

## PMSTPCOL PEmails

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**To:** Karen Hadden  
**Subject:** TRANSCRIPTS FROM PUBLIC MEETINGS  
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Karen,

Attached please find the transcripts from the public scoping meetings.

George

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**Official Transcript of Proceedings**  
**NUCLEAR REGULATORY COMMISSION**

Title:                   SOUTH TEXAS PROJECT UNITS 3 & 4  
                              Public Meeting: Evening Session

Docket Number:       52-012 and 52-013

Location:               Bay City, Texas

Date:                    Tuesday, February 5, 2008

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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PUBLIC SCOPING MEETING

SOUTH TEXAS PROJECT UNITS 3 & 4

COMBINED LICENSE APPLICATION

+ + + + +

Tuesday, February 5, 2008

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Auditorium

Bay City Civic Center

201 7th Street

Bay City, Texas

7:00 p.m.

- PANEL MEMBERS:
- FRANCIS X. "CHIP" CAMERON, Facilitator
  - JIM BIGGINS, Office of General Counsel
  - NILESH CHOKSHI, Deputy Director, NRC
  - GEORGE WUNDER, Sr. Project Manager
  - PAUL KALLAN, Environmental Project Manager

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P R O C E E D I N G S

1  
2 MR. CAMERON: Good evening everyone. My  
3 name is Chip Cameron, and just like to welcome you  
4 to the public meeting tonight. I work for the  
5 Nuclear Regulatory Commission, the NRC.

6 Our topic tonight is the NRC's  
7 environmental review process for evaluating the  
8 license application that we received from the South  
9 Texas Nuclear Operating Company to build and operate  
10 two new nuclear reactors at the South Texas site.

11 And it's my pleasure to serve as your  
12 facilitator tonight, and in that role I'll try to  
13 help all of you to have a productive meeting.

14 And I just want to go over a couple of  
15 things about meeting process before we get to the  
16 substance of our discussions. I want to tell you  
17 about the format of the meeting and tell you a  
18 little bit about the ground rules -- simple ground  
19 rules so that we can have a good meeting tonight and  
20 just introduce the NRC speakers who are going to  
21 talk to you briefly.

22 You know, I think I'm going to have to  
23 take this --

24 MALE VOICE: You think it's that?

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1 MR. CAMERON: Yes, because it wasn't  
2 doing it this afternoon, so -- I'm sorry about that.

3  
4 (Taking off lapel microphone.)

5 MR. CAMERON: Okay. And -- all right.  
6 In terms of the format for tonight's meeting, we're  
7 going to start on giving you a little bit of  
8 information about the NRC's evaluation process --  
9 what we look at when we have one of these license  
10 applications to evaluate.

11 And we're going to have some brief NRC  
12 presentations on that for you, and then we'll go on  
13 to you for some questions about the process to make  
14 sure that it's clear for you.

15 And then we're going to get into the  
16 second part of the meeting, which is for us to  
17 listen to all of you -- your advice and  
18 recommendations on our process. And we'll ask you  
19 to come up here -- those of you who have signed up  
20 to speak -- and to tell us what your views are.

21 And just as the NRC staff is going to  
22 tell you in more detail this is called a scoping  
23 meeting. And that's a term that's used with  
24 preparation of an environmental statement. And,

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1 very simply put, it's for the NRC to hear from  
2 people on what the scope of the environmental impact  
3 statement should -- what issues should the NRC look  
4 at in preparing that environmental impact statement.

5 So the focus is on comments related to  
6 scoping, but we realize that there are a broader set  
7 of concerns with anything like this than  
8 environmental. And we always want to listen to  
9 public concerns, so we're going to be glad to hear  
10 what your concerns -- your issues are, even though  
11 they ultimately might not fall within the scope of  
12 the environmental review.

13 Now, during this second part of the  
14 meeting where we're listening to you we're there to  
15 listen. We're not there to respond or rebut what  
16 you say in any way unless there may be some  
17 instances where there's been some new information in  
18 terms of what the NRC has done on a particular issue  
19 that I'll ask the staff to bring to your attention  
20 if we get to something like that.

21 In terms of the ground rules, when we  
22 get to the question period I would ask that you just  
23 hold your questions until all of the NRC speakers  
24 have done with their presentation. Then we'll go on

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1 to -- for questions. If you have a question just  
2 signal me and I'll bring you this cordless  
3 microphone. Introduce yourself and keep it to a  
4 question instead of making a comment at that time.  
5 If you want to comment come up during the second  
6 part of the meeting to make a comment.

7 I would that only one person speak at a  
8 time so that we can give our full attention to  
9 whomever has the microphone. And it will also allow  
10 our stenographer over here to get a clean  
11 transcript. And this is Leslie Berridge who is  
12 doing our transcribing tonight. That transcript for  
13 this meeting will be available to the public to  
14 anyone who wants to get a copy of that.

15 We're also taking written comments. The  
16 NRC staff will be telling you about that. But I  
17 want to emphasize any comments that you give  
18 tonight -- they're on the record. They'll count.  
19 They'll have as much weight as a written comment.

20 I'd ask you to try to be concise. I  
21 think we have a number of people who want to talk  
22 tonight, so I want to make sure that they all get a  
23 chance to do so. So when we get to the second part  
24 of the meeting where we're listening to you, if you

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1 could just try to follow a three- to five-minute  
2 guideline on your remarks -- I don't if that's  
3 too -- to get through the evening. And usually  
4 three to five minutes is enough time to summarize  
5 what you have to say. And if you want to amplify  
6 you can do that through written comments.

7 And, finally, although one of the  
8 hallmarks and pleasures of working in Texas has been  
9 the fact that everybody, no matter what their  
10 viewpoints are, is always very, very courteous.  
11 There's a good streak in courtesy really and I know  
12 that I appreciate it. And it's really productive.  
13 I usually say, you know, let's be courteous tonight  
14 because you're going to hear remarks -- views that  
15 you don't agree with, and just let's respect the  
16 person.

17 In terms of the NRC speakers, we have  
18 Nilesh Chokshi, who is right here. Nilesh is our  
19 deputy division director of the -- is it Division of  
20 Environmental Review?

21 MR. CHOKSHI: Site and Environment.

22 MR. CAMERON: Pardon me?

23 MR. CHOKSHI: Site and Environment.

24 MR. CAMERON: Site and Environment.

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1 Nilesh is our top manager here tonight, and he's  
2 going to lead off and tell you a little bit about  
3 the NRC and what we're trying to accomplish tonight.  
4

5 Then we're going to go to George Wunder,  
6 who's the project manager for the review of the  
7 safety aspects of the license application that we've  
8 received from South Texas. And he's also in our  
9 office of new reactors, which is where Nilesh is.

10 Our third speaker is going to get to the  
11 heart of the matter, the environmental review. This  
12 is Paul Kallan right here, who is the project  
13 manager to the environmental review. And he's also  
14 in the office of new reactors. In fact, you are in  
15 Nilesh's division, which Burton right here --  
16 William Burton is the branch chief of that  
17 environmental branch.

18 And I would just thank you all for being  
19 here. And let's have a good meeting. And, Nilesh?

20 MR. CHOKSHI: Thank you, Chip. Good  
21 evening. Can you hear me in the back of the room?  
22 No?

23 (Pause.)

24 MR. CHOKSHI: Good evening. Is it

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1 better? Okay.

2 Now, my name is Nilesh Chokshi. I'm  
3 deputy director in the Division of Site and  
4 Environmental Reviews in the NRC's Office of New  
5 Reactors.

6 First, let me begin by welcoming you and  
7 thanking you all for taking time to really help to  
8 fulfill one of our major responsibilities related to  
9 the environmental review under the National  
10 Environmental Policy Act.

11 I also see that -- thank you -- some of  
12 you are staying for the second session. And  
13 probably my remarks are a repetition, but, but I  
14 thank you for staying and participating in this  
15 important gathering. I know that you are taking  
16 time out of your personal schedule to meet with us  
17 and share your insights and views about the South  
18 Texas Project.

19 Hopefully during the open house you had  
20 a chance to discuss with many of the NRC staff  
21 members and get some better understanding over why  
22 we are here today and what we are trying to  
23 accomplish. But, anyway, this is the session where  
24 we're going to expand on what we are here for, and

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1 we look forward to your participation.

2           What we are going to do is present some  
3 information on the application for the two new power  
4 reactors to be constructed and operated at the South  
5 Texas Project site. And we're going to -- our focus  
6 is going to be on the environmental review aspects  
7 of the application.

8           It is in my division, and my staff is  
9 responsible for managing the environmental review  
10 and that we have to conduct before we can make a  
11 decision about the application.

12           During the course of review, we interact  
13 quite a bit with our safety counterparts, and safety  
14 and environmental reviews go hand in hand. And Mr.  
15 George Wunder, who is the project manager for  
16 safety -- he will also give a prospective on the  
17 overall review process.

18           So I think, as Mr. Cameron already  
19 mentioned about the meeting, our purpose is to  
20 basically get input on our environmental review  
21 process. But what I want to do is take a few  
22 minutes and put this meeting in the context of the  
23 earlier meeting -- public outreach meeting which was  
24 held in June, and that was before the applications

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1 were filed with the NRC.

2 And in that meeting in June -- some of  
3 you may have participated in the meeting -- we  
4 shared information on the various steps in the  
5 licensing process -- the purpose was to explain the  
6 licensing process. We also informed you about the  
7 opportunities that you would have to observe or  
8 participate in the work of the NRC if we were to  
9 receive an application to construct and operate new  
10 reactors.

11 During that meeting we also identified  
12 several major tracks of review, which include safety  
13 review, inspection activities, formal hearings, as  
14 well as the environmental review.

15 In June we also wanted to share with you  
16 information about what combined construction permit  
17 and operating licenses, COL. Shortly you will hear  
18 me and other NRC people talk about COL or COLA,  
19 which is the Combined Operating License Application.

20 And in that meeting and in this meeting  
21 you will hear again and again that how much your  
22 participation is important in these proceedings.  
23 You know, the fact is that this is your home, this  
24 is your community, and the proposed project, if NRC

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1 and all of the other permitting agencies approve,  
2 will have more of an impact on you, people who are  
3 in the close vicinity of the plant, than anybody  
4 else.

5 Now, I think since that meeting --  
6 outreach meeting in June, as you know, the NRC did  
7 receive an application for a combined construction  
8 permit and operating license for the South Texas  
9 Project in September 2007.

10 And after we determined that the  
11 application was acceptable, we now are initiating  
12 the review of the application. I want to make sure,  
13 because I think after the first session apparently  
14 probably there was some misunderstanding. We are  
15 accepting the application for review. That is not  
16 same as granting a combined operating license. This  
17 is just the beginning of the process.

18 So we have now initiated our review of  
19 the application. And we are at very early stages.  
20 And much of our focus -- and you will hear in more  
21 detail about our review process, but our focus right  
22 now is on gathering information.

23 And as shown in these first three  
24 bullets on this chart, one of the purposes of this

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1 two-day meeting is go over that earlier information  
2 we presented in June just to review the overall  
3 context of the review.

4 But the primary purpose of two-days  
5 meeting is to give you opportunity to share with us  
6 your comments and thoughts on what we should  
7 consider in the environmental review when we develop  
8 the NRC's environmental impact statement on the  
9 South Texas combined operating license application.

10 This is a scoping meeting, and it's a  
11 part of a formal scoping process where we decide  
12 what matters need to be addressed and that what we  
13 should consider when we undertake the review. So I  
14 think this is very vital that those of you who live  
15 close to the proposed plant and have a better  
16 understanding of your local environment will give  
17 your insights.

18 We need to better appreciate those  
19 environmental values and insights you have, and we  
20 really want to hear about the issues you think  
21 important to you. So we are going to be, as Mr.  
22 Cameron mentioned, primarily in the listening mode  
23 in the later part of the process.

24 Now, you are also going to hear

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1 from project managers-- that we already have a well-  
2 defined review process -- and you will hear detail  
3 about this. And our review team is staffed with  
4 nationally and internationally recognized experts in  
5 all of the environmental disciplines.

6 In fact, many of NRC environmental  
7 staff, and our principal contractor, Pacific  
8 Northwest National Lab, staff is here, and they're  
9 also going to listen to your concerns and views.

10 Now, I want to make sure that you  
11 understand that this is not the last opportunity for  
12 you to interact on environmental issues. There will  
13 be other opportunities as we conduct review and  
14 develop environmental impact statement. And I think  
15 later Mr. Kallan will go over some of the more  
16 details on that aspect.

17 Now, before I hand the mike over to the  
18 project managers to give more detailed information,  
19 I wanted to go over who we are, what we do, and who  
20 we interact with. I know that this was probably  
21 covered in detail in the June meeting, but I think  
22 it's worth going over so you understand our role.

23 The Nuclear Regulatory Commission was  
24 created in 1974 to regulate, among other things, the

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1 civilian use of nuclear power, to ensure the health  
2 and safety of public, to promote the common defense  
3 and security, and to protect the environment.

4 I want to -- I would like to emphasize  
5 that we are not part of the Department of Energy or  
6 any other agencies that promote the use of nuclear  
7 power. We are here to regulate and grant license.

8 We are an independent regulatory agency  
9 headed by five commissioners, all appointed by the  
10 President and confirmed by the Senate. And unlike  
11 cabinet secretaries and other political appointees,  
12 the NRC commissioners do not change when a new  
13 president is elected. They each serve five year  
14 terms, and there's always a mix of both Republicans  
15 and Democrats.

16 The Commission is supported by a staff  
17 of technical and regulatory experts, roughly around  
18 3,000 people. And as an agency, since we came into  
19 existence over 30 years, we have experience in  
20 licensing and regulating nuclear power plants and  
21 other uses of nuclear materials. There are  
22 currently 104 operating reactors in the country.

23 Now, a couple of points about our  
24 licensing process, and what I want to emphasize is

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1 the aspect that this is a very open public process  
2 to the greatest extent possible. The process is  
3 also designed so that people who have a stake in the  
4 proposed action are given a chance to participate  
5 and to be heard.

6 On this chart I have listed the  
7 participants in the licensing process in three  
8 categories. I already mentioned the Commissioners  
9 and the staff, but under the heading of NRC you will  
10 also see two other bodies listed, hearing boards and  
11 the Advisory Committee on Reactor Safeguards. I  
12 think in a few minutes you will hear a little bit  
13 more about both the hearing process and the Advisory  
14 Committee on Reactor Safeguards.

15 Another participant in the process is  
16 obviously the applicant and the company that wants  
17 to build the plant and operate the plant. And the  
18 final group of participants in this process is the  
19 group of people we call stakeholders. And that is  
20 you, the residents and business operators of the  
21 community.

22 And also included in this hearing are  
23 various public groups -- public interest groups, as  
24 well as the government of the State of Texas and

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1 your own county and city governments. I think when  
2 you hear about the environmental review you see that  
3 a number of variety of different agencies that are  
4 involved in the reviews.

5 So this is a little background, and to  
6 try to set the stage for this meeting. Let me thank  
7 you again for allowing us to come to you, come into  
8 your community, and for you taking this effort to  
9 meet with us and share your views on the potential  
10 environmental issues associated with this project.

11 Now, we have a long way to go before the  
12 NRC completes its review of the application -- is  
13 ready to make a decision on the proposal. We're  
14 talking about one aspect of the review today.

15 With this, what I want to do -- I want  
16 to turn it over to Mr. George Wunder, our safety  
17 project manager for the South Texas, and he will  
18 give you more details on the application and the  
19 overall aspects of the review. George?

20 MR. WUNDER: Thank you, Niles. It's  
21 been a long couple of days, so I hope you'll all  
22 bear with me as I make my way through these slides.

23 I've only got a few slides that I want to go over  
24 with you tonight trying to give you a little bit of

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1 a background on what the COLA is.

2 As Nilesh said, I'm George Wunder, and  
3 I'm the safety project manager with the Office of  
4 New Reactors.

5 So what is a combined license? Well, a  
6 combined license -- I'm not doing too well with  
7 this, am I? A combined license is permission from  
8 the Nuclear Regulatory Commission to build and  
9 operate a reactor of a specific design in a specific  
10 location subject to specific rules and regulations.

11 In this case South Texas is applying to build two  
12 general electric advanced oil and water reactors at  
13 their site in Wadsworth.

14 As far as who get an -- or who can be  
15 issued a combined license, it has to be an entity  
16 that is qualified both financially and  
17 technically -- in this case, South Texas Project  
18 Nuclear Operating Company.

19 And as far as when -- the application  
20 was received in September of last year. And we did  
21 a two-month review and at the end of November of  
22 2007 we officially accepted the application.

23 Now, the NRC has a pretty big job to do  
24 when it comes to reviewing a combined license

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1 application. As Nilesh indicated, our primary focus  
2 as an agency is on safety. And one of the ways in  
3 which we ensure safety is by making sure that  
4 everything is done in accordance with the  
5 appropriate laws and regulations.

6 In this case, the law of concern is the  
7 Atomic Energy Act, and the regulations are those  
8 contained in Title 10 of the Code of Federal  
9 Regulations. So these are the standards by which we  
10 are going to be evaluating the application that  
11 South Texas submitted.

