been with us for the
24 whole day have been listening to this discussion,
25 which has been centering on public participation. Do

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1 we have any comments or observations from any of you
2 out there?

3 Ted, do you want to use that mic?

4 MR. QUINN: It's Ted Quinn from General
5 Atomics, and, really, the American Nuclear Society.
6 The comment that I have really is, first, I'm from
7 California, and I'm pleased to see that there is an
8 industrial base that's looking carefully at future
9 generation that meets our needs and meets the rest of
10 the country, and I'm pleased that it's happening and
11 that we all recognize that it's world procurement,
12 it's not really just going to be a U.S.-based process
13 that goes forward.

14 I'm pleased to see a regulator that is a
15 government agency address this issue in a proactive
16 manner, not all government agencies are so quick to
17 respond. I think in this case it's doing well.

18 The question that I have relates to the
19 early site permitting process. I heard just this
20 morning, and now recently, that we don't need to
21 address the need for power as part of it, and the
22 question becomes, if we look at the acronyms of NIMBY,
23 you know, not in my backyard, and this new one,
24 BANANA, you've heard, build absolutely nothing
25 anywhere near anyone, and if we look at the process of

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1 banking a site, which I think is both proactive, it's
2 smart and prudent to look at, whether it's the Public
3 Service Commission, what's the entity that says if the
4 NRC role is only to say that you meet these
5 regulations, therefore, it's okay, we need to defend
6 — we need to be proactive and look at a site going
7 forward, where does that fit into the process of the
8 discussion of banking a site, that we need to build
9 something, it could be natural gas, it could be
10 something, but how does that process go forward?

11 MR. CAMERON: Who wants to handle that one,
12 and is it clear what Ted is asking?

13 MR. BARRETT: I could probably say a few
14 words about it.

15 MR. CAMERON: Go ahead.

16 MR. BARRETT: I'm not 100 percent sure, but
17 I'll — I think, you know, I think that for the — I
18 think we all probably understand how it works for a
19 regulated utility. You know, there's a conversation
20 that goes on between the utility company and the
21 public utility commission, and there is ongoing
22 negotiations about the need for power, the price of
23 power, and how you determine those two things.

24 For new generation of plants that would be
25 envisioned as merchant plants, I believe in that case

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1 the applicants are basically talking about dealing
2 with the free market, and from their perspective, and
3 from the perspective of the consumer, it's simply a
4 question of supply and demand.

5 And so, you know, and that raises some
6 issues from our perspective, as we mentioned earlier,
7 and that is to say, can you, you know, if you don't
8 have a rate base, if you are simply building a plant
9 that goes out and tries to sell electricity on the
10 market, you know, we have questions about how you
11 assure decommissioning funds and things of that sort.
12 But, I don't believe, if I understood your question,
13 I don't believe there's any entity like the Federal
14 Energy Regulatory Commission that's out there trying
15 to negotiate with companies to build more capacity.
16 Is that the gist of your question?

17 MR. QUINN: My question is —

18 MR. CAMERON: Let me get you on the record,
19 Ted, you can just sit down, I'll give you this.

20 MR. QUINN: — it's really just the issue
21 of where in the public participation is the process of
22 saying, the public can say, I don't want to see this
23 built here, okay, that's a possibility. They can come
24 in and say there's no reason to, and you say, well,
25 look, we need to building something in this area of

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1 the country, or else we'd be like California in the
2 process we have going forward.

3 So, in that mix of energy, nuclear is one
4 of them, you bank this site, it's a good process, you
5 are saying that in the NRC process you are not looking
6 at the demand for energy as being a contributor to the
7 process. So, that doesn't come into the hearings at
8 all?

9 MR. BARRETT: Oh, it does, but I think what
10 I was trying to say is that we are not out there
11 trying to ensure an energy supply. I think it's been
12 said a couple of times here, we look at demand from
13 energy only from the perspective of asking whether the
14 value of this facility to society, in terms of
15 supplying energy, is commensurate with the potential
16 environmental impact of building the facility.

17 MR. CAMERON: And, I think we're going to
18 get some more information on this issue for you with
19 Jerry and then, perhaps, Barry.

20 Jerry?

21 MR. WILSON: Let me go first. I'll go back
22 to my earlier answer, but we are going to evaluate
23 need for power. The reason it's not in the early site
24 permit process is there isn't an environmental impact
25 associated with granting an early site permit, we are

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1 just banking the site, the idea being that a utility
2 isn't ready at that point in time to start building a
3 plant, but they want to bank a site for a future
4 decision.

5 Now, later on when they do come in and ask
6 for permission to actually build the plant, which
7 would be the environmental impact, it's at that point
8 in time they would have to demonstrate the need for
9 power, and so that need for power question would be
10 taken up at that point in time.

11 MR. CAMERON: And, Barry, do you want to
12 try to put all of this into context? It's somewhat
13 similar to the question that Janet asked, in terms of
14 what if the community doesn't want it? In terms of
15 the NRC fulfills its responsibilities, I think the
16 decision about how that factors in to need for power
17 is made by entities outside of the NRC.

18 But, Barry, can you talk a little bit
19 about that?

20 MR. ZALEMAN: Yes. Let me back up a little
21 and then I'll go forward again.

22 The first point is, virtually anybody can
23 come in for an application for an early site permit.
24 You can, I can, or at least a number of other folks in
25 here. It does not have to be a utility. It does not

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1 have to be a power company. Any individual holding
2 citizenship in the United States can, basically, come
3 in for an early site permit, which is merely the
4 granting of a permit to set aside that land to,
5 perhaps, be used as a site for a nuclear power plant.
6 It's no guarantee that that will ever be used.

7 The decision regarding construction, the
8 actual construction of the facility, occurs with the
9 combined license under Part 52. The actual turnover
10 of land occurs under the combined license. There are
11 some preliminary activities that you can undertake
12 associated with the early site permit, like putting in
13 roads, and support structures under a limited work
14 authorization, but the actual construction of the
15 facility is a separate regulatory decision called
16 combined licensing, COL.

17 There's a hearing opportunity associated
18 with the early site permit. Whether or not an
19 interested party seeks standing, there will be a
20 hearing on an early site permit. The same thing with
21 the combined license, so the public, if they are
22 interested parties, and seek standing, and have
23 contentions, can be party to that formal adjudicatory
24 process.

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1 That, I think, addresses one of the
2 issues, whether it's an individual or group, whatever,
3 that expresses concern about a site, if there is a
4 material defect in that site that needs to be elevated
5 and raised, so that it can be part of the discussion,
6 part of the evaluation.

7 In the end, the focus has to be on the
8 combined license, but in trying to set aside land
9 today for perspective use in the future, as our
10 society continues to merge further and further, it
11 would do well to serve notice to the public that this
12 land has been set aside as a potential power plant
13 site for the future, and that's why for energy
14 planning purposes you want to be able to set aside
15 those properties today so you can make decisions
16 tomorrow.

17 MR. CAMERON: All right, thank you very
18 much, Barry.

19 Steven, do you have a question?

20 MR. ANTONELLI: A point.

21 MR. CAMERON: A point, oh, good. All
22 right.

23 MR. ANTONELLI: I'll try to make this as
24 succinct as I can, because I feel I'm getting to a

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1 blind man in the dark a bit. One of them, I guess,
2 would be socioeconomic and one would be technical.

3 Earlier today, we talked about the
4 sequencing in the various options of approaching these
5 three parts, design certification, early site permits,
6 and the combined licensing. How can someone locally
7 make a decision, or get input, for example, the design
8 certification hasn't come forward and they are
9 addressing one issue like early site permits, so I
10 guess that's sort of a public participation technical
11 issue.

12 The other one that I called socioeconomic
13 was this need for power raises a question, Exelon, for
14 example, owns 16, I believe, operating reactors out of
15 103, it's about 15 percent, 20 percent of the energy
16 for electricity in 2000 was provided by nuclear
17 energy, and I believe Exelon has in their Nuclear
18 Asset Group produces 72 percent of the electricity
19 that they produce. So, if you run those percentages
20 together you get about two percent by this company,
21 and they are located all over the national spectrum.
22 So, I'm wondering, when you talk about need for power,
23 what kind of weight do you put upon the local site
24 versus the domestic demand for it? Are they equally
25 weighed or not?

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1 MR. CAMERON: That last question goes to
2 how is the need for power analysis, when it is done,
3 how is that analysis done?

4 Barry?

5 MR. ZALEMAN: Well, let me try and address
6 it from a public policy perspective. Part of what you
7 are touching upon is a national energy policy, which
8 certainly is not within the sole purview of the
9 Nuclear Regulatory Commission. But, we do play an
10 important role.

11 Apparently, nuclear energy, Congress has
12 stated, is a very important element in the mix of
13 energy resources in the country. They have provided
14 us with a mechanism under the Atomic Energy Act, and
15 we have certain responsibilities delegated by Congress
16 to this agency to fulfill.