12 We're also tasked with performing an  
13 environmental review under the National  
14 Environmental Policy Act. And Paul Kallan, the  
15 environmental P.M., will talk more about that in  
16 just a bit.

17 One of our goals is throughout the  
18 review to make the best possible decisions with the  
19 best information at every moment and to document  
20 these decisions in a clear and unambiguous way. And  
21 this is going toward our goal of trying to make sure  
22 that the entire process is as open as possible and  
23 that anyone who is interested can understand not  
24 only what decisions we are making but why we are

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1 making those decisions.

2           Okay. Now, let's take a little look at  
3 the scope of the review -- what is it that we're  
4 actually going to be looking at. Well, first of  
5 all, we're going to look at the design of the plant.

6           In this case, much of that work was already done  
7 about ten years ago. The ABWR is what we call a  
8 certified design. And what that means is that we've  
9 already reviewed and approved the basic design of  
10 the plant.

11           Now, there are going to be some  
12 differences between the plant as built at South  
13 Texas and the design that we certified ten years.  
14 And this can be for a variety of reasons. It can be  
15 the applicant wants to use a new technology --  
16 something that wasn't in existence when we did our  
17 certification. Or it can be because of specific  
18 site -- site specific needs. Any deviation from the  
19 approved design is reviewed and approved by our  
20 staff.

21           One of the other things we're going to  
22 look at is we're going to look at the suitability of  
23 the site itself. And this will include things like  
24 looking at the suitability of the soil to support

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1 the structures that are going to be built. We're  
2 going to look at the seismic history of the area.  
3 We're going to look at the potential for all sorts  
4 of natural problems, like flooding or tornadoes and  
5 hurricanes. All of this -- all of these things are  
6 going to be taken into account on our safety  
7 evaluation chapter on site characteristics.

8 We're going to look at the environmental  
9 impact of the project. Paul's going to tell you  
10 more about that in a minute.

11 We're going to look at the way they want  
12 to put the plant together -- look at the materials  
13 they want to use and the way they're going to  
14 arrange the components. We have standards on  
15 quality assurance, and we're going to have  
16 inspections going on to make sure that these  
17 standards are upheld.

18 There's going to be an army of  
19 construction workers and heavy equipment coming down  
20 to the site. So, obviously, security is going to be  
21 a concern -- and we're going to look at security  
22 considerations, both for the new plants under  
23 construction and for the operating units.

24 We're going to look at emergency

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1 preparedness. And in consultation with the Federal  
2 Emergency Management Agency we're going to evaluate  
3 the South Texas Emergency Preparedness Plan --  
4 Matagorda County Emergency Preparedness Plan. And  
5 we've got the emergency preparedness expert with us  
6 this evening to handle any questions that you might  
7 have in that area.

8 Finally, we're going to look at  
9 personnel training so that we can make sure that  
10 anyone who is working on something dealing with the  
11 South Texas Reactor Project has been trained and  
12 qualified to do that job.

13 Now, Nilesh indicated that we very much  
14 value your participation and we want you to have all  
15 the information that you want to have. And a good  
16 place to get that is in our electronic public  
17 reading room. You'll find most documents pertinent  
18 to the application there.

19 You'll also find meeting notices. Now,  
20 most of the meetings that we're going to be having  
21 with South Texas are public meetings. They're open  
22 for you to attend and to observe. We understand  
23 that coming to our meetings might not be a priority  
24 or might not be a practicality for you, so also

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1 posted on the website we will -- we'll have meeting  
2 summaries where we provide a brief synopsis of what  
3 transpired in the meetings and provide any handouts  
4 or material that was distributed.

5 Another way that you can participate --  
6 and this comes a little bit later on in the  
7 review -- is when the application is presented --  
8 or, rather, when the staff safety evaluation is  
9 presented to the Advisory Committee on Reactor  
10 Safeguards.

11 Now, the Advisory Committee on Reactor  
12 Safeguards is an independent statutory body. It  
13 reports directly to the Commission. And what we do  
14 as a staff, as it evaluates the application,  
15 prepares what's called a safety evaluation report.

16 And when we have this safety evaluation  
17 report prepared to a large degree we present it to  
18 the advisory committee and we receive their comments  
19 on it. They comment on it. We take their feedback,  
20 and their feedback is also provided to the  
21 Commission.

22 Now, the presentation in the meeting  
23 with the Advisory Committee on Reactor Safeguards is  
24 a public forum, and members of the public can apply

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1 to speak at this meeting and present any comments or  
2 concerns that they have directly to the advisory  
3 committee. Okay?

4 And, finally, what I want to talk about  
5 is the hearing process. After docketing the  
6 application the staff on December 27, 2007, issued a  
7 notice in the Federal Register which offered an  
8 opportunity for the public to participate in the  
9 hearing as a party. And this is a process called  
10 intervention.

11 In order to intervene a petitioner needs  
12 to file a petition within 60 days of the Federal  
13 Register notice. That period is going to expire on  
14 February 25, 2008.

15 Okay. This is a slide that just kind of  
16 shows a flowchart of the overall process that we're  
17 describing here briefly tonight. We received the  
18 application back in June. We had a pre-application  
19 meeting down here. We've now received the  
20 application. And, as you can see, the review  
21 process splits, and we've got the environmental  
22 review, which Paul will discuss, and then we've got  
23 the safety review. And then these things all come  
24 together neatly at the end and result in a -- the

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1 Commission rendering a licensing decision on the  
2 project.

3 But nothing really comes together all  
4 that neatly in the real world. As I noted, we  
5 accepted the application for docketing on November  
6 29, 2007. In a letter dated January 10, 2008, South  
7 Texas Project informed us they were having  
8 challenges in arranging for some of the design  
9 support that they will need for furthering the  
10 project. And as a result of that they asked that we  
11 put parts of the application -- a review of parts of  
12 the safety part of the application on hold.

13 In a letter dated January 30, 2008, we  
14 informed South Texas that we were going to put the  
15 majority of the safety review on hold. This is not  
16 the entire safety review. We're continuing with  
17 parts of the safety review dealing with site  
18 characteristics. And this cannot be mistaken for a  
19 lack of acceptance of the application. I want to be  
20 very clear about that.

21 We reviewed the application -- we  
22 accepted it for docketing. All this means is  
23 that -- as we go forward in our review we will find  
24 the necessity to have lots of interaction with the

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1 applicant -- a lot of question and answer going on.

2 And they were not ready at this point to support  
3 our full evaluation. So based on our own workloads  
4 and other considerations we decided to put a  
5 majority of the safety evaluation on hold  
6 temporarily.

7 The environmental review will continue.

8 And, with that, I'd like to introduce the  
9 environmental P.M. Paul, come on up.

10 MR. KALLAN: Thank you, George. Thank  
11 you for coming out tonight to understand our  
12 process. My name is Paul Kallan, and I'm with the  
13 Office of New Reactors. I'm also the environmental  
14 project manager.

15 You may be wondering why there's two  
16 project managers. One is a safety project manager  
17 and other environmental. The answer is that the  
18 NRC's mission is to ensure the safety of the  
19 facility, and at the same time to protect the  
20 environment.

21 So I'm here today to talk to you a  
22 little bit about the National Environmental Policy  
23 Act. The goal of the National Environmental Policy  
24 Act is to create an environment where man and the

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1 environment can live in productive harmony.

2 The National Environmental Policy Act  
3 also requires the NRC to do an independent study --  
4 or an independent evaluation. We use a systematic  
5 approach to our environmental reviews.

6 The environmental impact statement is  
7 required for major federal actions that may  
8 significantly affect the quality of the human  
9 environment. Issuing a combined license such as the  
10 one at this project would be a federal -- a major  
11 federal action.

12 This slide illustrates the environmental  
13 review process. There are many steps to this  
14 process, and we would like the public to participate  
15 in this process. For that, we have the public  
16 scoping meeting where we try to explain our process,  
17 and at the same time get your comments.

18 We have a large team of technical  
19 reviewers for the project. We accepted the  
20 application in September 2007. Our next step is to  
21 do a site audit, which we are conducting actually  
22 this week. We check to see what was described in  
23 the application, as well as we try to identify  
24 issues that are not in the application. This is our

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1 own independent evaluation.

2 Also, we schedule a public scoping  
3 meeting, such as the one tonight, during the week of  
4 the site audit. Along with the public participation  
5 we also get comments from federal, state, tribal,  
6 and local agencies.

7 We take all this information, analyze  
8 it, and draft the environmental impact statement.  
9 Once we have that we issue it and ask for public  
10 comments.

11 Next we have -- we write the final  
12 impact statement based on the fact that we look at  
13 the draft environmental impact statement and  
14 incorporate additional concerns. The NRC has a  
15 hearing, and after the hearing is completed the  
16 agency makes a decision.

17 So you may be wondering what is scoping.  
18 Scoping is participation of diverse groups. This  
19 is necessary for full consideration of the potential  
20 environmental impacts of a proposed action and its  
21 alternatives.

22 By discussing and informing you, the  
23 public, we are able to reduce misunderstandings,  
24 build relationships, educate the public, decision

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1 makers, and avoid potential conflicts.

2 For example, in an earlier scoping  
3 meeting at Vogtle -- Plant Vogtle -- a member of the  
4 public asked what the U.S. Army Corps of Engineers  
5 was doing to manage the flow of the Savannah River.

6 Based on this comment we arranged a meeting with  
7 the Army Corps of Engineers to discuss issues such  
8 as drought levels in the Savannah River.

9 So information identified in the scoping  
10 process will be evaluated and considered in the  
11 environmental review. The public can give comments  
12 until February 18, 2008.

13 So what is -- basically how does the NRC  
14 do an independent evaluation? We don't only look at  
15 the application. We have our own observation which  
16 we do by going to the site and conducting a site  
17 audit. We get public comments, such as at this  
18 meeting. And the reason we want public comments is  
19 because you live here and you know best of what the  
20 environmental impacts may be with regards to this  
21 project. We talk to social services and also we  
22 talk -- we try to incorporate socio-economics and  
23 environmental justice.

24 We also talk to federal agencies such as

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1 EPA, FEMA, Army Corps of Engineers, Fish and  
2 Wildlife, to name a few. We have a long list of  
3 other agencies that we contact to get their input.  
4 We also talk to state, local, tribal agencies to get  
5 their knowledge on the local conditions.

6 This slide basically shows a range of  
7 environmental review that we do. We have a large  
8 team of experts in the various fields, such as  
9 socio-economics, environmental justice, aquatic and  
10 terrestrial ecology, water quality, hydrology, land  
11 use, radiation, atmospheric science. We also look  
12 at transportation of radioactive material and  
13 decommissioning.

14 The staff has begun its review of the  
15 environmental report. A schedule helps the staff  
16 organize its review and use its resources  
17 effectively. Normally staff would issue a draft  
18 environmental impact statement in 18 months.  
19 However, as part of this review the staff has  
20 identified additional information necessary to  
21 determine a detailed schedule. While the schedule  
22 is uncertain we will be giving you updates, and  
23 these can be -- you can get them on the NRC website.

24 Here are some milestones of the

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1 environmental review. Scoping comments can be  
2 received until February 18, 2008. The public can  
3 petition to intervene through February 25, 2008.

4 We will still need to determine the  
5 draft environmental impact statement public meeting,  
6 draft environmental impact statement the final  
7 impact statement -- the dates on those. As we  
8 progress we'll give you the dates. The review  
9 schedule will be also available on the NRC website,  
10 and we've provided the website on the bottom of the  
11 slide.

12 We encourage public participation during  
13 the environmental review. It's important as part of  
14 our process. The public can make comments during  
15 the public scoping meeting, such as the one tonight,  
16 and the draft environmental impact comment period.

17 Throughout our environmental process we  
18 hold public meetings to inform the public of our  
19 process. The next public meeting will be the draft  
20 environmental impact statement meeting. The NRC  
21 meeting is another way for the public to  
22 participate. The public can file petitions to  
23 intervene until February 25, 2008.

24 I would like to point out that the

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1 Commission recently passed a rule for e-filing which  
2 requires a digital certificate. The digital  
3 certificate takes about a day, so if interested  
4 parties will want to review the instructions, it's  
5 on the NRC website and on the Notice of Intent. The  
6 hearing covers both the safety and environmental  
7 issues.

8 We welcome your comments tonight. You  
9 can provide them in writing, as well as you can  
10 provide them by mail to Chief Rules and Directives  
11 Branch, Division of Administration Services, Mail  
12 Stop TSD59, U.S. Nuclear Regulatory Commission,  
13 Washington, DC, 20555. Or you can e-mail us at  
14 STP\_COL@NRC.gov. Of if you'd like you can provide  
15 those comments in person at 11545 Rockville Pike,  
16 Rockville, Maryland, 20852.

17 Here's a list of NRC contacts. Kindly  
18 contact George Wunder for any safety issues that you  
19 might have. For environmental issues please contact  
20 me. And, finally, a list of acronyms that may help  
21 you with reviewing the environmental report. I'll  
22 turn it over to Chip.

23 MR. CAMERON: Great. Thank you very  
24 much. We have time for questions about the process

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1 before we go on. Come up and please introduce  
2 yourself.

3 MR. GUNTER: My name is Paul Gunter.  
4 I'm with Beyond Nuclear, and we're out of Takoma  
5 Park, Maryland. And we've been watching the NRC  
6 oversight process and the licensing process. And I  
7 have a particular question with regard to the  
8 digital certification process. Could you elaborate  
9 a little bit more on that for us?

10 MR. CAMERON: Thanks, Paul. Do you  
11 under -- do we understand what the digital -- is  
12 this the e-filing?

13 MR. GUNTER: Yes.

14 MR. CAMERON: Okay. Good.

15 MR. BIGGINS: Thank you, Chip.

16 MR. CAMERON: Introduce yourself.

17 MR. BIGGINS: Right. My name is Jim  
18 Biggins. I'm with the Office of General Counsel at  
19 the NRC. And the Commission recently passed a rule  
20 requiring e-filing. You can apply for an exception,  
21 but if you intend to e-file, it requires a digital  
22 certificate in order to sign documents digitally  
23 before you file them with the NRC.

24 And that process to obtain the digital

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1 certificate typically requires contacting the NRC.  
2 The instructions are on the website regarding how to  
3 do that and how to obtain the digital certificate.  
4 And those instructions -- would probably be best to  
5 review those on the website or in the Notice of  
6 Intent that was filed with the Federal Register for  
7 this application.

8 MR. GUNTER: Could I ask a follow up  
9 real quick? I guess just to cut to the chase, does  
10 this require additional software on the part of the  
11 intervener?

12 MR. BIGGINS: I believe there is a plug-  
13 in for your web browser that's necessary, which is  
14 available on the website that contains the  
15 instructions for how to install it and that sort of  
16 thing, yes.

17 MR. CAMERON: And if someone is going to  
18 intervene, is there a certain time limit that they  
19 have to pay attention to to notify the Secretary of  
20 the Commission that they are going to do e-filing  
21 that's over and above the time period for filing  
22 that intervention?

23 MR. BIGGINS: Well, the time period can  
24 be sensitive in regards to you have to have the

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1 certificate before you can e-file. And in order to  
2 get the certificate, like I said, you have to  
3 contact the NRC. So, you know, when it comes down  
4 to the deadline to file your intervention you can't  
5 wait until the day that you intend to file to get  
6 the certificate. That was our point for pointing it  
7 out in the slides.

8 MR. CAMERON: Okay. Thanks, Jim. Yes?

9 MALE VOICE: Is the e-certificate tied  
10 to the computer or to the browser? In other words,  
11 if you get the certificate and you're not at home  
12 can you -- is it tied to your browser on your  
13 computer -- the cookie?

14 MR. BIGGINS: It's not a cookie, sir.  
15 But I believe it is tied to your computer, but may  
16 be imported to other computers. It is your  
17 certificate and identifies you as the author of the  
18 document.

19 MALE VOICE: So you have to carry that  
20 certificate. If you get caught someplace else with  
21 another computer, you have to bring that certificate  
22 with that. That's the final one that you're going  
23 to use to --

24 MR. BIGGINS: I'm not a computer expert,

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1 but I believe that's correct.

2 MALE VOICE: So that issue's on the  
3 website explained.

4 MR. BIGGINS: It is explained on the  
5 website, yes.

6 MR. CAMERON: And I think that's an  
7 important point for everybody. These types of  
8 questions should be clearly answered on the website,  
9 so if you go to the NRC website, there is a link to  
10 the e-filing rule and how you do that.

11 MR. BIGGINS: That's right. And we've  
12 set up computers in the back room that should still  
13 be available after the meeting if you want to take a  
14 look at that webpage.

15 MR. CAMERON: That's a good idea.  
16 That's -- thank you. Thank you very much, Jim.  
17 Other questions on this entire process from anybody?  
18 And we do have time to take your questions, so  
19 don't be bashful about it if there's anything you  
20 want to know.

21 (Pause.)

22 MR. CAMERON: Okay. Great. And we'll  
23 all be here after the meeting too if you want to  
24 talk further about any of this.