17 When you have a large organization,
18 perhaps, such as an Exelon, they have a wide variety
19 of areas where they can put in additional resources or
20 supply to address needs, and some of these are under
21 power purchase agreements that are very localized and
22 some of them may be power that can be wheeled from
23 great distances. But, they are making a corporate
24 decision, and that corporate decision eventually works
25 its way into an application before this Commission.

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1 That's the applications we get to undertake and
2 review.

3 So, the burden or decision as to whether
4 or not to come forward with an application certainly
5 isn't our's, but when an application comes forward in
6 the area in which it's going to be considered, it's
7 one that begins to prompt our thought process.

8 Now, it's very easy when we talked earlier
9 from the early days of utility and service area, we
10 knew the parameters, we knew the bounds, you know,
11 those were likely to accrue the benefits are generally
12 those that are going to suffer the costs, accrue the
13 benefits of new power and cost is having a nuclear
14 power plant in the area.

15 Now, we've had some interesting
16 experiences over time, because it turns out where the
17 nuclear power plants are, not only do they get the
18 benefit of the electricity, but certain good things
19 happen around nuclear power plants, like services
20 improve, and education improves, and we've seen
21 property values go up significantly. So, there are
22 quality of life issues there.

23 But, when we are dealing with an
24 application from an entity other than a utility, we
25 are going to have some creative problems, and,

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1 hopefully, we'll come up with some creative solutions.
2 That's part of why we have to look at the issue that
3 we had traditionally as alternative sites, looking at
4 the new entities, what does it mean when we have to
5 identify a search area, or a region of interest, or a
6 region of impact? We don't quite know what that is
7 yet, but if we had an application today we would work
8 it. If we had an application after we had a rule out
9 on the street, where the members of the public,
10 interested parties, industry included, had an
11 opportunity to weigh in, then the agency would have a
12 reasoned basis for establishing the rule as we would
13 ultimately implement it.

14 So, there are difficult issues there.

15 MR. CAMERON: Barry, you talked about
16 before, you mentioned the standard review plan for
17 conducting the environmental review, on this need for
18 power issue and how the analysis should be done under
19 the new framework that we find ourselves in, is it
20 possible that something as you just mentioned, that we
21 might get input on how the need for power analysis,
22 what the parameters should be on that?

23 MR. ZALEMAN: I think we actually laid out
24 some of the guidance that the staff would use in
25 considering need for power. It was very much built

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1 upon the work that we did in the '70s, expanding as we
2 could based upon what we understood evolution of
3 methods, accounting practices and the like.

4 And, while our guidance was put out in the
5 2000 time frame, things have occurred dramatically
6 over the past two years. Now, one thing I will say
7 about the environmental standard review plan, it's
8 NUREG-1555, it's in notebook form. We anticipate it's
9 going to have to change, as new methods and
10 techniques, and new incites and changes in the
11 industry occur.

12 So, the expectation is, if things change
13 we will change accordingly.

14 MR. CAMERON: Okay.

15 And, the first question, I guess, was from
16 a community point of view, how are they supposed to
17 know about the design certification? In other words,
18 something may happen in their community way down the
19 line, something may be going on that they won't have
20 any idea of, and then all of a sudden they find out
21 that this is going to happen in their community, how
22 do they participate earlier on? I'm not sure what the
23 question was.

24 MR. ANTONELLI: My question was, I thought,
25 there's not a set way for sequencing the way that

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1 these three parts, let's say, come in, because it's up
2 to the voluntary discretion of the person submitting
3 the application for review to the regulatory agency.

4 So, hypothetically speaking, if the design
5 certification came at the end, after the combined
6 license, and what first went through was the early
7 site permit, that would have been closed out and there
8 be no more adjudication on the early site permit. I'm
9 wondering how the public can assess the design of a
10 plant that they don't know about after the approval
11 for the site has gone through and been banked. That's
12 what I'm wondering about.

13 MR. BARRETT: I think this is an excellent
14 question. You know, we've been talking about the
15 disadvantages of a Part 50 licensing process. One of
16 the advantages of the part 50 licensing process was
17 that, at the time when you are going through the
18 licensing process everything is on the table. The
19 design is being finalized, and we know what the site
20 is, and by going to the Part 52 process there are only
21 certain types of information that are available at
22 each step in the process.

23 And, in your example, you are going
24 through an early site permit to bank a site, and yet,
25 you don't know what kind of a reactor is going to be

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1 built at that site. And so, you have limited
2 information and yet you are trying to participate in
3 this process.

4 I think that one of — there are a couple
5 of mitigating factors here, one of them is that at the
6 point when that applicant comes back and asks for a
7 combined operating license, or a combined license, at
8 that point they have to come forward with the design,
9 whether it's a certified design that's been previously
10 through a process of approval, or whether it's a
11 custom design, such as is being proposed in the case
12 of — or might be proposed in the case of Exelon. And
13 so, at that time in the process, there will be fuller
14 information available to the people at the site.

15 But, the other thing is that at the point
16 of the early site permit, there is information that is
17 brought forward regarding at least the
18 characteristics, or the characteristics that a plant
19 would have to have, or criteria that a plant would
20 have to meet, and maybe Jerry could say more about
21 this, but these things have to be specified. And, in
22 general, these are things that most impact people off
23 site, outside of the site, more so than say the actual
24 design details of the plant itself.

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1 But, Jerry, maybe you could amplify on
2 that.

3 MR. CAMERON: And, Jerry, could you also,
4 maybe you want to repeat what you said this morning
5 about what I referred to as the mix and match aspect
6 of these three pieces.

7 Steven talk about sequencing, but there
8 doesn't necessarily need to be any sequencing, not all
9 three of these have to be involved. Could you just
10 talk a little bit about that, too?

11 MR. WILSON: Yes, that's correct.

12 All of the licensing processes in Part 52
13 are alternatives. You don't have to use any of them.
14 Electric company could come in and ask for a
15 construction permit and subsequently an operating
16 license under the process that's been used in the
17 past. Or, they could adopt any of these alternatives.

18 Our goal here is to provide some
19 flexibility to the licensing process to meet various
20 different needs. And so, if you are a company like
21 General Electric, or Westinghouse, and you are selling
22 reactor designs, you'd ideally like to have that
23 design preapproved so when you go to the marketplace
24 you could say, hey, this is a design that's been
25 approved, and it's a process that we have, it's very

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1 similar to the process FAA uses to certify airplane
2 designs.

3 Now, in the case of an early site permit,
4 yes, it's correct you don't know the specifics of the
5 design, but the applicant for an early site permit
6 would have to specify certain characteristics of the
7 design that affect the environment, such as thermal
8 power levels, radio nuclide releases, and they would
9 set those out in kind of a bounding manner so that
10 whatever design they picked in the future it would fit
11 within those characteristics.

12 And so, at that stage of review, things
13 you are looking at are site safety issues and
14 environmental impact. All of the information you need
15 to judge the acceptability of those issues is going to
16 be available. And then, before you build the plant,
17 there will be an identification of the particular
18 plant design that's going to be built.

19 MR. CAMERON: Thank you, Jerry.

20 Do we have other questions, other
21 comments, other follow-on to the discussions we've
22 been having?

23 Eric?

24 MR. BENNER: It seems like this keeps
25 coming up about, you know, the early site permit

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1 process, and that Part 52 is alternatives, but what
2 you do need to start constructing a nuclear power
3 plant is, you either need a construction permit under
4 Part 50 or you need a combined license under Part 52.
5 The early site permit doesn't allow you to start
6 construction.

7 So, you know, it's alternatives, but you
8 need one of those two things to start construction.
9 And, I don't know if that's immaterial, but it keeps
10 — we keep talking about it as alternatives, but there
11 are some things that you do need before you can start
12 turning ground.

13 MR. ZALEMAN: Chip, if I could, let me
14 embellish on the Part 52 process.

15 MR. CAMERON: All right, thank you, Barry.

16 MR. ZALEMAN: There's four ways to use Part
17 52. The one that was envisioned, I think best, by the
18 framers of Part 52 was an early site permit and a
19 design certification being referenced in a combined
20 license.

21 But, you can have custom plant design to
22 go along with an early site permit. You could have a
23 design certification without an early site permit, or
24 you could have a custom plant without an early site

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1 permit. All of those can be operated under the COL
2 process.

3 Now, when you get an early site permit,
4 you are banking a piece of property, you get some
5 preliminary activities, limited work authorization,
6 different regulatory framework, but it allows you to
7 put in roads and support structures to help preserve
8 the asset and move resources in and out, but it
9 doesn't allow construction of the reactor, it doesn't
10 allow construction of a plant.

11 Now, when it comes to evaluating a design
12 under Part 52 for an early site permit, think of it as
13 a black box, where you characterize what that reactor
14 performance would look like, what its demands on the
15 environment would be, and you set up those plant
16 parameters. That describes the plant.

17 And then, when you marry it up with the
18 design certification, you decide whether or not that
19 plant fits inside the box. If anything spills over to
20 box, you go back to hearing, because it's outside the
21 bounds of the early site permit.

22 Hopefully, that simplifies and elaborates
23 on Eric's point, but Part 52 is a very flexible
24 process and it's upon the applicant deciding how to

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1 use that, and the agency is trying to assure that
2 we're prepared to deal with it.