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1 But we're going to go to the comment  
2 part of the meeting. And I'm going to first go to  
3 the elected officials in the community so that you  
4 can hear what their views are. And we have  
5 Representative O'Day -- state  
6 representative -- who's going to talk to us. And is  
7 it 29<sup>th</sup>?

8 REPRESENTATIVE DAY: Yes, sir.

9 MR. CAMERON: 29<sup>th</sup> District.

10 REPRESENTATIVE DAY: Good evening,  
11 everyone. And thank you for being here. First I'd  
12 like to let you know that Judge McDonald is not here  
13 tonight because he's in Washington doing business  
14 for us. And so, therefore, I get the opportunity to  
15 speak to you, and obviously probably not as  
16 eloquently as the Judge could. But he did want me  
17 to let you know that he wishes he could be here but  
18 he can't be because he's helping us in Washington.

19 First thing, my name is Mike O'Day. I'm  
20 the state representative for District 29, which  
21 covers all of Matagorda County and the western  
22 portion of Brazoria County. I just want to let you  
23 know that I live -- or I have my recreational home  
24 here in Matagorda County in view of the nuclear

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1 plant. I've had this property for about the last  
2 ten years.

3 The reason I tell you this is that I  
4 want you to know that I have no concerns directly  
5 with STP. My qualifications are I'm a water well  
6 contractor by living. I make my living being a  
7 water well contractor, so therefore I drill a lot of  
8 water wells and analyze water wells around the  
9 county.

10 I was on the Brazoria County Water  
11 Conservation District, so I'm aware of the water  
12 outtake that could be possible from the nuclear  
13 plant. I'm on the Natural Resources Committee in  
14 the House of Representatives, of which we deal with  
15 the surface water in the State of Texas, and the  
16 Recreation and Tourism Committee, which is over  
17 Texas Parks and Wildlife and Fish and Game.

18 I tell you this not for any other reason  
19 than to let you know that I believe I'm pretty well  
20 informed to be able to stand up here and say that I  
21 believe in safe, clean nuclear energy. I don't know  
22 that I could say that anywhere in the United States,  
23 but having been working in Matagorda County for the  
24 last 30 years, along with -- you know, around the

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1 nuclear plant, I believe that it's a safe  
2 environment for us to be able to live.

3 If I didn't think so I wouldn't be -- my  
4 recreational time is spent in the Colorado River and  
5 in the Matagorda bays. My children and my  
6 grandchildren all love to fish and enjoy the  
7 environment around the bays.

8 The outfall from the nuclear plant  
9 obviously is beneficial to the river. And the lake  
10 that we have -- the 7,000 acre -- also creates some  
11 of the best bird habitats in the state of Texas.

12 MR. CAMERON: Representative, could  
13 you -- I guess people are having trouble hearing you  
14 in the back of the room. So if you could --

15 REPRESENTATIVE O'DAY: Okay. Is that  
16 better?

17 MR. CAMERON: You can take that -- you  
18 can hold that too if you want.

19 REPRESENTATIVE O'DAY: Okay. As your  
20 representative in the State Legislature I was asked  
21 to help pass 2.2 bills in the House of  
22 Representatives that had to do with nuclear energy.

23 Both of those bills passed and the House of  
24 Representatives by the people's representatives.

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1 One of them was 186 to zero -- I'm sorry -- 138 to  
2 zero and the other was 137 to 4.

3 I say this because it lets you know that  
4 the House of Representatives, who is elected by the  
5 people of the state of Texas, basically unanimously  
6 support nuclear energy in the state of Texas until  
7 we find a source that is better.

8 The economic impact on the state of  
9 Texas will create -- or one nuclear plant would  
10 create \$9.2 billion statewide from one reactor and  
11 5,564 jobs. Nuclear provides reliable, low cost  
12 power in great quantities, clean energy with zero  
13 gas emissions -- greenhouse emissions.

14 And it offsets the use of natural gas in  
15 the state of Texas. This nuclear plant would offset  
16 the same as it would take to -- for -- pardon me.  
17 Let me start with a different sentence. The two  
18 nuclear plants that are being proposed here would  
19 offset 15.8 million tons of carbon dioxide, 38.8  
20 thousand tons of sulfur dioxide, and 10.7 thousand  
21 tons of nitrogen oxide.

22 And I guess what we're saying is is that  
23 the nuclear is the best power that we have  
24 currently. The water that's being released from the

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1 plant has been cooled before it has been released,  
2 so there's little impact on the environment -- that  
3 the nuclear plant sites create the natural preserves  
4 as I was talking about.

5 I would like to tell you that I'm proud  
6 to be the representative for Matagorda County. I'm  
7 proud of the NRG and STP and the -- their track  
8 record because that's -- their track record has  
9 been -- they gave us the ability to pass the laws  
10 that we need in the state of Texas to help you have  
11 good clean power from nuclear energy. Thank you  
12 very much.

13 MR. CAMERON: Okay. Thank you,  
14 Representative O'Day. And we're going to go to  
15 Sheriff James Mitchell at this point. Sheriff?

16 SHERIFF MITCHELL: Good evening again.  
17 My name is James Mitchell, and I am the county  
18 sheriff here. I've been the sheriff here for the  
19 past 12 years. I'm now in my 26<sup>th</sup> year in law  
20 enforcement. All of that time has been here in  
21 Matagorda County.

22 I've lived my whole life here in  
23 Matagorda County -- graduated from this -- not from  
24 that high school across the street but when it was a

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1 little further across town.

2           There were two generations in my family  
3 before me to live here in this county, and there's  
4 been two generations since then, being my children  
5 and my grandchildren. And I hope to have more  
6 grandchildren raised in this county. I'm  
7 accompanied tonight by my wife Paula sitting over  
8 there.

9           As sheriff of Matagorda County one of my  
10 greatest concerns when it comes to the nuclear plant  
11 is security. And the key issue is can this security  
12 force protect the health and safety and the public.

13          My stance on that is, yes, it can because it's been  
14 doing it for the past 20 years.

15           My entire career in law enforcement has  
16 been involved with this nuclear plant -- has been  
17 involved with the security at this plant. One of  
18 the things I always think of when someone asks me  
19 about the security is a comment that an FBI agent  
20 made when I was accompanying this group on a tour at  
21 the nuclear plant. And that agent said something to  
22 the effect of, An adversary that would be a real  
23 threat to this facility would realize they could  
24 cause a greater effect at another critical

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1 infrastructure with less effort.

2 The FBI on that tour was so impressed  
3 with everything that they saw. I only wish that you  
4 the public could see everything there is to see  
5 there. As they say at the plant a lot of that is  
6 safeguards information.

7 Our nuclear plant I believe, for a  
8 variety of reasons, is very unique to those of other  
9 nuclear plants around the country. And I want to  
10 give you a couple of those reasons as well.

11 For instance, I keep a deputy sheriff at  
12 the nuclear plant performing on a controlled area  
13 patrol 24 hours a day, seven days a week, 365 days a  
14 year. Depending on what the threat level in the  
15 nation is sometimes that might be as many as four  
16 deputies. But that's done continuously.

17 Our SWAT team -- we have a 15-man SWAT  
18 team at the sheriff's office combined with the Bay  
19 City Police Department. Many of the officers on  
20 that SWAT team received their basic, their  
21 immediate, and their advanced training at the  
22 nuclear plant training with those security officers  
23 out there at that plant.

24 My employees -- my deputies participate

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1 in force-on-force exercise, both inside and outside  
2 the protected area, because many of my employees  
3 have been red badged. They're cleared to go into  
4 the protected area unescorted.

5 We participate regularly in on- and  
6 offsite drills on tabletop exercises. I spoke with  
7 the SWAT team. The ammunition that my team carries  
8 and many of my employees on the street carry is the  
9 same ammunition that the security officers carry --  
10 the same weapons that they carry. So if we ever do  
11 have to respond to an event to back up the nuclear  
12 plant -- to back up the security officers we're able  
13 to do that more easily.

14 Another very unique thing about our  
15 plant and the unique thing about the state of Texas,  
16 the state of Texas was so -- lost my word -- they  
17 were so I guess impressed -- or so confident --  
18 confident is the word I'm looking for -- in the  
19 training that the Nuclear Regulatory Commission  
20 requires of an officer at a nuclear facility that  
21 the state of Texas with Senate Bill 1517 exempted  
22 them from falling under the Private Security Act.  
23 And instead of that they increased their authority  
24 giving them law enforcement authority in the areas

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1 of arrest, search, and seizure and the use of deadly  
2 force to protect that plant. That's how far the  
3 state stands behind security -- of nuclear security  
4 officers.

5 The emergency training that we received  
6 to be able to support STP we use in every type of  
7 disaster that comes through this county. I'll give  
8 you a quick for instance. We had a grain truck  
9 driving through our county that was hauling 65  
10 illegal aliens in the back of it. That truck went  
11 into an S curve, rolled over, and you can imagine  
12 what happened. Due to the training that  
13 received in association with STP we were able to  
14 handle that. We immediately got all the ambulance  
15 personnel we needed. We called on school busses to  
16 handle the walking wounded. We knew where to call  
17 on every resource that we needed to handle that  
18 catastrophe, and I contribute that to the training  
19 that we do with STP.

20 Another project that we're doing is an  
21 inter-operable radio communication system. At the  
22 sheriff's office with cooperation with the police  
23 department -- something that we're doing together --  
24 we started an inter-operable radio communication

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1 that will link us with 13 counties around the  
2 Houston/Galveston area. When we get that system up  
3 and running we're going to bring STP under that  
4 radio program so that when my officers are there  
5 there's constant communication at all times, inside  
6 and outside and the power blocks.

7 Sorry I had to keep putting these on,  
8 but I wouldn't be able to say anything without them.

9 Last, but not least -- I introduced my wife  
10 earlier, and I'll tell you another reason why I have  
11 a lot of confidence in the nuclear plant security  
12 program -- because my wife is the senior security  
13 coordinator out there for that.

14 Now, I told you that I've been 26 years  
15 in law enforcement. She's only been out there since  
16 last April. So that confidence started long before  
17 we went to work there, but it did give me the  
18 confidence that I didn't have a problem with my wife  
19 working out there. And I don't have a problem  
20 raising my children here.

21 And I'm excited about the possibilities  
22 of Unit 3 and 4 coming on line. It will be a good  
23 thing for Matagorda County and the people who live  
24 here. Thank you.

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1 MR. CAMERON: Okay. Thank you very  
2 much, Sheriff. Next we're going to go to the mayor  
3 of Bay City. And this is Mayor Richard Knapik.

4 MAYOR KNAPIK: Good evening everyone,  
5 NRC staff seated here, and those in the audience.  
6 My name is Richard Knapik. I am the mayor of the  
7 city of Bay City. My fellow citizens, friends, and  
8 visitors who are gathered tonight, I want to say  
9 good evening and welcome once again.

10 I'm sure glad the NRC left up the list  
11 of acronyms on the boards. For those of you who are  
12 familiar with acronyms -- and STP loves acronyms --  
13 you're all familiar with the term NIMBY. For those  
14 of you who are not it's Not In My Backyard.

15 Well, I'm here to tell the NRC and all  
16 of you assembled that I am a PIMBY. And you may ask  
17 what is a PIMBY. That means Please In My Backyard.

18 The city of Bay City is ready to meet  
19 the challenges of the growth and expansion of Units  
20 3 and 4. The city three years ago passed a \$6  
21 million bond issue to repave all the streets in the  
22 city of Bay City. We're also actively engaged right  
23 now in creating a diversion road around our  
24 community to help alleviate traffic that we

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1 anticipate coming.

2 We also are a surplant, which was built  
3 in the late nineties. It's only operating at 50  
4 percent capacity because we built it so well we can  
5 take a lot more homes, lot more residence in our  
6 community.

7 So we look forward to the challenges  
8 that Units 3 and 4 are going to present to us. But  
9 we look forward to our partnership working with STP.

10 Because I'm here to tell you I'm going to paint a  
11 human picture of STP and all the wonderful employees  
12 who are seated in the room.

13 The culture that has been created by Joe  
14 Shepherd and his team is a culture of excellence in  
15 community involvement. There are a lot of things in  
16 this community that would not happen without their  
17 direct involvement. One is the American Red Cross.

18 The American Cancer Society Relay for Life where  
19 they have raised over \$100,000 the past several  
20 years because of the involvement of STP. The March  
21 of Dimes.

22 The employees of STP sit on our city  
23 councils, our school boards, our economic  
24 development boards. They are committed. They are

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1 involved. If 800 quality citizens like that are  
2 going to be coming with Units 3 and 4 Bay City and  
3 Matagorda County are the beneficiaries. Thank you  
4 for allowing me to make these comments.

5 MR. CAMERON: Thank you very much,  
6 Mayor. We're going to go to Mayor Joe Morton. And  
7 Mr. Morton is the mayor of Palacios.

8 MAYOR MORTON: Thank you, Chip. Welcome  
9 to our part of the country in Matagorda County.  
10 Good evening. My name is Joe Morton. I am the  
11 mayor of the city of Palacios. I thank you for the  
12 opportunity to come and speak before you this  
13 evening as a representative of Palacios citizens.  
14 This afternoon I spoke as a citizen of Palacios.  
15 Tonight is the mayor.

16 Today is a great day for our city. I  
17 think that if the forefathers of our country was in  
18 the back of this room tonight they would be proud of  
19 the process that we had all day today at these  
20 meetings. This is what democracy is all about.  
21 People can come up and give their concerns and their  
22 opinions and be appreciated for it.

23 I've served the citizens of Palacios as  
24 mayor for the past 20 months. I was a city

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1 councilman for 48 months prior to that. In the last  
2 68 months I have asked many, many citizens their  
3 opinion about STP. A great majority of them was  
4 totally supportive of it -- thought it was great for  
5 the community.

6 A few of them had some concerns, and  
7 very few of them had any really opposition to it.  
8 Mainly they were opposed to nuclear power period.

9 Palacios is going through an economic  
10 change. The shrimping industry is on the way down  
11 and it will never return. The Harris and Galveston  
12 County Council of Governments, which is 13 counties,  
13 including Matagorda County, recently started last  
14 year making plans for an additional 2.5 million  
15 people coming to our area by year 2015. That's a  
16 footprint of Los Angeles, California, coming on a  
17 13-county area. Matagorda County is going to get  
18 its share of those people. We're having to plan for  
19 it now. But the main thing is the power that's  
20 needed for our state in this area is something we've  
21 got to work on.

22 The economic future of our area is very  
23 bright. And the South Texas plant is leading the  
24 way as a community partner in an environmentally

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1 friendly economic development.

2 The NRC also plays an important part in  
3 this development. Under your guidance and direction  
4 the last 25 years of safe operation is supported by  
5 some of the highest scores in graded efficiency and  
6 exercises by your agency.

7 As an elected official involved with the  
8 Matagorda County Enforcement Emergency Operations  
9 Center these very intensive drills has proven to me  
10 and you the excellent preparedness of the people  
11 involved in operating the plan under any adverse  
12 conditions. This training is also important in  
13 preparing ourselves for any type of disaster in our  
14 county. Matagorda County's EOC is second to none, I  
15 believe, of any emergency operating center.

16 The NRC has proven records since  
17 conception. People come and go, but the documented  
18 evidence and experience of your agency is  
19 invaluable. The future will be more demanding, and  
20 you will avail. With guidance and direction of the  
21 country will meet the future of our energy needs. I  
22 believe you will weigh this all fairly and make the  
23 right decisions. God bless our country.

24 MR. CAMERON: Thank you very much, Mayor

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1 Morton. We'll go to Bruce Marceaux. Is Bruce here?

2 MR. MARCEAUX: Brent.

3 MR. CAMERON: Brent. You say your  
4 brother didn't come tonight.

5 MR. MARCEAUX: I've been called worse.

6 MR. CAMERON: Okay. This is Brent  
7 Marceaux.

8 MR. MARCEAUX: I'm not bringing any  
9 paperwork to read of. I just want to speak about  
10 something that I think is important from both sides,  
11 predominantly what's right, good, fair. As an  
12 elected official it's my duty to look out for the  
13 safety, health, well-being, economically of the  
14 citizens I serve.

15 And recently I had the opportunity to go  
16 and sit on a pier and watch my brother fish and a  
17 friend of his. And this is an extremely sensitive  
18 issue. And they caught a few fish, but they really  
19 weren't having a slam night.

20 So we sat for a time. And as we did, as  
21 the conversation waned, I heard something. And the  
22 longer you listened, the louder it got. And that  
23 that I was hearing were frogs: frogs that were  
24 speaking loudly. And if you know anything about

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1 frogs, they're the most -- or one of the most  
2 sensitive animals in our environment. And they were  
3 not only loud, but they were interactive.

4 And I came to understand that as  
5 sensitive an issue as this is the creatures of the  
6 world tell us a lot. And for them to be out in such  
7 a large and strong body to be heard at night, and  
8 them being such a sensitive creature that they  
9 through their skins osmose anything the environment  
10 deals to them, their presence made me understand  
11 that we have a very environmentally safe -- not just  
12 our nuclear facility, but numerous facilities that  
13 operate along our river -- something I'm very proud  
14 of in our county -- something they should be proud  
15 of, and I think everyone should be well aware of.