3 MR. CAMERON: Thank you, Barry, and does
4 that make things a little bit clearer how these pieces
5 fit together and work? Are there any remaining
6 questions on that?

7 All right. I guess — yes? Let me bring
8 you this mic, and just give us your name.

9 MR. MILLER: Don Miller from Ohio State
10 University.

11 My concern is on manpower, I should say
12 human power, people power, I'm glad to see there are
13 a lot of women around here because I think we need
14 more of them. I saw a study the other day that says
15 60 percent of the NRC employees are over age 50, I
16 think.

17 UNIDENTIFIED SPEAKER: Sixty.

18 MR. MILLER: Sixty? And, I realize the NRC
19 is finally awakening to this fact, and it has a policy
20 now to bring in some young people, which is going to
21 be very, very difficult to do.

22 On the other hand, as the older people
23 retire you are going to lose expertise, you don't
24 replace them on a one-to-one basis. So, I think there
25 should be a — is there an overall plan to

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1 aggressively at least keep some of these older people
2 around a little bit longer, as well as bringing the
3 younger people in? I know we do that at Ohio State at
4 times, and so I think there's an overall human capital
5 plan. I'm very concerned about it, because during
6 your reviews, which are going to be less efficient and
7 less lower quality if you have less experienced
8 people.

9 MR. BARRETT: Yes. The answer is yes there
10 is. We recognize this as a challenge. Half the staff
11 is not over 60. I don't know if half of us are over
12 50, but not half of us are over 60, possibly.

13 But, our Office of Human Resources has
14 instituted a program to systematically address this
15 human capital problem, and we are looking at it from
16 every perspective. For instance, you talk about the
17 impending possible retirement of a number of our most
18 experienced people, we are looking at incentives to
19 retain people, as well as opportunities for allowing
20 retirees to continue to work for the NRC on an as-
21 needed basis, especially people who have critical
22 skills, without adversely impacting their retirement
23 rights.

24 So, we are looking at retention, but we
25 are also looking at becoming more aggressive about our

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1 recruiting and hiring practices as well. And, talking
2 about mechanisms such as recruiting bonuses, becoming
3 more proactive about offering benefits such as
4 training, advanced degrees for our junior staff, and
5 so there is a central plan. I can't say that it's in
6 its final form. It's a work in progress right now.

7 And, specifically, for this effort we in
8 the Nu Reactor Licensing Project Office are right now
9 in the process of a readiness assessment, which we
10 will describe in some detail tomorrow, but as part of
11 that we are going out and we are doing a critical
12 skills survey as well, so that this is something
13 that's been recognized and it's something we're
14 working on very aggressively.

15 MR. CAMERON: Okay, thank you, Richard.

16 And, we're going to go to these two
17 gentlemen back here. One we haven't heard from yet
18 today, so we'll go to him first.

19 MR. GARLAND: Hi. My name is Mark Garland.
20 I can claim two affiliations, one with the University
21 of Maryland and one with Eagle Alliance.

22 Don actually brought up what I really
23 wanted to talk about, but I'd like to take it one step
24 further and to say that, true, that the NRC can go out

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1 and have an aggressive recruiting campaign, but you
2 can't recruit people who aren't there.

3 From our perspective, we really do believe
4 there is a bright future of nuclear power in this
5 country, but it will take manpower infrastructure to
6 support that, and that won't be through retention of
7 older employees 20 years from now.

8 One piece that we would really like to see
9 is the Nuclear Regulatory Commission, as well as the
10 Department of Energy and industry, recognize the
11 importance of university programs. I don't have to
12 tell you people about what the Carnegie Report said of
13 the decline in these programs, but I think those
14 things will be reinvigorated and a strong component of
15 that comes from support of research by the Nuclear
16 Regulatory Commission.

17 Do you know if there are any plans to
18 increase their participation in university-sponsored
19 research, or sponsoring research through universities?

20 MR. CAMERON: Any comments on universities
21 and NRC generally, in addition to that question?

22 MR. BARRETT: You know, there is something,
23 I just can't remember what it is. I've heard of some
24 initiatives lately along those lines, to try to
25 encourage, for instance, and reinvigorate nuclear

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1 engineering programs in the universities, but I cannot
2 recall the details of it. Perhaps, we can —

3 MR. CAMERON: I think we were — Marsha
4 might have something. I think, Marsha, you mentioned
5 also that our Human Resources Department is doing
6 something.

7 MS. GAMBERONI: This didn't have to do with
8 the research aspect of it, but we are going out and
9 recruiting at a number of universities, and working
10 with some professors that we have contacts with to
11 establish that connection. And, I don't know, though,
12 with respect to the research aspects, I really can't
13 comment.

14 John, do you know?

15 MR. FLACK: No, I don't, I cannot put my
16 finger on any specific program that has that as an
17 objective at this point. I mean, one is always
18 looking for those avenues to obtain university
19 resources. I mean, not only do we gain from it, but
20 it establishes the infrastructure for the next
21 generation, which I think is very important. But, I
22 can't say that I know of any particular initiative in
23 place that focuses just on that issue. But, people
24 are talking about it, I'm just not aware of anything.

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1 MR. BARRETT: I believe there has been some
2 discussion about this subject at a part of our
3 Oversight Committee in Congress, in the Senate. I'll
4 try to see if I can find out something tomorrow.

5 MR. ZALEMAN: Rich, if I could elaborate,
6 there was a hearing, it was a Joint Committee hearing,
7 Energy and Natural Resources and the Budget Committee,
8 chaired by Senators Murkowski and Domenici, about two
9 months ago, where ex-Chairman Hearn expressed this
10 very concern about the vitality of the research
11 community as being the pipeline for the future
12 resources for the nuclear industry, and the challenges
13 that they face in attracting students. We look at
14 this dialogue that we're having, perhaps, as a
15 renaissance of interest in nuclear power in the United
16 States and, perhaps, that could be a jumping off
17 point, but you have the advantage, not only of
18 listening to ex-Chairman Hearn, but they also had a
19 graduate student at one of the New England schools, I
20 think it was MIT, expressing the same view. She set
21 out to become a nuclear engineer, she's working on her
22 Ph.D.

23 But, I think the point that Rich was
24 making was human capital, I can assure you, is very
25 high on the list of this Commission. So, thus, the

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1 supervisors got the top ten issues and it's there.
2 So, it's something that we are dealing with. In my
3 section alone, we had a number of interns working
4 their way through the process. Rich has served as a
5 mentor of one of my junior staff members, to entice
6 them to come to the agency, understand what the
7 regulatory business is about, and gain expertise as
8 they work their way through the process, but it has
9 become a very competitive industry now for a
10 diminishing supply of candidates coming out, and I
11 think we appreciate that that is a fundamental
12 challenge as work picks up, demands are greater, and
13 some of us are not getting younger. It's going to be
14 a challenge for the future.

15 MR. WEBER: Chip, if I could add, in the
16 last couple of months you are probably aware the
17 Commission has received advice from two separate
18 reviews of the health and status of the research
19 program, in addition to the congressional oversight.
20 They received recommendations from the ACRS review,
21 and then there was a separate advisory review that was
22 conducted by former — chaired by former Commissioner
23 Ken Rogers. And, both of those reviews recommend that
24 the Commission take a careful look at its research
25 program and shore it up. And, in fact, you know, one

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1 of the indirect or direct benefits of doing that is
2 the point you raised, that it's the nuclear schools
3 that supply the person power that's going to be
4 required regardless of your views on nuclear power,
5 whether there should or should not be, you are still
6 going to need qualified staff to ensure the safety of
7 the facilities that we presently have, whether or not
8 there's a future generation of plants to be licensed.

9 And, I know the Chairman is very
10 supportive of a strong research program, and I know
11 that's something that the Commission is carefully
12 weighing as it goes forward. So, there's the
13 attention there, the thing we have to watch over the
14 next months, year time frame, is how is that
15 translated into action, which, ultimately, supports
16 those objectives.

17 MR. MILLER: I just wanted to follow up,
18 you've rudely repeated a lot of things I was going to
19 say —

20 MR. WEBER: Oh, sorry.

21 MR. MILLER: — that's okay. You
22 reinforced it.

23 At these recent department heads meeting,
24 and Ted Quinn made reference of it earlier, somebody
25 from the NRC, I can't recall whom, did say that the

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1 NRC is going to be far more aggressive in the area of
2 research, and also fellowships, and I think it
3 behooves all the staff to be supportive of that,
4 because often times those things go — in the area of
5 budget cutting and so forth.

6 You know, the advantage of research in the
7 university, sometimes you get a pretty big bang for
8 the buck, but, more importantly, you get students
9 excited about doing regulatory type research.

10 MR. CAMERON: Okay, one more on this. Go
11 ahead.

12 MR. GARLAND: Just a little bit of a
13 follow-up. We recently sponsored a congressional
14 briefing on university research reactors, but our
15 focus was mainly on the Department of Energy component
16 of that. And, we had pretty lofty goals of what we
17 would like to see in terms of DoE funding to
18 reinvigorate nuclear programs.