16 If those the most sensitive that our  
17 nature provides can survive and grow and be so  
18 prolific as to be heard on an evening's night then I  
19 welcome and hope that they are successful in their  
20 bid to build Units 3 and 4.

21 Economically it would benefit our  
22 community, county, and surrounding counties. In the  
23 long range our children would benefit dramatically.

24 And so I wholeheartedly support it and thank you

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1 all for the opportunity to speak.

2 MR. CAMERON: Thank you very much.  
3 Brent is on the city council.

4 We're going to go next to Stephen Kale,  
5 and then we're going to hear from Bobby Head and  
6 then John Corder. Stephen?

7 MR. KALE: Good evening. My name is  
8 Stephen Kale. I am a resident of the city of San  
9 Antonio. And probably, as you can detect, I'm not a  
10 native of Texas. My wife and I arrived here about  
11 five years ago by way of Pittsburgh, Pennsylvania,  
12 and Washington, D.C. It was a journey that required  
13 35 years, but we finally got to Texas.

14 We love San Antonio. We find the people  
15 are warm-hearted and nice people to be with -- nice  
16 friends. And we love the San Antonio Spurs. In  
17 fact, my wife is probably at home watching the Spurs  
18 play the Pacers even as I speak up here.

19 I appreciate the opportunity to present  
20 these comments -- scoping comments to the NRC. But,  
21 first, I want to congratulate CPS Energy for their  
22 forward-looking windtricity and conservation  
23 programs. We've heard this afternoon people talk  
24 that we need a mix of conservation, energy saving,

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1 renewal resources, and CPS Energy is providing that  
2 to us in the San Antonio area.

3 I've installed in my own home one of  
4 CPS's programmable thermostats. It's the kind that  
5 CPS can switch off my air conditioning the late  
6 summer afternoons, and we all know what those are  
7 like in July and August. It's been about three  
8 years ago, and I don't really know if it's working  
9 or not. It's supposed to turn off for no more than  
10 ten minutes, and if it's doing that I've certainly  
11 noticed no discomfort in my home.

12 Perhaps they could switch it off even  
13 longer if that would help them with their load  
14 factor in the afternoon. I'm not sure my dogs would  
15 like that, because except for when we go bird  
16 hunting in the fall, when they're home they like  
17 their creature comforts.

18 I've also purchased a solar-powered  
19 attic ventilator that I ran across several months  
20 ago. Hopefully -- I've not had it during the  
21 summer, but hopefully it will help keep the attic  
22 cooler, reduce my air conditioning load, reduce  
23 CPS's load, and save me some money. It was not  
24 cheap even with the CPS rebate, which was fairly

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1 generous.

2 In addition to that, I purchased from  
3 CPS a kilowatt of their wind-sourced electricity.  
4 And, again, I hope that's doing my part for the  
5 environment. My home is fairly modern. It has  
6 modern insulation, low emissivity windows. I feel  
7 as a resident that I've done all that I can.

8 But even with this, even with the rest  
9 of the citizens doing this in San Antonio, I don't  
10 think this is surely enough to meet the future needs  
11 of electricity in San Antonio and south Texas.

12 Paragraphs 51.71 and 51.75 of 10 CFR 51  
13 state that the contents of the draft environmental  
14 impact statement, EIS, will include, among other  
15 things, consideration of the economic, technical,  
16 and other benefits and costs of the proposed action  
17 and alternatives and indicate what other interests  
18 and consideration of federal policy, including  
19 factors not related to environmental quality.

20 So based on these requirements I've  
21 prepared a list of just four criteria what I believe  
22 the EIS -- the draft EIS should evaluate on an  
23 equivalent basis, both for the proposed action, the  
24 no-action case, and the alternatives that the NRC

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1 determines need to be studied.

2           The first of these involved energy  
3 security. The President and the Congress have  
4 determined that national energy security is a  
5 critical federal policy. I believe the proposed  
6 action and its alternatives should implement this  
7 federal policy in the timeliest manner.

8           Secondly, the governments of San Antonio  
9 and Bexar County are on record that they desire --  
10 strongly desire continued economic growth in the  
11 city -- in Bexar County and in the city. CPS Energy  
12 has determined that timely additional electrical  
13 generation capacity is required for this growth in  
14 south Texas. So I submit that the proposed action  
15 and alternatives must be able to meet these  
16 requirements.

17           Third, another reason that I like San  
18 Antonio is that CPS provides my residential  
19 electricity at a cost much lower than the national  
20 average. My suspicion is that that's due in a large  
21 part to the operation of the nuclear plants. My own  
22 residence bill is about \$35 a month lower than this  
23 national average. 35 bucks a month doesn't sound  
24 like much, but over the course of a year I think

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1 that's a pretty good piece of change.

2 So I think that the proposed action and  
3 the alternatives need to consider this and be able  
4 to meet this type of a requirement. If they can't  
5 then the EIS should go into the impacts -- the  
6 negative impacts - socio-economic impacts on the  
7 residents and the businesses in San Antonio.

8 And, finally, lastly, the land for these  
9 reactors exists. Installation of the equivalent  
10 capacity -- and, again, I think when these  
11 alternatives and proposed actions are evaluated  
12 they've got to be done on an equivalent basis. So I  
13 think that installation of alternatives has got to  
14 be the equivalent capacity to what the proposed  
15 action for the nuclear plants will be.

16 And I'm thinking primarily of wind and  
17 solar, which would I think require large areas of  
18 land -- primarily the agrarian areas -- out in west  
19 Texas. I think the EIS needs to determine whether  
20 installation of these alternatives -- and I'm  
21 thinking about Fort Stockton -- the wind farms out  
22 there -- of Big Spring just off of I-20, and if you  
23 go up to Sweetwater and over across I-20 to Spider  
24 there are hundreds of windmills up there.

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1           So the EIS I think needs to evaluate  
2           installation of either wind, solar, whatever, and  
3           determine if there are any impacts -- primarily  
4           impacts on land usage, ecology, wildlife, other  
5           natural resources.

6           I appreciate this opportunity, and I  
7           thank you for listening.

8           MR. CAMERON:     Thank you very much,  
9           Stephen.     Very helpful.     Thank you.     Is Bobby  
10          Head -- Bobby?     Oh, there he is.     This is Bobby  
11          Head.     (Pause.)     And we're going to put these  
12          comments of Stephen's as another exhibit for the  
13          record.

14          MR. HEAD:     Hello.     How are you all?     My  
15          name is Bobby Head.     For those of you that know me  
16          know that I'm a great talker, but I'm not much of a  
17          speaker.     I had to bring my notes too and my  
18          glasses.     A little bit about myself.     I was talking  
19          to a gentleman earlier about the weather, and I told  
20          him I was never going to get used to the weather  
21          down here.     And he said, You're not from here?     I  
22          said, No, I was born up north.     And he said, Up  
23          north?     I said, Yes, the hospital on the north side  
24          of town over here -- Matagorda General.

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1           And as a third generation Matagorda  
2 County resident I understand the concerns and --  
3 that we have about nuclear power. But I also  
4 understand the huge drawbacks that we're having  
5 today with our continued overuse of fossil energy.  
6 We as a county, of course, a state and nation need  
7 to look at solar, wind, bio, and, of course, nuclear  
8 energy for our future.

9           All of them have drawbacks. All of them  
10 have unique benefits. But about our environment  
11 here, it's really strange that what Brent Marceaux  
12 was saying earlier about the frogs, I've had an  
13 opportunity to work at the power plant on a couple  
14 of outages as an outside contractor.

15           And I had an opportunity one night  
16 working nights to go out and work where the pumps  
17 are out on the reservoir. And I walked out and I  
18 looked down and I said, Geez, as a fisherman here  
19 are these huge catfish and these huge red fish  
20 swimming together down there. Now, at -- the  
21 environment -- if they're doing something about the  
22 environment they're making the fish grow big. I can  
23 tell you that.

24           Also the alligators -- the nuclear power

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1 plant is -- the whole grounds -- in a protected  
2 wildlife zone. They've not only done that, they've  
3 gone in and put in a -- what's called a wetlands --  
4 their own private wetlands so, you know, to help  
5 that.

6 In the last 20 years that the nuclear  
7 power plant has been here the National Audubon  
8 Society, year in and year out -- I don't know if you  
9 all know this but Matagorda County is the number one  
10 birding center in the nation -- more birds -- more  
11 species of birds every year. They just did the  
12 Christmas bird count -- number one in the nation  
13 again this year -- more species of birds in  
14 Matagorda County.

15 So as far as the environmental impact is  
16 concerned it's negligible what we've had so far and  
17 I can't help but think that Units 3 and 4 would also  
18 be the same way.

19 As far as our nuclear plant is  
20 concerned, as a Matagorda County resident, I almost  
21 have nothing bad to say -- almost. I'll come back  
22 to that in a minute. Having worked a couple of  
23 outages at the plant I have to tell you it is the  
24 most secure facility I have ever been in in my life.

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1 It is unbelievable what you have to do just to get  
2 inside. It is -- it takes days. You don't go out  
3 there and walk in.

4 A Westinghouse gentleman was working the  
5 last outage, and he had finished his job and he  
6 left, and he went -- he was staying at the hotel  
7 next door over here. And he'd gone into the -- he  
8 had given up his badge and he had gone in. 30  
9 minutes later they needed him back. Too bad. Too  
10 bad. He couldn't go back. He had to go the next  
11 day, go through the whole scenario of getting  
12 everything tested so he could get back in.

13 Those people out there are the most  
14 secure people. And the STP employees are the most  
15 concerned and professional people that I've ever had  
16 the privilege of working with. They're great  
17 people. They do a great job.

18 As far as the economic impact to  
19 Matagorda County, doggone, we've got businesses here  
20 that have been here -- we've got Taylor Brothers  
21 Funeral Home that I think is the oldest Chamber  
22 member -- been here since the early 1900s. Ted's  
23 Jewelry Store has been here since the 1900s. I  
24 think they're the second oldest Chamber member.

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1 Yes, we have new industry coming in. We  
2 have your Wal-marts and we have your Chili's and  
3 these new guys coming in -- the new Walgreens -- I  
4 think CVS is planning on building a new drug store  
5 here.

6 But we have these old businesses too.  
7 And they need -- we've got people like Wild Bill's  
8 and Green Brothers and Sissy's One-Stop. And down  
9 in Palacios you've got the Ace Hardware and you've  
10 got the PMR, which is Palacios Mexican Restaurant --  
11 people like that. Also Blessing and Matagorda and  
12 Clemville and Bowling and -- Bowling's not in  
13 Matagorda County, but these -- all these communities  
14 around close that are going to have impact by Units  
15 3 and 4. Also, it's going to secure future for our  
16 children and our children's children.

17 Now, as far as the one concern I had --  
18 and it's kind of more of a economic thing. As far  
19 as the concerns I have is the number of STP  
20 employees who choose to live outside of Matagorda  
21 County. I understand. They've got beautiful  
22 country clubs and stuff like that every place else.

23 But I would like to work with both STP, our local  
24 officials, and Matagorda County to make Matagorda

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1 County the preferred residence of not only the  
2 construction families it will bring, but also the  
3 management and employees of STP.

4 Once again, thanks for this opportunity.

5 If anybody has any questions for me I'm here to  
6 answer. Thank you very much.

7 MR. CAMERON: Okay. Thank you, Bobby.  
8 And John? John Corder.

9 MR. CORDER: I'd like to express my  
10 appreciation for the Nuclear Regulatory Commission  
11 for coming here tonight and being so gracious to  
12 host this any questions we may have.

13 I'm from Brazoria County -- a citizen.  
14 My interest is to monitor the engineering and the  
15 construction of the plant, and I hope I will be  
16 afforded that opportunity. And I think that we  
17 should all be interested in the performance of the  
18 new plants as they come into fruition. Thank you  
19 very much.

20 MR. CAMERON: Thank you, John, for being  
21 here tonight. We're next going to go to Bruce  
22 Martin, then Paul Gunter, then D.C. Dunham. And  
23 Bruce?

24 MR. MARTIN: Well, with all these

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1 excellent speakers I kind of feel like the guy that  
2 has to follow Bob Hope when he's telling jokes.

3 I don't have much to say except that I'm  
4 100 percent for the building of this two reactors  
5 for Matagorda County. Economically we need it. And  
6 the safety is -- and the environmental impact are  
7 excellent. We've had 20-some-odd years with no  
8 accidents.

9 And as the man has said about the frogs  
10 and the crocodiles or alligators what is the  
11 environmental impact? This is a closed section out  
12 there where everything that goes on is controlled by  
13 STP, and they keep it friendly to the environment.

14 And as for the people that are against  
15 it, most of them have a personal axe to grind. If  
16 you worked there 20 years and drew the high salaries  
17 it was fine. But now that they're not working there  
18 it's not any good. And I thank you for your time.

19 MR. CAMERON: Okay. Thank you, Bruce.  
20 And now we have Paul Gunter that's going to talk to  
21 us.

22 MR. GUNTER: Thank you. My name is Paul  
23 Gunter. I'm with Beyond Nuclear out of Takoma Park,  
24 Maryland. And I step up here on this stage -- and,

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1 really, it's about all I need is to have another  
2 foot path here.

3 But, you know, my daddy was from Canton,  
4 Texas, and his nickname was Treetop, because he was  
5 six-foot-ten. But, you know, I like to think that  
6 we're all here not just whether we're for or against  
7 nuclear power.

8 We have some common interests. And what  
9 I'm here to talk to you tonight about is the common  
10 interests that we have in that we all should be  
11 concerned about a thorough, open, and a process with  
12 integrity.

13 And I think that right now from our  
14 perspective, as we look at what you all are going to  
15 go through and what is happening around the country,  
16 is that there is a crisis in public confidence. And  
17 it's a crisis that comes from this process. And  
18 what I'd like to speak to tonight in particular is a  
19 crisis around the National Environmental Policy Act  
20 that we're here to talk about tonight.

21 I think that it's important for us to  
22 realize that it's not just about building this  
23 plant, but it's about how we're going to approach  
24 this issue and a number of environmental concerns

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1 that it raises, not just for you, but for  
2 generations to come. And not just for the  
3 generations that will inherit -- that get the watt  
4 of electricity, but for the countless generations  
5 that will inherit all of the nuclear waste without  
6 one watt of electricity from the process from --  
7 from this oversight process and from the  
8 construction and from the operation should it  
9 happen.

10 And right now we've got a crisis because  
11 the scientific process that we're looking to manage  
12 the nuclear waste South Texas 1 and 2, 3 and 4, the  
13 104 operating reactors around the country -- right  
14 now there's only one site that's being looked at.  
15 And that's in Yucca Mountain, Nevada.

16 And the issue is is that if this were a  
17 scientific process you would be looking at least  
18 three sites. And you would be looking -- likely you  
19 would be looking at Deaf Smith County, Texas, as one  
20 of those other sites. And it wasn't until 1987 that  
21 Deaf Smith County, Texas, was taken off of the list  
22 and Yucca Mountain, Nevada, was the only one that  
23 was left.

24 And let me just tell you that Yucca

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1 Mountain is crisscrossed with earthquake faults.  
2 It's surrounded by volcanic -- you know, by  
3 volcanoes -- some of the youngest in the country --  
4 the Lathrop Wells cinder cones. And this is where  
5 we're doing all of our research and all of our  
6 focus -- you know, what we're going to do with this  
7 nuclear waste.

8 Now, the issue is is that we believe  
9 and -- that you should be able to raise this issue  
10 of nuclear waste within the context of building more  
11 reactors. But currently -- the current NRC process  
12 says that we are not allowed to raise that because  
13 of what they call the nuclear waste confidence  
14 decision. And that decision was made by  
15 rule-making with the U.S. Nuclear Regulatory  
16 Commission that said someday somewhere somebody  
17 somehow is going to figure out what to do with, you  
18 know, right now 55,000 metric tons. You add more  
19 reactors -- it's going to be up to 100,000 metric  
20 tons, 120,000 metric tons. And right now the only  
21 place we're looking at is to send it off to a  
22 seismologically and volcanically active area. And  
23 it's not for sure that it's going to happen. Right  
24 now the Yucca Mountain process is falling apart.

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1 And, in fact, there is no confidence.

2           So the environmental scoping process  
3 that we're talking about here -- if this is an open  
4 process, if it is a democratic process, if it is a  
5 process with integrity we believe it should allow us  
6 contingency to raise the issue of how your reactor,  
7 if you choose to call it your reactor, will impact  
8 future generations and places that are having their  
9 whole process -- it looks more like a political  
10 mugging than it is an environmental impact  
11 statement.

12           Now, I want to close with just one other  
13 point because it affects the national security of  
14 our country, which is something that we all should  
15 be concerned about, whether we are for or whether we  
16 are against nuclear power.

17           This current process should afford us an  
18 ability to access South Texas 1 and 2 and 3 and 4  
19 for aircraft impact hazards analysis. Right now the  
20 U.S. Nuclear Regulatory Commission is saying that an  
21 aircraft -- and it doesn't have to be a commercial  
22 aircraft, friends. It can be a twin-engine Cessna  
23 loaded with C-4 and shaped charge.

24           We want that analysis to be done for

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1 South Texas 1 and 2, 3 and 4, and every other  
2 reactor in this country. We believe that our --  
3 we're owed it because national security in a post-  
4 9/11 world is a paramount subject.

5 And we should take off the blinders and  
6 realize that it is part of the democratic process to  
7 allow us to say -- you know, to present evidence --  
8 to present documents. And I'll tell you, the  
9 documents are there. NRC has the documents -- the  
10 documents that say that South Texas 1 and 2 were not  
11 constructed nor designed nor evaluated for aircraft  
12 hazard. That just came back into the public  
13 document room as a result of the NRC's own rule  
14 making.

15 And another document -- that -- by the  
16 way, that document was done by Aragon National Lab.

17 And another document that just came into the public  
18 document room that was -- you know, relates to the  
19 NRC's own analysis of what should be going into  
20 making Units 3 and 4 more terrorist resistant --  
21 that document has just come back into the U.S.  
22 public document room.

23 And we should be afforded an  
24 opportunity -- you should be afforded an opportunity

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1 to look at it in the context of licensing more  
2 reactors in this country. Thank you.

3 MR. CAMERON: Thank you very much, Paul.  
4 D.C. Dunham.

5 MS. DUNHAM: Good morning. I'm D.C.  
6 Dunham, and I'm the executive director for Bay City  
7 Community Development Corporation. And as an  
8 economic developer many of us only get an  
9 opportunity like this kind of expansion once in a  
10 lifetime. So it's really important that we take  
11 advantage of this opportunity. And many of  
12 us have already started doing that. We've turned a  
13 eyesore into a great asset. We've begun developing  
14 subdivisions. We have new spec houses going up.  
15 Matter of fact, building permits are up 250 percent  
16 since the announcement.

17 We've started recruiting retail stores,  
18 and sales tax is up over 30 percent. We've  
19 developed a new associates degree program. We've  
20 formed an alliance with educators and industries.  
21 We've had career fairs and job fairs. We've  
22 increased scholarships and on-the-job training  
23 programs.

24 But let me digress a moment and talk

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1 about that eyesore, which is my pride and joy, and  
2 education, which is my passion. That eyesore that  
3 I'm talking about is the old K-Mart building -- not  
4 the old, old K-Mart building, but the old K-Mart  
5 building on 60 South. And if you're not familiar  
6 with what I'm talking about you obviously don't live  
7 in Matagorda County because it's been an eyesore to  
8 this community for over 15 years.

9 But we took a derelict big box and  
10 turned it in to a great asset in this community.  
11 We've got the unit 3 and 4 headquarters on one side  
12 of the building. And on the other side we've got a  
13 training facility that houses Wharton County Junior  
14 College. And in the middle is a great park  
15 environment -- an atrium that allows our business  
16 partners and our students to mingle and share ideas.

17 And we presently have 162 students,  
18 which is three times the amount of students we had a  
19 year ago in that facility. And they're preparing  
20 for the new jobs that are being created just across  
21 the hall.

22 That new workforce development  
23 initiative is a huge strength for our community.  
24 Which brings me to my passion -- education. With

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1 this announcement we had the opportunity to bring  
2 together industry and educators and solve a really  
3 huge problem. But it was a good problem, especially  
4 for this community that has had traditionally  
5 double-digit unemployment. Our problem wasn't how  
6 are we going to meet the demands of our local  
7 industries' needs for all of the jobs that are going  
8 to be created.

9 So we formed an alliance with all of the  
10 large industries -- not just STP -- but all of our  
11 large industries in Matagorda County. We brought in  
12 all four of our I.S.D.s -- we have four high schools  
13 in Matagorda County -- and the community colleges  
14 throughout the region, as well as the four-year  
15 colleges. And we brought in our government folks --  
16 our government partners -- from the federal  
17 government all the way down to our local officials.

18 And we began working on this issue.

19 Within just a matter of months we  
20 developed the idea of coming up with power  
21 technology, which is an associate degree program  
22 that's being taught to our students today.

23 The Mid Coast Industry Education  
24 Alliance is still meeting today -- we meet

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1 quarterly. And we continue to talk about ways that  
2 we can make Matagorda County a great place for our  
3 young adults to live and raise their families and to  
4 have good paying jobs in Matagorda County, again,  
5 creating a great strength for our community.

6 So I'd like to challenge you to join me  
7 in embracing this opportunity. And I'll mention  
8 Mitch Thames -- he hasn't spoke tonight -- I don't  
9 know if he will. But between he and I, no matter  
10 what your passion or your interest is, I'm sure we  
11 have a committee that I'd welcome you to serve on.  
12 Thank you.

13 MR. CAMERON: Thank you very much, D.C.  
14 Mitch, did you want to talk again tonight? Okay.  
15 Come on up.

16 MR. THAMES: I am the Bay City Chamber  
17 of Commerce president. Are you kidding? Do I want  
18 to talk again? I am almost as bad as a  
19 politician -- no offense to the politicians still  
20 left in the room. Sorry, Sheriff. I apologize.

21 My name is Mitch Thames. I am the  
22 president of the Bay City Chamber of Commerce and  
23 Agriculture, and I'm telling you I've got one of the  
24 best jobs in this county because I get to sell this

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1 county.

2 We talked a lot about the environment  
3 today. Well, let me tell you a little bit. We've  
4 got a river that flows fresh water. We've got two  
5 bays and estuaries in the Gulf of Mexico that's  
6 saltwater.

7 The sensitivity of our environment is  
8 massive. We did -- we have one -- Mr. Head's  
9 right -- we have one. The North American Audubon  
10 Christmas bird count -- many, many, many years --  
11 this year -- 236 species of birds in a 15-hour  
12 period -- excuse me -- in a 12-hour period in a 15-  
13 mile circle. We have -- we are the birding capital  
14 of North America. I'm trying to get that word out,  
15 so help me.

16 But I look across the room and I see an  
17 awful lot of friends and family, and I appreciate  
18 you all coming out. I moved here to Bay City with  
19 my wife -- and I'm going to get points because I'm  
20 going to introduce her. Carolyn, thank you for  
21 coming and supporting me, ma'am.

22 But I'll tell you, we came to Bay  
23 City -- we chose to come to this community. We  
24 chose to move our family here. We chose it because

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1 of the opportunities available for us. We have  
2 world-class fishing -- deep-sea fishing, freshwater  
3 fishing, also fishing out of the bay. We have some  
4 of the best water fowl hunting known to man --  
5 unbelievable. We have folks coming in from all over  
6 Maryland and all over coming to hunt right here in  
7 Matagorda County.

8 But I'll tell you this, it's not always  
9 been so pretty. Common ground is a good thing, but  
10 I'll tell you this. Common ground with double-digit  
11 unemployment -- 14 to 17 percent unemployment and an  
12 economy flat, if not declining, is not right.

13 And we for years asked, when is somebody  
14 going to come and help us. Well, they didn't come.

15 And all of these suggestions from all over the  
16 place that we've heard today didn't come until we  
17 rolled our shirt sleeves up and went to work  
18 building this community. We've now got a single-  
19 digit unemployment rate here.

20 We do have a college that our kids are  
21 being able to attend. Our kids do not have to go  
22 out of town for a high-paying job, and that's our  
23 goal. We can educate them here and we can employ  
24 them here. Because I'm selfish I want my

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1 grandchildren around here.

2           And so as we talk about common ground I  
3 do appreciate it. And I've loved listening to a lot  
4 of the -- a lot of what's been brought up here  
5 today. But I'm telling you, common ground means we  
6 are going to have to take care of ourselves, and we  
7 are going to have to attract the industry. And  
8 Units 3 and 4 give us the opportunity for our kids  
9 to work for more than \$6.00 an hour and try to raise  
10 a family and try to buy a house.

11           You can't do it, folks. We have got to  
12 have high-paying jobs -- not just 3 and 4 -- that's  
13 just the beginning -- that was Christmas. We have  
14 got to build this community an industry at a time.  
15 And that's what you're here to hear.

16           And I certainly thank you so much for  
17 your attendance and this process. And thank you so  
18 much for visiting Matagorda County. Thank you.

19           MR. CAMERON: Thank you, Mitch. We'll  
20 go to Karen Hadden and -- at this point. And then  
21 William Warner and Jimmy McCauley. This is Karen  
22 Hadden.

23           MS. HADDEN: Good evening. I'm Karen  
24 Hadden. I'm the director of the SEED Coalition.

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1 We're working for clean air and clean energy  
2 throughout the state of Texas.

3 I'd like to respond to a couple of  
4 comments and raise a few issues. One is that  
5 economic development is, of course, great. Who  
6 could argue that? But I want to point out that it  
7 can come in many ways -- that a community can seek  
8 it out.

9 This area has offshore wind, and there  
10 is a small town mayor in west Texas named Sherry  
11 Phillips. I heard her say the same things -- that  
12 when wind energy came to their community for the  
13 first time their kids could come home. They could  
14 live and work in the community. They could run  
15 cattle underneath the wind turbines. That's a  
16 possibility for this community as well. And I urge  
17 NRG [sic] to seriously consider that path.

18 I spoke earlier -- well, first of all,  
19 I'd like to mention that officially I would like to  
20 request a public meeting regarding the safety review  
21 because that is not happening at present, and the  
22 safety review is not finalized.

23 I'd also like to request additional  
24 scoping meetings regarding the environmental report.

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1       There are many people I know of in Austin who could  
2 not make this trip who would like to comment in  
3 person. There are people in San Antonio and Houston  
4 as well. I would urge you to set up scoping  
5 meetings in those communities for this environmental  
6 report.

7               I spoke to Mr. Barrs earlier and, again,  
8 was informed that the safety review is not complete.

9       And even so we as citizens are being asked to have  
10 contentions ready in just 20 days. Something tells  
11 me that that safety review will not be done during  
12 that time. How can we read it, analyze it, get  
13 experts, and prepare a case?

14               That is not right. It is not valid.  
15 This -- and other reports -- the safety review and  
16 the final environmental impact statement should be  
17 finished before the licensee procedure goes forward  
18 and before citizens have to raise their contentions.

19               I think that FEMA should be present for  
20 a safety hearing and the Department of Homeland  
21 Security. And I would like to hear how all of those  
22 agencies are, in fact, working together to assure  
23 safety. This is no small thing to have a  
24 construction site next to an operating nuclear

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1 plant. It deserves close scrutiny.

2 One reason -- a really important issue.  
3 There's something called the Design Criteria  
4 Document, and that's called the DCD. I started  
5 looking at this license application online and I  
6 found a whole section that said incorporated by  
7 reference in the DCD. It took a long time to find  
8 out what was a DCD. And then when I tried to call  
9 and get answers I couldn't get them.

10 Tonight I was informed by Mr. Kallan  
11 that that document is available. Unfortunately it  
12 is available only in Washington, D.C. in the reading  
13 room of the Nuclear Regulatory Commission. That is  
14 a document that we need. That is the design  
15 criteria for the two advanced boiling water reactors  
16 that NRG [sic] wants to build here. That is a  
17 document that we need in our hands to effectively be  
18 able to write contentions to submit them in a timely  
19 manner.

20 Why does this matter? By the way,  
21 they've had this design for ten years. And it seems  
22 that by now it could have been put into electronic  
23 version and be up on the Adam system. It's way  
24 late. Right now we have to talk to the public

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1 document office and see what they can do. We may  
2 have to pay thousands of dollars to even get a copy.

3  
4 Today is February 5. Our contentions  
5 have to be submitted in 20 days. I would like to  
6 officially ask when will the DCD be available. The  
7 licensing procedure should be halted immediately  
8 until that is available.

9 In section 5.4.1 of the environmental  
10 report there is a section of radiological impact and  
11 exposure pathways. Here is says -- and I will  
12 quote -- Radioactive liquids and gasses would be  
13 discharged to the environment during normal  
14 operation of STP 3 and 4. The released quantities  
15 have been estimated in Tables 12.2-20 for the gasses  
16 and Table 12.2-22 for liquids of the AVWR DCD.

17 So the documents containing the  
18 quantities of radioactive material that would be  
19 released during normal operations are not yet  
20 available to the public. They would require a trip  
21 to Washington, D.C., a hefty budget, a whole lot of  
22 copying. If somebody can please give me a copy of  
23 the DCD I would take it. But that information is  
24 not currently available to the public other than in

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2           They discussed the maximally exposed  
3 individual. Please, if you would, expand this  
4 section to include impact on all age groups. It  
5 should be women and children, young children,  
6 pregnant women, not just adult males. In some  
7 sections there was analysis of children, and that's  
8 good. But the impact should be done for all  
9 categories for all types of impacts.

10           There was data that said water  
11 downstream is not used for drinking water or  
12 irrigation. Please analyze the impacts, however,  
13 because there is wildlife in the area and breeding  
14 grounds in the wetlands. We need to have added  
15 explanations of what the data means. There is some  
16 data provided in here, but no context given to what  
17 it means.

18           Gaseous pathways are analyzed in terms  
19 of 50 miles, in terms of exposure to ground and air,  
20 and inhalation. Then there's a reference to  
21 radiation shielding, but no explanation. I would  
22 like the document to include exactly what is meant  
23 by radiation shielding -- how does it work, why does  
24 it work, what does it mean.

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1           There's a conservation estimate of 2.5  
2 milligrams per year at the site boundary. They come  
3 up with a total body exposure to the maximally  
4 exposed individual per year of .35 milligrams per  
5 unit. So if you double that you're talking about  
6 .70 milligrams per year. But we need to bear in  
7 mind this would now be four units and cumulative  
8 impacts need to be addressed throughout.

9           Several times the study just simply  
10 concludes that these exposure limits would be  
11 small -- in capital letters small. Please give us  
12 some context. What is the criteria for small? What  
13 do you mean? And why are they small?

14           It refers to the fact that gamma and  
15 beta emitters are typically part of the normally  
16 released radionuclides of power plants. Again, the  
17 impacts to biota are considered small. Please  
18 explain.

19           The occupational radiation doses are  
20 listed as 197.8 person-rem for the two units per  
21 year. This is over 200 times, by my calculations,  
22 of what the average exposure would be. And if you  
23 double that, workers at the plant may be getting  
24 very high levels of radiation. Cumulative impacts

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1 must be analyzed.

2 Later there is a comment that 1.9 fatal  
3 cancers would occur from the annual fuel cycle.  
4 Please add information about the day-to-day  
5 operations as well.

6 And thank you for your time. And I'm  
7 sorry about my voice. Thank you.

8 MR. CAMERON: I just want to emphasize  
9 for the record that there were three requests made  
10 that are within the province of the staff -- the  
11 public meeting on safety side issues, scoping  
12 meetings in San Antonio and Austin, and the  
13 availability of the DCD document.

14 And I would just like to remind all  
15 those folks who are thinking of intervention here is  
16 that it would be best not only to make that request  
17 here, but to send a letter to the Commission with  
18 your reasons for that since they're the only ones  
19 that can make that decision. Did you want to add  
20 something, Paul?

21 MR. KALLAN: Yes. In terms of public  
22 scoping meetings, they're usually volunteer  
23 meetings. They're not -- I mean, the NRC goes out  
24 of its way to have these public meetings to educate

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1 the public in the local area.

2 So we try to have -- I mean, it's  
3 resource intensive, and that's the reason why we  
4 have it close to the proposed site. So that's one  
5 of the reasons we don't have them in San Antonio;  
6 we're having them close to this area.

7 MR. CAMERON: Okay. Thank you, Paul,  
8 for providing that rationale for why we have it  
9 here. And that may be -- it's going to be confined  
10 here. But I think that there is a request that  
11 you're going to have to take home and evaluate  
12 before you decide. Go ahead. Is it Mr. Warner?  
13 William Warner?

14 MR. WAGNER: Wagner.

15 MR. CAMERON: Okay. How about Jimmy  
16 McCauley? Jimmy, that's you coming up. No?

17 MR. WAGNER: Wagner.

18 MR. CAMERON: Oh, okay. Sorry.

19 (Pause.)

20 MR. CAMERON: In fact, do you want to  
21 just use this?

22 MR. WAGNER: Yes, that's fine.

23 MR. CAMERON: All right.

24 MR. WAGNER: Thank you. In keeping with

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1 what this thing is supposed to be about -- scoping  
2 the environmental report -- I am addressing you. I  
3 am not addressing the public at large. I represent  
4 no one but myself.

5 The things that I am concerned about are  
6 the true environment surrounding the plant. What I  
7 saw when I read the existing environmental report is  
8 something that looks 30 years old. That is not  
9 today's environment.

10 One thing that jumped off the page at me  
11 was the emphasis on Matagorda County and anything to  
12 the north and east. That is not where things are  
13 happening. They are happening to the south and to  
14 the west. And I'll get into that in a minute.