19 As we see now, with what the actual bills
20 look like, of course, you take a big step down. And
21 so, that's why I was trying to bring up that it really
22 is important for the NRC to be a player in that as
23 well, not just the Department of Energy trying to cure
24 all ills on its own.

25 MR. CAMERON: Thank you.

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1 Other comments on anything?

2 Let's go to Lou.

3 MR. ZELLER: Thank you, Lou Zeller, Blue
4 Ridge Environmental Defense League. I have, really,
5 I guess, a two-part question. If someone could kind
6 of explain in maybe a little more detail under the
7 preapplication review and licensing approaches,
8 there's one of the topics on the slide was the
9 alternative license approaches, and I know I wasn't
10 here this morning, maybe you covered some of this
11 already. If someone could either direct me to maybe
12 a good comprehensive example, maybe a series of
13 examples, of what some of those alternative license
14 approaches might be, what they might look like.

15 MR. FLACK: I guess I could start off by
16 saying that for future design we talk about advanced
17 reactors, future designs, so we are entertaining,
18 actually, three possibilities, and again, we're in the
19 thinking stage of this process, in which we are
20 looking at potentially three possibilities for
21 licensing future designs. One would be to have the
22 design, compare it to the regulations as we know it
23 today, to see how it meets it and so on. The other is
24 for those designs that are, for example, non-light
25 water reactor designs, in which the basis of our

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1 regulation is mostly based on, is to develop some sort
2 of guidance or stand on how to do those kinds of
3 reviews using the current regulations, but providing
4 guidance on this particular plant and on how you would
5 demonstrate or show that it meets the regulations.
6 And then the third would be something like a clean
7 sheet of paper, in other words, standing back and
8 saying, okay, let's say if we started with a clean
9 sheet of paper how would we go about developing a new
10 regulatory licensing process for the future, starting
11 with some high level goals, safety goals, and so on,
12 and principles, and from there try to formulate,
13 basically, a new framework for licensing.

14 So, we see three possibilities out there
15 on how one would go about reviewing an applicant of an
16 advanced plant non-light water reactor against the
17 regulations we have today. So, I don't know if that
18 completely answers your question, but we're still in
19 this process, and I don't know if, Rich, you want to
20 mention anything more along those lines.

21 MR. BARRETT: Well, yeah, I think one of
22 the commonalities in a lot of these approaches is to
23 try to do this in a risk-informed way. A lot of what
24 the NRC has been trying to do over the past decade is
25 to use the incites that we get from probabilistic risk

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1 assessments for operating plants to set our priorities
2 of where we put our effort. For instance, where do we
3 apply our inspection resources, and where do we put
4 the most effort in our licensing program, and where do
5 we want to initiate new rulemakings? We are trying to
6 use more and more of these incites from what aspects
7 of the plant are most significant to the risk to the
8 public, to focus where we are putting our resources.

9 The idea in these new licensing approaches
10 will be to say, what is it about these new designs
11 that have greater or less potential impact on the risk
12 to the public, and then try to develop a regulatory
13 framework that places emphasis on regulations that
14 cover those areas, and that require the licensee in
15 their application to address accidents that are most
16 likely to impact risk as opposed to accidents that are
17 less likely to impact risk, and then to look at those
18 accidents that are analyzed, those hypothetical
19 accidents, and put the most emphasis on the equipment
20 in the plant that is related to those accidents.

21 Okay, so that's the philosophy underlying
22 the three options that John pointed out.

23 And, the other thing I'd like to say is
24 that, we're not talking about changing the Part 52
25 process, okay, the Part 52 is a licensing process.

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1 What we are talking about here is addressing the
2 actual technical requirements that have to be
3 addressed in the application, Part 50, Part 100, Part
4 20, there's a whole bunch of different parts that have
5 technical requirements about the design of the plant,
6 radiation protection and all that sort of thing.

7 MR. ZELLER: Okay, thank you, I understand.
8 Part two of the question has to do with, I guess, the
9 hot potato issue, I think I would dub it, the one that
10 still, to me, seems unresolved from the first wave of
11 nuclear power plants, and that is the nuclear fuel
12 cycle, not only decommissioning, but irradiated
13 nuclear fuel, you know, disposition.

14 There are, according to the slides that
15 were shown a little while ago, there is three standard
16 designs that have been certified, an application for
17 an AP1000 is expected some time next year.

18 At what stage, or at what stage is NRC at
19 now, and what would be the time line for considering
20 all of these seemingly intractable issues from the
21 first wave of nuclear power plants? In other words,
22 to put it in a nutshell, are you going to be able to
23 figure out what to do with irradiated fuel from the
24 new reactors before you produce any?