15 I think we have some very definite  
16 problems with the seismic analysis. We are having  
17 adjacent gas storage -- both natural gas and  
18 liquified natural gas -- just over the county line  
19 to the west that is being built. Both of these  
20 things provide external hazards to the site and  
21 should be evaluated for both their direct and their  
22 seismic implications.

23 We did not see anything that had to do  
24 with coincidental unit problems. If we have a

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1 problem on Unit 1 and 2 during construction on 3 and  
2 4 what's going to happen about that? If we have a  
3 problem on 3 and 4 during the operation of Unit 1  
4 and 2 and it affects Unit 1 and 2, what will happen  
5 with that?

6 This works very strongly in things like  
7 low- pressure turbines coming apart. They just  
8 rebuilt the low-pressure turbines. Why? They  
9 obviously weren't really happy with its performance  
10 at that point, and that was done as a preventive  
11 measure.

12 On a boiling water reactor there is  
13 always a chance of a gas explosion. The  
14 disassociation of water and hydrogen appearing in  
15 the air ejectors on the turbine gives you the  
16 ability to have a pretty sophisticated explosion on  
17 the gas unit.

18 We may have a problem with soil  
19 subsidence. Not too far away from the existing  
20 site, on the other side of Highway 60, there is an  
21 old Texas Gulf sulphur site at Gulf. Sulphur was  
22 mined out of there for many, many years. The site  
23 was finally abandoned. The company moved north out  
24 of the county in the area between Highway 60 and

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1 Bowling.

2 About five years after I moved down here  
3 in 1983, that highway fell down into the ground -- a  
4 sinkhole. That was caused by that sulphur mining  
5 that was going on at a place called Newgulf. Is  
6 this a possibility for the old Gulf site? Would  
7 this offer some compromise to the ultimate heat sink  
8 or cooling pond?

9 We also have a problem with injection  
10 wells. I live on the south end of town. Less than  
11 six blocks from my house is a very high level waste  
12 injection well. Now, we all know about 1987 or '88  
13 the Perry plant in Ohio suffered a seismic event  
14 from an injection well that was approximately 30  
15 miles to the southeast. We need to analyze for  
16 that.

17 In the wonderful world of knowledge that  
18 we now have after the movie called Charlie Wilson's  
19 War, where he was furnishing weaponry to the  
20 mujahadin to remove the Russians from the north end  
21 of Afghanistan, the one that got all the interest  
22 was the missile -- the hand-launched missile from  
23 the ground. The one that didn't get as much  
24 notoriety was the introduction of geosatellite

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1 targeting for an ordinary mortar.

2           What this brings up is a security  
3 problem. The security problem is acute in that  
4 having Deputy Dawg and Barney Fife out there looking  
5 to suppress some sort of armed force is old hat.  
6 This is the 21<sup>st</sup> century. We don't even have to get  
7 close. We know that. We know that all too well.  
8 With a simple mortar and GPS targeting, they were  
9 able to hit first time every time.

10           Now, what's the target? The target is  
11 very simple: 20 years' worth of spent fuel. That's  
12 not in a hard building; that's in a tin building.  
13 It doesn't make any difference whether you get it  
14 really complete; all you have to do is hit it once  
15 and you've got a mess. And the mess will be enough  
16 to take care of the site for quite a while.

17           Same topic: security. Design basis  
18 accident, loss of offsite power. If you look where  
19 the power lines run, they run parallel to Buckeye  
20 Road up some eight miles to State Highway 35 from  
21 the site. According to the COLA, they plan on  
22 duplicating some of those lines.

23           In 1968 in Baraboo, Wisconsin, two  
24 dissident students from the University of Wisconsin

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1 took out a substation. It took them about five  
2 years to figure out even who did it, but it was done  
3 very easily. They did it with a wrench. They went  
4 out and took the tower apart and let the wind take  
5 the rest of it.

6 This was nowhere near the 500 KV that's  
7 on that line leading out of that plant. If you want  
8 to cut a big extension cord, it don't take a world  
9 of hurt to do it. That needs to be analyzed.

10 They have a giant cooling pond out  
11 there. Depending on which part of that COLA you  
12 read, they're either going to use cooling towers --  
13 four-strap cooling towers on Units 3 and 4 or  
14 they're going to use the cooling pond itself. I'm  
15 not sure which one it is.

16 But in either case one of the ways to  
17 defeat that plant is to make the cooling pond go  
18 away. The same things that I talked about with  
19 spent fuel pools and mortars.

20 And this lady that was just on before me  
21 talked about airplanes, and so did the gentleman.  
22 If you take that wall down, it's all over. You know  
23 that, I know that, we need to analyze for that.

24 Speaking about the cooling link, what

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1 part of makeup requirements are going to be for both  
2 instances or decide which one you're going to use  
3 and tell us that one.

4 Are there going to be temperature  
5 limits? We're living in a world where  
6 climatological change is causing warming -- global  
7 warming. We know the sea level is rising. It's  
8 already bothering the Chinese. It's not bothering  
9 us yet, but it will.

10 Now, what's causing it isn't a concern  
11 here. The mere fact that it's happening -- and it  
12 needs to be analyzed. We're talking about a grand  
13 total of about 60 years. We need to look at that.

14 We need to figure out whether we're  
15 going to preserve that estuary or whether we're  
16 going to let it go to hell. Right now I understand  
17 that at the intake for the cooling plate we're  
18 getting brackish water. The original design was  
19 that they were not to remove enough water such that  
20 there was back-flow to cause saltwater in at the  
21 inlet station.

22 It appears it's happening regardless of  
23 whether they pump or don't pump. This says there's  
24 been a change in the basic environmental impact

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1 statement. That needs to be analyzed for.

2 There are a number of river studies  
3 going on right now, not the least of which by the  
4 Lower Colorado River Authority, who is in charge of  
5 this particular chunk of water.

6 Also going on is what's known as LCRA-  
7 SAWS, or the San Antonio Water System. Now, that's  
8 not close. It's up near Interstate -- or U.S.  
9 Highway 59 between Wharton and El Campo. But  
10 they're going to build a large reservoir that's  
11 going to feed the city of San Antonio from the  
12 Colorado River. This is a large open body of  
13 potable water that is in a possible patch for any  
14 radioactive release from the site. It needs to be  
15 analyzed as part of the environmental report.

16 In the old days we used to have a PSAR,  
17 a preliminary safety analysis report. Now we don't  
18 have that. Now we have an FSAR. How on earth can  
19 anybody call that thing final. It's totally  
20 incomplete at this time. We don't have to fib to  
21 each other. It's not done. It's not even close.  
22 Okay. We need to extend the comment period because  
23 the information is not there.

24 The other part of this that's a real

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1 hard spot with me because I am an old reactor  
2 operator is it is totally inappropriate to license  
3 operation on a woefully incomplete safety analysis  
4 report. I don't know how the devil you guys ever  
5 came to that conclusion, but that needs to be looked  
6 at seriously.

7 Get real on security. This is the 21<sup>st</sup>  
8 century. This is not World War II; we're not doing  
9 M-5. We're not doing, you know, storm the Bastille.

10 We now know -- and September 11 brought it home  
11 very strong and very positively -- nobody has to  
12 confront anybody.

13 I tried to make these points earlier.  
14 I'm hoping I'm making it now. Physical  
15 confrontation at the site is neither required nor  
16 desirable to achieve the objections of terror; you  
17 don't have to do it.

18 MR. CAMERON: This is all very valuable  
19 information for us to hear, Mr. Wagner, and I know  
20 that you're probably not going to send in written  
21 comments. We want to hear it. I just ask you to  
22 try to, you know --

23 MR. WAGNER: I'm almost done.

24 MR. CAMERON: Okay. Thank you.

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1 MR. WAGNER: I take lousy notes. Where  
2 will the terrorist materials come from to perform  
3 these things? They're already here. Where's the  
4 delivery method? It's already here. We know that.

5 We know that all too well. We know it doesn't take  
6 much.

7 And when we had four of these guys in a  
8 row sitting up in the middle of the coastal plain  
9 within takeoff full-fuel distance of Houston, San  
10 Antonio, Corpus Christi, Austin, it doesn't take  
11 much more than a village idiot to figure out that  
12 this is an easy mark -- a real easy mark. Is that's  
13 not part of the environmental impact, it sure the  
14 devil ought to be.

15 In the end this is all about money:  
16 who's got it, who doesn't have it. Part of the  
17 problem is we know who's got it, and it ain't us.  
18 It's big oil; it's big oil suppliers; it's our big  
19 buddy trading partner to the very far west.

20 And yet we have this thing that says we  
21 won't have foreign ownership. Well, I'd like to  
22 know how you're going to do it without it. And I'd  
23 like to see the justification for that in the  
24 environmental impact statement.

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1           Is a blind eye being turned in deference  
2 to some political agenda and in violation of the  
3 Atomic Energy Act? Or do we just hope it goes away?

4           We get no cost figures out of that  
5 COLA -- none. Everything is proprietary. That's  
6 nonsense. I can get cost figures on ones that they  
7 haven't even put applications in on. And in some  
8 cases they've already decided it costs too much.  
9 The one thing that would kill this -- and it won't  
10 be guys like me -- is money. And if we don't know  
11 what's going on we'll never know, will we? Thank  
12 you.

13           MR. CAMERON: Thank you very much, Mr.  
14 Wagner. We have a few speakers -- Jimmy McCauley,  
15 Ernest Opella. We still need to hear from Dr.  
16 Hefner and from Owen Bludau. And this is Jimmy  
17 McCauley.

18           MR. McCAULEY: Hello. I'm a fisherman,  
19 a father. I'm also an INC technician out there at  
20 STP. I've been and out of that plant since 2003.  
21 I've worked in the industry of electrical  
22 electronics -- chemical offshore for four years and  
23 served a little time in the Navy.

24           That is the safest facility I've ever

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1 been in my life. I've been around the world three  
2 times. I've seen a lot of different things in  
3 different places. It works. They have contingency  
4 plans for most of it. The rest of it you all can  
5 figure out. Thank you.

6 MR. CAMERON: Thank you. Thank you very  
7 much. And this is Ernest Opella.

8 MR. OPELLA: For some of you who know  
9 me, I'm not going to speak longer than Mr. Wagner.  
10 My name is Ernest Opella. I chose Bay City as my  
11 home 47 years ago. I have a vested interest  
12 invested in Matagorda County. I raised a family  
13 here -- four children. One of my daughters is  
14 here -- living here. I have my business here. I  
15 have my home in Bay City. All my financial  
16 resources are tied up in Bay City.

17 I have many friends in Bay City,  
18 throughout the county. I'm concerned about them and  
19 their well-being. I feel that the Bay City plant  
20 has been operated safely, and I support the addition  
21 of Units 3 and 4.

22 But I would like to go back on something  
23 that the mayor said. As I look around the room  
24 here, I don't see too many people that was in Bay

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1 City 28 years ago when the National Regulatory  
2 Agency met at the old service center.

3 But I was there. I was there  
4 representing the people of Bay City. I was  
5 representing the city council. I was the mayor of  
6 Bay City then. The city council passed a resolution  
7 supporting the plant: its construction, its  
8 operation.

9 We had full faith in the integrity of  
10 the plant, the people that were going to run it, and  
11 the owners of the plant. Well, that hasn't changed  
12 any.

13 The mayor of Bay City told you a few  
14 minutes ago he's ready in our backyard. We said  
15 that 28 years ago and we're repeating that again  
16 today. So I urge the NRC to speedy licensing and  
17 approve this plant. And thank you.

18 MR. CAMERON: Thank you, Mr. Opella.  
19 Dr. Hefner. And then we'll go to Mr. Bludau and  
20 then to Mark McVernon and Joe Sheppard.

21 DR. HEFNER: Thank you, sir. My name is  
22 Jim Hefner. I'm the site doctor out at STP. I've  
23 been coming down here for 16 years now, gotten to  
24 know most of the folks out there; feel like I'm part

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1 of the family.

2 One statement that was made earlier  
3 referenced exposure to cancer. It's an old subject.

4 We've all heard it many times. And I want to do  
5 what I can now to put it to rest.

6 Sixteen years ago when I joined the  
7 staff out at STP, I had similar concerns and did  
8 some research and then relaxed, because I realized  
9 it was a very small possibility. But in the last 16  
10 years multiple studies have come to fruition, and I  
11 think it's etched in stone now. I think we can put  
12 this to rest. Let me quit quivering here; I'm not a  
13 good speaker. But I do want to share this. It's  
14 important for you to know.

15 The National Academy of Sciences,  
16 National Cancer Institute put together multiple  
17 studies. The NEI has put this fact sheet  
18 together -- and there's a copy of this on the way  
19 out. Please help yourself. A whole bunch of long-  
20 term studies that have concluded unequivocally now  
21 that living near a nuclear facility will not  
22 increase your incidence for cancer. It just won't  
23 happen.

24 Anecdotally we've got a whole community

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1 here that will tell you that they're not worried  
2 about it and it hasn't happened. Now, this is  
3 national stuff; this is international stuff. And  
4 it's good science; it's solid. You can find a lot  
5 of flaky stuff on the internet. This is gold  
6 standard research, and it's real, so relax.

7 Let's look at little closely -- or more  
8 closely at the local impact. This is a study that's  
9 also available in the back when you leave. Please  
10 help yourself. Two Rice professors were asked to  
11 analyze the cancer death rate in Matagorda County.  
12 Statisticians, Ph.D., full professors -- one of them  
13 an adjunct professor at M.D. Anderson Hospital --  
14 these folks know numbers, they know cancer -- one a  
15 Ph.D. environmental engineer.

16 They concluded the same as the national and  
17 international studies. Living in the shadow of a  
18 nuclear facility will not increase the cancer death  
19 rate.

20 So I hope we can finally put this to  
21 rest. There's enough to talk about here, and this  
22 subject just keeps coming up. And maybe it will  
23 finally go away. So I'll be available afterwards if  
24 you want to ask me any questions. Thank you.

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1 MR. CAMERON: Thank you, Dr. Hefner.  
2 And Owen is coming up.

3 MR. BLUDAU: Good evening. Thank you  
4 very much. My name is Owen Bludau. I'm executive  
5 director of the Matagorda County Economic  
6 Development Corporation. The Corporation is  
7 composed of nine agencies -- five are public funding  
8 agencies -- the county, the navigation district in  
9 Palacios, Port of Bay City authority, the Bay City  
10 Community Development Corporation, and the City of  
11 Palacios Economic Development Corporation. In  
12 addition, there are representatives of the four area  
13 Chambers of Commerce on our board.

14 The focus of the Matagorda County EDC  
15 and my job is to bring new economic development to  
16 Matagorda County. And this, as D.C. Dunham said, is  
17 a chance of a lifetime that most economic developers  
18 would dream of. The value of that STP is talking  
19 about investing equals the combined -- it exceeds  
20 the combined value of the eight largest industrial  
21 projects in Texas in the last four years. It  
22 exceeds those. So that is big. That is economic  
23 development right big.

24 We welcome 3 and 4. They're good for

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1 the county. STP has made Matagorda County a much  
2 strong economic entity by its presence. It is our  
3 largest private sector employer. Units 3 and 4  
4 would add another 800 jobs. And those jobs, as has  
5 been mentioned before, are going to be opportunities  
6 for our high school graduates, our graduates at  
7 colleges to come back to school -- come back from  
8 school and work here and for people who are  
9 underemployed to improve their education and have  
10 better career opportunities.

11 As I mentioned earlier this afternoon  
12 STP has been such a good neighbor that we went after  
13 another nuclear power plant, because if one is good,  
14 then two can be better. And we were successful in  
15 recruiting Exelon to Matagorda County initially.  
16 Unfortunately the site did not prove suitable to  
17 their needs and they have gone elsewhere. But that  
18 showed that we are a welcoming and nuclear  
19 supporting community.

20 We're after STP 3 and 4 for a number of  
21 reasons -- the same thing we were after Exelon for.  
22 We want to attract their employees to live here.  
23 If you can get 3 and 4 -- a major percentage of the  
24 employees of 3 and 4 to live here they're going to

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1 buy homes and cars. They're going to buy their  
2 groceries, their retail products. They're going to  
3 use the services of our banks, our medical  
4 facilities, their insurers, utility companies, and  
5 our various service providers.

6 That's going to help all the existing  
7 businesses in the community. It's going to attract  
8 more businesses to the community. If we could get  
9 600 of 800 to live here that would generate an  
10 additional 1,000 service sector jobs. And that is  
11 good economic development.

12 The temporary construction workers that  
13 are going to be here will be over a six-year period.

14 And they will ramp up, they'll have about two years  
15 of 4,000 people, then they'll ramp down.

16 They're not all going to live here.  
17 They're not all going to be here at the same time.  
18 But a lot of them are going to live here -- a lot of  
19 them are going to commute in and out. And while  
20 they're living here they're going to be spending  
21 their money here. While they are commuting in and  
22 out they're going to be buying gasoline and  
23 refreshments and spending some of their money here.

24 So that's going to create additional strong

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1 business for our local employers, our local  
2 businesses, and it's going to add and attract other  
3 businesses.

4 We saw some of this retail happening  
5 already, as was mentioned earlier. We had new  
6 retailers coming in in 2007. We had more of them  
7 buy -- more retailers buy property in Palacios and  
8 Bay City for new facilities. There are new retail  
9 facilities under construction because they are  
10 anticipating an increased customer base. So this is  
11 adding to our employment opportunities and it's  
12 adding to the existing tax base, which we all need.

13 Major -- STP is a major financial  
14 supporter to a lot of the activities in the  
15 community as has been mentioned -- the community  
16 events, the organization of the civic activities.  
17 Many of these events, activities, and so forth could  
18 not exist without the financial support of STP.

19 We welcome here because the increased --  
20 addition of 3 and 4 will make them stronger and  
21 hopefully increase their contributions and their  
22 involvement in the community. But, more  
23 importantly, their employees are part of the  
24 community. They're our neighbors; they're our

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1 citizens. Individually they provide strong support  
2 to our churches, our civic groups to our youth and  
3 environmental activities, school districts,  
4 educational opportunities, and to the governmental  
5 units here.

6 We are strengthened by the presence of  
7 these employers among us. Two of the STP employees  
8 serve on my board. They do not serve as members of  
9 STP, but as elected members of other organizations  
10 that are represented on the board.

11 We want to see the new employees from 3  
12 and 4 also follow in this same footpath of being  
13 involved in the community. We need the new blood,  
14 the new ideas, and the new vitality that they can  
15 bring. We're an aging community and our  
16 organizations are aging. They need new blood and  
17 new membership. So they will provide economic  
18 benefits to all of us in the county.

19 As the sheriff mentioned about emergency  
20 planning -- and Mayor Morton also mentioned it -- it  
21 has an aspect to economic development that often is  
22 not perceived. A lot of the business that I'm  
23 talking to -- the industries -- have a concern about  
24 the Texan fire services -- emergency services. And

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1 when we mention the types of planning that are  
2 undertaken in Matagorda County because of the  
3 presence of STP that gives them a good comfort level  
4 that their needs will be met also and they can  
5 participate as a member in this emergency planning  
6 and response within the county.

7 We're well prepared, we're well equipped  
8 for nuclear incidents, and we are also just as well  
9 prepared and well equipped to respond to hurricanes,  
10 tornadoes, floods, and industrial fires.

11 And we experience the benefits of that  
12 two years ago when we had to evacuate for Hurricane  
13 Rita. We went through that smoothly and without  
14 disruption as compared to what happened out of the  
15 Houston area when they were tied up for almost 24  
16 hours or more on the highways getting out. So we  
17 have good evacuation plans. We have people well  
18 trained to implement those plans.

19 In summary, I want you to know that  
20 Matagorda County is stronger and better community  
21 because STP is here. We support the addition of  
22 Units 3 and 4. They will add significantly to the  
23 economic vitality and the strength of Matagorda  
24 County. Thank you.

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1 MR. CAMERON: Thank you very much, Owen.  
2 We do have one -- we have three speakers left. We  
3 have Ed Dykes. Ed is -- are you here? Here is he.  
4 And then we're going to go to Mark McVernon and  
5 then to Joe Sheppard.

6 MR. DYKES: I would like to talk to you  
7 a bit about nuclear power, nuclear energy, and the  
8 environment. I've had the privilege of working with  
9 some people who were at the dawn of the nuclear  
10 age -- people who were involved in the Manhattan  
11 Project and then in the commercial business.

12 One of the tones of the meeting seems to  
13 be that somehow this is dancing with the devil; that  
14 we're going to get all this economic progress, that  
15 somehow or another we're taking a huge risk in doing  
16 this. And we've heard a lot of people come up and  
17 say, Well, I like nuclear energy because of the  
18 money it's going to bring in here. And I think some  
19 of the other people caught on to that. Well, you  
20 guys are just willing to sell your souls.

21 Well, let's look at what the objective  
22 is. We want to be able to pay our electric bills  
23 and send our children to college at the same time.  
24 That's the end goal. And while we're at it, we want

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1 to continue to fish in the Colorado River and now in  
2 the Gulf of Mexico.

3 Now, how many people have ever come face  
4 to face with nuclear medicine and have had a slurry  
5 pumped into your system and then had doctors image  
6 you? How many people? Raise your hands. Okay.

7 Now, there's a little interesting fact I  
8 want you to consider. The number of curies that  
9 were pumped into our body equals the total number of  
10 curies that STP 1 and 2 emit to the environment  
11 every year. Okay? Does that put things a little  
12 bit in perspective?

13 Does anybody know how much uranium there  
14 is in the oceans of the world? Anybody? There's  
15 four-and-a-half billion tons of uranium in the  
16 oceans of the world. Now, that four-and-a-half  
17 billion tons of uranium came from the maybe five  
18 hundred billion tons of uranium that's in the mantle  
19 of the earth.

20 Now, who here thinks that man's activity  
21 is capable of making any more than an insignificant  
22 increase in this environmental load? She does.  
23 Okay. We have one person who believes that.

24 Now -- and that's -- oh, two. Okay.

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1 Now, once again, we get into the old thing of risk  
2 perception concerning the environment and human  
3 activity. The average environmental radiative load  
4 in the United States of America -- the background  
5 radiation level is approximately 100 millirem, and  
6 the average American gets about 10 millirem of  
7 exposure through medical things a year. That's 110  
8 millirem.

9 Now, worldwide -- I'm going to say some  
10 stuff that's really going to scare you. And you  
11 people who are afraid of radiation, you better plug  
12 your ears right now. And I suggest the young lady  
13 at the front of the room here leave, because this is  
14 going to scare the pants off of you.

15 Just in India -- there's a vast province  
16 in India -- in western India where the average  
17 background radiation is approximately 1,400 millirem  
18 a year, which is 14 times what the background  
19 radiation level is here. Some of the regions have  
20 7,000 millirem, and human beings have lived there  
21 for over 100,000 years. and none of them have three  
22 eyes.

23 Now, how can this be? They are living  
24 in a nuclear disaster area -- in an area with

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1 radiation levels equivalent to a vast nuclear  
2 disaster over a gigantic region far in excess of  
3 Chernobyl. I shouldn't be saying Chernobyl, because  
4 these STP guys are probably tightening up right here  
5 talking about that particular little topic.

6 But there's another interesting little  
7 fact about that. Let's just look at the disaster  
8 there from a plant that was no design, that has no  
9 containment associated with it, a fully trained  
10 operational staff, most of whom had just come over  
11 from coal fire plants -- they had no particular  
12 nuclear training.

13 Who knows how many people have died  
14 today from Chernobyl? How many? Who knows that  
15 number? Take a guess. Somebody tell me. How many  
16 have died? MALE VOICE: If you want to go  
17 to the Ukranian Health Ministry, it's about 36,000.

18 MR. DYKES: The Ukranian Health  
19 Ministry, which you can look up on the web, says 56.

20 MR. CAMERON: Ed, this is like having  
21 the Ed Dykes show here.

22 MR. DYKES: Okay.

23 MR. CAMERON: You know.

24 MR. DYKES: I apologize. Okay. I'll

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1 finish up here. Okay. Interestingly enough,  
2 nuclear reactors remove radiation from the  
3 environment. This is probably going to come as a  
4 startling little fact for you, but think about this.

5 The isotopes that you put in the reactor are long-  
6 lived isotopes -- radioactive isotopes. Reactors  
7 convert them to short-lived radioactive isotopes  
8 that die off much more quickly. When you're through  
9 at the end of the day, there is a lower radiation  
10 load on the environment because of the presence of  
11 nuclear reactors.

12 A coal fire power plant spits out more  
13 than four times as much radiation as the average  
14 nuclear plant does because of contaminants in the  
15 coal. In fact, you could generate more power from  
16 coal by removing uranium from it and thorium and  
17 burning it in nuclear power plants. There's less  
18 environmental damage. The EPA estimates that 30,000  
19 Americans die prematurely every year from the  
20 effluent from coal-fired power plants.

21 We can also talk about alternative power  
22 and how there's no disposal plant for solar  
23 collectors. It might surprise a lot of you to  
24 understand that the incredible chemical mix that's

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1 in solar panels, including arsenic. The burden on  
2 the environment with arsenic, which, by the way, has  
3 an infinite half-time -- not a 100,000 years, but  
4 infinite.

5 Well, anyway, we can go on for --  
6 anybody wants to talk about that some more,  
7 particularly those -- the opposing side and the  
8 young lady in the front, may talk to me at length.  
9 I will stay until 5:00 a.m. in the morning if  
10 necessary. Thank you.

11 MR. CAMERON: Thank you very much. I  
12 missed Mr. Singleton, who's going to talk, and I  
13 promised Mr. McCormick that he could have --

14 MS. SINGLETON: You can't give me the  
15 last word.

16 MR. CAMERON: And then we're going to go  
17 to Mr. McBurnett and Joe Sheppard. Mr. Singleton?

18 MR. SINGLETON: I just wanted to share a  
19 short news release with you I just tore off the  
20 wire. A series of catastrophic errors compounded by  
21 instrument malfunctions resulted in the deaths of  
22 absolutely no one at the West Texas wind farm  
23 Thursday. Three sheep were mildly inconvenienced.

24 I'd like to talk about acronyms for a

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1 minute because, as opposed to a NIMBY or PIMBY, I'm  
2 an NIMEG. I don't -- I want Not In My Electricity  
3 Grid. As a partial owner of the plant -- as a 16  
4 percent owner as part of my being a citizen of  
5 Austin, I still resent the fact that as recently as  
6 a couple of years ago that 16 percent share was 62  
7 percent of my electricity bill. 62 cents of every  
8 dollar I paid for electricity was going to retire  
9 the debt service for this plant.

10 One way you can tell this is an informal  
11 public hearing and not a legal process, had this  
12 been a legal process a lawyer would have jumped up  
13 somewhere and said objection. What does all this  
14 economic data have to do with the scope of the  
15 environmental review, which is what this hearing is  
16 all about. Nothing that's been said about the  
17 benefits of this plant for Matagorda County or  
18 anyone else has anything to do with the purpose of  
19 this hearing, which is to talk about the scoping of  
20 the environmental review.

21 The last speaker talked about human  
22 impact, and I was reminded -- I've heard Rush  
23 Limbaugh on more than one occasion say human beings  
24 do not have the power to change the environment.

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1 And then he'll turn right around and blame global  
2 warming on cows farting. I never understood that,  
3 and I never understood the idea that radiation is  
4 good for you.

5 When we were talking several years about  
6 nuclear waste dumping in West Texas there were  
7 actually some people that came to the meetings that  
8 has spurious statistics to suggest that a little bit  
9 of radiation was good for you. They called it  
10 Vitamin R. It's ridiculous then; it's ridiculous  
11 now.

12 I just want to make one final point, and  
13 that is if you really -- I'm really worried about  
14 the large amount of money involved in the push for  
15 more nuclear power plants. And I'm afraid that  
16 there's a tremendous financial incentive to  
17 underreport accidents. And I don't use the NRC's  
18 term, which is incidents.

19 I monitor the event reports on the NRC,  
20 and I think this is already happening. There's been  
21 a number of things in the last few weeks -- in the  
22 last few months that have been underreported, and I  
23 suspect it's because of the money involved if people  
24 knew how bad the situation was at the nation's

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1 nuclear power plants.

2 For example, how many of you know that  
3 the Vermont Yankee plant suffered a catastrophic  
4 failure of one of its cooling towers not long ago  
5 and thousands of gallons of water came rushing out?

6 The NRC justified it by saying, Well, it wasn't  
7 really safety related. But you can see the pictures  
8 on the web. You can see a picture of that on the  
9 nukefreeTexas.org website.

10 The Harris Plant had a train wreck  
11 involving nuclear waste. Fortunately it happened on  
12 plant grounds. The train hopped the tracks after  
13 only a few feet.

14 But two that are security related from  
15 the last six months were the incursion at the Oak  
16 Ridge facility, which is not a nuclear power plant  
17 but a protected facility in Tennessee. Someone  
18 tried to run the gate at three in the morning. They  
19 were stopped by security guards, but the guy floored  
20 his car and got past the security guards and crashed  
21 into a barrier several hundred feet inside the  
22 plant.

23 The crack security team couldn't catch  
24 him. He escaped the facility and wandered around

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1 downtown Oak Ridge for a while until he was reported  
2 to the Oak Ridge police. They couldn't catch him  
3 either. This to me sounded like somebody testing  
4 security measures.

5 There was an even worse one at the Palo  
6 Verde plant a couple of months ago. A plant worker  
7 was stopped at the gates of the plant because the  
8 security guards noticed there was a pipe bomb in the  
9 back of his pickup truck. He was questioned by the  
10 FBI for several days, finally released, and  
11 eventually the event was withdrawn from the NRC  
12 event report site because they determined, Well, he  
13 didn't really mean to blow up the plant. Someone  
14 put a pipe bomb in the bed of his truck. He almost  
15 got inside the nuclear power plant. And eventually  
16 the event report was withdrawn.

17 If you think nuclear power plant is  
18 safe, I want to challenge you to go daily to  
19 [www.NRC.gov](http://www.NRC.gov) and read what's happening at the  
20 nation's power plants. It will frighten the pants  
21 off of you. Thank you.

22 MR. CAMERON: Thank you. Mr. Singleton  
23 is right. All of that information is available to  
24 the public on the NRC website.

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1 Mr. McCormick? And then Mr. McBurnett.

2 MR. McCORMICK: Good evening. I'll make  
3 this short, as I had a few comments. The more I  
4 hear the more comments I have and actually I'm sure  
5 everyone does.

6 But one of the things that strikes me  
7 and surely is frightening if you want to talk about  
8 frightening things is, you know, this country has  
9 numerous facilities that are targets -- priority  
10 targets. I venture to say a nuclear plant is not  
11 high on that list.

12 We have the ports -- the Port of  
13 Houston -- we have various refineries, chemical  
14 plants -- all kinds of facilities that have much  
15 more hazardous waste, if you will, and dangers that  
16 are certainly not nearly well guarded as a nuclear  
17 power facility.

18 And that is to me much more of a threat  
19 than a pipe bomb getting stopped at the gate of a  
20 nuclear power plant with primarily and secondary  
21 shields that are three feet thick.

22 I worked at the nuclear power plant for  
23 over six years. I was the last three years the lead  
24 nuclear engineer for Bechtel Corporation, and I

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1 spent 25 years with that corporation, many of which  
2 were spent on various nuclear plants in and around  
3 this country and overseas. I venture to say that  
4 STP plant is probably, in my estimation, the best  
5 that I ever worked on and contributed to.

6 I'm very proud of that plant, and the  
7 engineers and the technicians and the craftsmen that  
8 worked on that plant are a testament to the safety  
9 record and its recent world records that this plant  
10 has set. I don't think anyone can argue with that  
11 in terms of its safety record. It speaks for  
12 itself.

13 In terms of going forward in the years  
14 to come, obviously we have much to do in the area of  
15 disposing of the high level nuclear waste. But I  
16 challenge each and every one of us to think about  
17 this in relative terms.

18 The gentleman that just previously  
19 talked about the Manhattan Project -- those that are  
20 old enough to remember it or certainly have read  
21 about it -- that was probably one of the most  
22 successful endeavors this country ever undertook.  
23 It developed the atom bomb, and it prevented  
24 probably World War II from two to three more years

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1 of fighting.

2 And that particular project went forward  
3 with many, many of the technologies weren't even  
4 invented when it got started. That was not a reason  
5 for them to not go forward, just because some  
6 technology wasn't available at the time. They had  
7 enough confidence that they felt that we would  
8 muster the energy to develop what was necessary to  
9 meet the goal.

10 I feel the same way about nuclear waste.

11 That certainly is a major concern, but it's not  
12 something we should delay going forward with new  
13 construction and wait 20 or 25 years till the  
14 technology is developed. We should do it in  
15 parallel.

16 The rest of the world is leaving us  
17 behind in this technology. We used to be the  
18 leader. We used to train the entire world in  
19 nuclear energy, in the development of these plants,  
20 training their people. And now where are we? We  
21 haven't done anything in over two decades. We're  
22 way, way behind. We need this technology  
23 returned to this country. We need our engineers and  
24 our scientists to be trained. And this is a good

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1 start right here. I thank you.

2 MR. CAMERON: Thank you very much, Mr.  
3 McCormick.

4 Mark McBurnett, vice president of  
5 regulatory affairs, Texas Nuclear Operating Company.

6 MR. MCBURNETT: Thank you. I'm Mark  
7 McBurnett, vice president of oversight and  
8 regulatory affairs with the South Texas Project  
9 Nuclear Operating Company.

10 I'm indeed pleased to be here tonight  
11 and have a chance to talk about bringing new  
12 reactors to the South Texas Project site and  
13 increasing the capacity of the South Texas Project.

14  
15 It's clearly a strong boost for  
16 Matagorda County. It's important for Texans and  
17 Texas, for energy independence, and having adequate  
18 supplies of electricity, which drives our overall  
19 economic engine that keeps our society going.