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1 MR. BARRETT: Well, I think that that's an
2 excellent question, and, you know, as you probably
3 know there's a timetable for resolution of issues
4 associated with the Yucca Mountain facility, and I
5 suspect Mike Weber probably knows more about this than
6 I do.

7 MR. WEBER: I would just respond by saying,
8 I think late this afternoon we had a presentation
9 about some of the policy, technical, legal issues that
10 we're dealing with, and two of them, I believe, are
11 directly relevant to the question you asked.

12 One is the update to Tables S-3 and S-4 of
13 Part 51, which address the cumulative impacts across
14 the fuel cycle of some of these changes. Now, that
15 rulemaking was planned and thought about in advance of
16 a new generation of plants being considered for some
17 other reasons, but I think now one of the issue papers
18 that we have, and we are going to go back to the
19 Commission with an analysis on in November, is that
20 question about expanding or considering the impacts
21 throughout the fuel cycle.

22 The other is another paper, another issue
23 raised by Exelon, and that deals with the waste
24 confidence proceeding, and to what extent does the
25 Commission's existing decision on nuclear waste

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1 confidence envelope or encompass any incremental or
2 changes that might be associated with new fuel
3 designs, larger volumes of radioactive waste,
4 different characteristics, et cetera, and that also is
5 one of those issues that I believe is going to be
6 address going back to the Commission in November. Is
7 that right? I'm getting a head nod yes.

8 MR. CAMERON: And, Lou, are you familiar
9 with the waste confidence? Okay, good.

10 Another question?

11 MR. ZELLER: Maybe I didn't put a fine
12 enough point on it. We know that Yucca Mountain, even
13 if it was to open, would take 70,000 metric tons by
14 law. We've already got more than that, even
15 considering new reactors that has to be someplace
16 else, where would that be, and will that be part of
17 the decision with regards to reactor discussions
18 underway now?

19 MR. WEBER: I think that's something we've
20 got to factor into that analysis that we send back up
21 to the Commission in November, to address to what
22 extent does that waste confidence decision, if at all,
23 needs to be revised to address that point.

24 Even if you don't have a new generation of
25 reactors, you are still going to have to address the

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1 greater than 70,000 metric tons of heavy metal issue,
2 because that is a statutory limit. And, sooner or
3 later there's going to have to be some other
4 repository.

5 Now, the existing waste confidence
6 decision, I believe, says that even though we don't
7 know where that additional site may be, if even Yucca
8 Mountain is the site for the first repository, we
9 don't know that yet, nevertheless, the technology is
10 out there and the Commission has confidence that the
11 fuel, after irradiated, can be safely managed until
12 such time that the repository is developed for that
13 fuel.

14 MR. CAMERON: And, I don't know if, for
15 those of you who weren't here for that part of the
16 discussion this afternoon, where we talked about the
17 May letter from Exelon that raised this issue and
18 other issues, it is on the web site for the Nu Reactor
19 License Project Office.

20 Marsha, do you want to elaborate on that?

21 MS. GAMBERONI: I'll just clarify then that
22 that document, which is an incoming document from
23 Exelon, you know, raises that issue, or those issues,
24 along with about seven other policy issues.

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1 And, it is on the web site, and just so
2 you understand, we're working through, by having
3 discussions and there are public meetings monthly with
4 Exelon, working through getting answers to our
5 questions and looking at the issues in detail, and,
6 ultimately, we expect to have a paper to the
7 Commission by the beginning of November to present to
8 the Commission what our proposals are on resolutions
9 of those issues.

10 So, I guess to say, to start by, you know,
11 that document, I think it's May 25th?

12 MR. WEBER: May 10th.

13 MS. GAMBERONI: May 10th, thank you, and
14 it's under the PBMR, and then as we have more
15 information on that we'll continue to add it to the
16 web page.

17 MR. WEBER: And, I would add, if you have
18 views on those issues, how you believe the Commission
19 should consider those issues, how we should resolve
20 them, I think we would welcome that input, and if you
21 could get it to us by mid-August that would enhance
22 our ability to consider it as part of that analysis.

23 MR. CAMERON: Okay, thank you.

24 Additional questions or comments?

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1 Okay. We are convening again tomorrow at
2 9:00 to discuss some specific — some additional
3 specific issues, and we'll most likely revisit some of
4 the issues that we talked about tonight. But, I just
5 thank all of you for being here, and we'll see you
6 tomorrow morning.

7 (Whereupon, the above-entitled matter was
8 concluded at 7:28 p.m.)

9

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