20 I have a number of things, and I took a  
21 long list as I went through all the different  
22 details of each of the talks, and would really love  
23 to be able to stand up here and talk another 30  
24 minutes and go through and counterpoint on each one

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1 of those, but that's not appropriate for this  
2 particular session tonight. But there are a few  
3 things I'd like to hit just to make sure they're  
4 clear.

5 First, nuclear waste? Yes, we generate  
6 high level nuclear waste. We know how to store it.

7 We store it safely. We have the capability to  
8 store it safely for as long as we need to store it.

9 Ultimately the federal -- we have a contract with  
10 the federal government to take possession of that  
11 material and dispose of it. Until they do so, we'll  
12 store it and continue to do so in a safe manner. I  
13 want point out our waste is not in a tin building;  
14 it is a concrete building. The wall is about two  
15 feet thick.

16 Aircraft impact analysis -- concerns  
17 about aircraft impact has not been analyzed. Yes,  
18 aircraft impact has been analyzed. The nuclear  
19 industry performed analysis of aircraft impact in  
20 the time shortly after 9/11 -- performed it for all  
21 the different designs of containment buildings in  
22 the nuclear plants in the United States, of which  
23 South Texas is one.

24 Nuclear Regulatory Commission has also

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1 done similar analysis. Details of those analyses  
2 are, of course, safeguards information and can't be  
3 discussed in an open forum like this. We'll tell  
4 you that the results -- the South Texas  
5 containments -- the containment buildings in this  
6 country are very robust structures and advocate the  
7 ability of withstanding aircraft impacts.

8 The advanced boiling water design has  
9 also been analyzed for aircraft impact. That's been  
10 done and will be looked at again as part of the new  
11 rule makings on aircraft impact. We are -- ensure  
12 that it has the appropriate -- again, it has a very  
13 strong containment. And it's -- spent fuel is also  
14 stored inside a building which has concrete walls.

15 Units 3 and 4 security review -- yes,  
16 there will be a comprehensive review of Unit 3 and 4  
17 security as part of the design and licensing process  
18 to ensure that those measures that are appropriate  
19 from the -- that have been implemented in the plants  
20 are implemented also on 3 and 4 and takes advantage  
21 of the stage of design that we can go back and do  
22 things a little bit better than we've done in the  
23 operating units just because we have a clean sheet  
24 of paper, so to speak.

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1 Worker exposure came up earlier.  
2 Advanced boiling water reactors in Japan have an  
3 impressive record on low radiation worker exposures.  
4 It's lower than what we typically see in this  
5 country in any of our plants. They have an  
6 impressive record, and we look forward to being able  
7 to do this. There's design features in those plants  
8 that enable that to happen.

9 Seismicity -- actually the Texas Gulf  
10 Coast -- lowest seismic regions on the earth. We  
11 look at what the numbers are. We do a comprehensive  
12 analysis that's done to determine what's the  
13 potential for a seismic event in this area. And  
14 it's extremely low.

15 However, the advanced boiling water  
16 reactor is a certified design. It's a certified  
17 design that's meant to be able to basically be put  
18 down anywhere in the country. So it's actual  
19 seismic design of the advanced boiling water  
20 reactors is many times more than will ever be  
21 required in South Texas. And it will be built  
22 according to the certified designs, so it will meet  
23 those higher standards well beyond what we would  
24 required if it was just specifically licensed at

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1 South Texas.

2 Low pressure turbine replacement -- I'm  
3 not sure how I get to that as a negative issue. You  
4 know, we work hard to identify things in the plant  
5 that need to be replaced. We proactively replace  
6 them to ensure that those plants run reliably and  
7 safely for the long term. We're in it for the long  
8 term. We focus a lot of attention on equipment and  
9 equipment liability. This is one significant  
10 example that demonstrates our willingness to spend a  
11 significant amount of money to ensure South Texas  
12 runs reliably.

13 Power lines: Actually South Texas has  
14 three different power line corridors leaving the  
15 site. The advanced boiling water reactors will also  
16 have cross-ties into the Unit 1 and 2 switch yard.

17 Ponds versus towers: Just to explain,  
18 the large cooling pond you see at South Texas, that  
19 7,000-acre reservoir, is used for cooling the main  
20 turbine. It's the main heat sink for the plant as  
21 the plant is in operation. Provided in Unit 1 and 2  
22 is a pond for providing for emergency cooling should  
23 that be required. Unit 3 and 4 will actually have a  
24 cooling tower for emergency cooling for what we call

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1 the ultimate heat sink.

2 Don't think of it -- it's not one of  
3 these monster hyperbolic towers like you see in all  
4 the pictures that one associates with a nuclear  
5 plant. These are small towers, more akin to what  
6 you see out behind a large commercial building that  
7 provides for air conditioning. I would point out in  
8 a boiling water -- a boiling water reactor is a very  
9 robust design. Loss of that piece of equipment does  
10 not result in a catastrophic event for a boiling  
11 water reactor.

12 You know, we take our job and our role  
13 at South Texas very seriously. I am the individual  
14 who's responsible for submittal of the application  
15 to the Nuclear Regulatory Commission. We take it  
16 very serious to ensure that application met all the  
17 requirements that NRC established in the submittal.

18 The fact that it was docketed demonstrates that we  
19 met that objective.

20 I'm also the man in charge of oversight  
21 and the quality programs ensuring that the plants  
22 are built in accordance with the requirements. I  
23 take those roles very seriously. My commitment to  
24 the citizens of Matagorda County, my friends and

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1 neighbors, as these plants will be built, built  
2 right, and operated well.

3 MR. CAMERON: Thank you. Next is Joe  
4 Sheppard, who's the chief nuclear officer for the  
5 South Texas Nuclear Operating Company.

6 MR. SHEPPARD: Thank you. And thank you  
7 for making it with us this long. I appreciate it.

8 I want to thank the NRC staff for  
9 conducting these meetings and these reviews. I want  
10 to thank all our neighbors for coming out tonight  
11 and spending this time with us. And I want to  
12 welcome our visitors. It's important to us that we  
13 have this dialogue. I know it's important to the  
14 NRC process, but it's also important to us.

15 I'm a native Texan. I grew up in the  
16 shadows of the petrochemical plants in Texas City,  
17 Texas. I have a vested interest in the environment.

18 We are allowed to operate in Matagorda County by  
19 virtue of the laws that Congress has passed and the  
20 license that has been granted to us by the Nuclear  
21 Regulatory Commission. We also know that with that  
22 license comes a special trust and that we are  
23 responsible to the citizens of Texas and to the  
24 citizens of Matagorda County.

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1           And the first responsibility is for safe  
2 operations. I think that our record demonstrates  
3 our commitment to both safety and the environment.  
4 And when I say our commitment I'm talking about the  
5 management employees of South Texas Project. But  
6 they're also your neighbors, your friends, the  
7 people that you deal with day in and day out.

8           Units 1 and 2 provide clean, reliable  
9 power to millions of Texans. Mark talked about the  
10 economic engine that we need in Texas. Electricity  
11 is the foundation for that economic engine, and  
12 we're proud to be part of providing parts of that  
13 engine. We also provide millions of dollars of  
14 benefits to Matagorda County.

15           With respect to 3 and 4 we know that  
16 Units 1 and 2 and their safe, reliable operation are  
17 the enablers to be able to have the possibility of  
18 having 3 and 4. And so that redoubles our focus on  
19 safe, reliable operations.

20           Let me speak a minute about greenhouse  
21 gasses. Whether you believe that greenhouse gasses  
22 are contributing to the climate change or not, I  
23 think that it is just common sense that we don't  
24 need to have millions and millions of tons of carbon

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1 dioxide dumped into the environment.

2 We seem to be given what we at the plant  
3 call a sucker's choice. Either you have renewables  
4 and efficiency or you have nuclear power. The  
5 studies that I have read that are done by eminent  
6 researchers say that in order to make any kind of  
7 significant contribution to the reduction of  
8 greenhouse gasses being released into the  
9 environment, you need it all. You need efficiency;  
10 you need renewables; and you need nuclear power if  
11 you want to make any kind of a significant  
12 contribution to reducing greenhouse gasses being  
13 released into the environment.

14 We're in favor of efficiency also. Mark  
15 talked about replacement of our low pressure turbine  
16 rotaries. Replacement of the low pressure turbine  
17 rotaries added 140 megawatts onto the grid without  
18 any change in our reactor power. That's why we  
19 changed out those rotaries, for the efficiency.

20 So we don't want to make a sucker's  
21 choice. If you look at the carbon footprint of the  
22 life cycle of the nuclear power's life cycle from  
23 the mining of the uranium all the way through the  
24 disposal of the waste that carbon footprint is the

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1 equivalent and the same footprint for solar and for  
2 wind and for hydro.

3 Now, that study was done by the Germans,  
4 not necessarily known for being friendly to nuclear  
5 power. But that was their conclusion: same  
6 footprint.

7 Mark talked a little bit about the  
8 advanced boiling water reactor, which is what the  
9 proposed technology is for Units 3 and 4. This  
10 technology has a long lineage in the United States.

11 The design that has been built in Japan was  
12 predicated by 60 years of operations of boiling  
13 water reactors in the United States as a  
14 evolutionary design from our very best in the United  
15 States, the BWR6. And it's better. It's a G.E.  
16 design. It's been certified by the Nuclear  
17 Regulatory Commission. And it meets all U.S.  
18 standards.

19 We choose the ABWR because of the  
20 operating record that it has, but we also chose it  
21 because of the record that it has for being  
22 constructed on time and on budget.

23 I had the opportunity to tour two of the  
24 advanced boiling water reactors in Japan after the

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1 seismic even that occurred there in July. There was  
2 some concern about radiation doses, and Mark talked  
3 about the very low doses that are available in those  
4 facilities.

5 I climbed all over that plant. I went  
6 under the reactor vessel, normally one of the most  
7 dose-intensive parts of any nuclear power plant. At  
8 the conclusion of the tour I had received zero  
9 millirem. These are very, very well designed and  
10 well constructed plants.

11 At South Texas we strive to be a good  
12 corporate citizen. And we're very pleased with the  
13 support and the partnership that we have with the  
14 local community. And I think you've seen some of  
15 the eminence of that tonight. And I appreciate  
16 that.

17 We think that the benefits associated  
18 with Units 3 and 4 will be significant for Matagorda  
19 County and the surrounding communities. It's not  
20 only the jobs -- the 800 permanent jobs and 4,000  
21 construction jobs -- but the quality of life that we  
22 believe the economic impact of Units 3 and 4 will  
23 bring to this area.

24 Already, as D.C. Dunham talked about, is

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1 advanced education that's come to Bay City. And  
2 that's due to a partnership between industry, the  
3 local community colleges, the local community, and  
4 Texas A&M. We have a satellite campus of Wharton  
5 Junior College in Bay City. We're teaching courses  
6 today that are going to produce associate's degrees,  
7 and that is something that didn't exist one year  
8 ago.

9 We prefer to have local talent as part  
10 of our workforce, and this is one of the many  
11 activities that we have on going on to produce that  
12 talent and to have that pipeline into our facility.

13 At South Texas Project our vision is to  
14 improve lives through excellence in energy  
15 generation. We believe that we improve the lives of  
16 Texans by providing safe, clean, reliable, efficient  
17 electrical power to power that economic engine  
18 that's so vital to the Texas economy.

19 We believe we improve the lives of the  
20 community by the involvement of our citizens -- of  
21 our employees as citizens in the community, by being  
22 on the school boards, by being on the city councils,  
23 by heading up the charities, by making the  
24 investments in the community. And we believe we

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1 improve the lives of our employees by providing good  
2 careers, high wages, good benefits, and a very good  
3 work environment.

4 We're pleased to see you all here  
5 tonight. We look forward to the eventual licensing  
6 and construction of Units 3 and 4. Thank you very  
7 much.

8 MR. CAMERON: Okay. That's the last  
9 speaker at the NRC meeting. Can I just thank you  
10 from a facilitator's point of view. That was one of  
11 the more interesting comment sessions that I have  
12 been to. And I'm going to ask Nilesh, our senior  
13 NRC manager, to close the meeting for us.

14 Nilesh?

15 MR. CHOKSHI: Yes. I want to thank you  
16 again for allowing us to come to your community.  
17 And you are really helping us in fulfilling our  
18 responsibilities under the NEPA Act.

19 Not only you came here, but had very  
20 active participation. We got comments from the  
21 diverse perspective and on the diverse topics. We  
22 got comments on the broad policy issues,  
23 programmatic and process aspects, and some very  
24 specific to our environmental and safety review.

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1           And as I said in the beginning, we are  
2 here to listen. You know, it was not our intent to  
3 try to instantly react to any of this. We  
4 systemically are going to consider all of the  
5 comments received, both written, and then we are  
6 taking transcript, so we very carefully will  
7 evaluate all the different aspects and then consider  
8 them in our review.

9           So thank you for your participating and  
10 giving these comments. Thank you.

11           (Whereupon, at 10:09 p.m., the public  
12 hearing was concluded.)  
13  
14

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**Official Transcript of Proceedings**  
**NUCLEAR REGULATORY COMMISSION**

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Public Meeting: Afternoon Session

Docket Number: 52-012 and 52-013

Location: Bay City, Texas

Date: Tuesday, February 5, 2008

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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PUBLIC SCOPING MEETING

SOUTH TEXAS PROJECT UNITS 3 & 4

COMBINED LICENSE APPLICATION

+ + + + +

Tuesday, February 5, 2008

+ + + + +

Auditorium

Bay City Civic Center

201 7th Street

Bay City, Texas

1:30 p.m.

PANEL MEMBERS:

FRANCIS X. "CHIP" CAMERON, Facilitator

JIM BIGGINS, Office of General Counsel

NILESH CHOKSHI, Deputy Director, NRC

GEORGE WUNDER, Sr. Project Manager

PAUL KALLAN, Environmental Project Manager

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P R O C E E D I N G S

1  
2 MR. CAMERON: Thank you. My name is Chip  
3 Cameron. I work for the Nuclear Regulatory  
4 Commission, the NRC. And I just wanted to welcome all  
5 of you to the meeting today.

6 And the topic of today's meeting is the  
7 NRC's environmental review process for evaluating a  
8 license application, such as the one that we received  
9 from the South Texas Project Nuclear Operating Company  
10 to construct and operate two new reactors at the South  
11 Texas Project Site.

12 And it's my pleasure to serve as your  
13 facilitator for today's meeting, and in that role I'll  
14 try to help all of you have a productive meeting  
15 today.

16 Before we get into the substance of  
17 today's discussions, I just wanted to say a few words  
18 about the meeting process so that you understand  
19 what's going to happen here this afternoon. And I'd  
20 like to talk about the format for the meeting, some  
21 simple ground rules to follow, and the agenda for the  
22 meeting.

23 In terms of the format for the meeting,  
24 it's basically a two--part format. The first part of  
25 it is for the NRC to give you some brief

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1 presentations, some information on what our review  
2 process is for this type of license application.

3 And we'll then go on to you. We'll have  
4 some time for questions. We have a lot of people  
5 signed up to speak, and that's an important part of  
6 the meeting, but I think we'll still have time for a  
7 few questions after the NRC speakers get done. And I  
8 would ask you to hold any questions for them until  
9 they go through all of their presentations.

10 Now the second part of the meeting is an  
11 opportunity for the NRC staff to listen to your advice  
12 and recommendations. And I will ask you during that  
13 part of the meeting, those of you who have signed up,  
14 to come up to the podium to speak.

15 Now you're going to hear more about this  
16 from the NRC staff, but this is called a scoping  
17 meeting. And simply put, the NRC is seeking advice  
18 today on what the scope of the environmental impact  
19 statement should be that they're going to prepare.

20 But we realize that there may be broader  
21 concerns than environmental issues, and we always want  
22 to listen to those concerns, even though they may not  
23 fall within the scope of the environmental review that  
24 we're going to be doing.

25 Now during this second part of the

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1 meeting, we're here to listen. We're going to be  
2 listening to you. We're not going to be responding,  
3 except in those rare instances where there may be some  
4 new information that the NRC has on a particular  
5 subject that we'll want to let you know about.

6 In terms of ground rules, if you have  
7 questions after the NRC presentations, just raise your  
8 hand and I'll bring you this cordless mike, and if you  
9 could please introduce yourself to us, ask your  
10 question, and then we'll go to the NRC staff for  
11 answers.

12 And I would just ask you, during the  
13 question part of the meeting to focus on questions.  
14 Sometimes questions have a tendency to warp into  
15 comments. If you have a comment, then give it during  
16 the comment period. And if you haven't signed up yet,  
17 just let me know and I'll put you on the list.

18 I would ask that only one person speak at  
19 a time for two very important reasons. One, so that  
20 we can get what I call a clean transcript so that we  
21 know who is speaking. We are transcribing the meeting  
22 tonight, and we have Leslie Berridge who is our  
23 stenographer today. And all of that will be captured,  
24 and that transcript will be available to anybody who  
25 wants to see it. But more importantly, let's give our

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1 full attention to whoever has the floor at the moment.

2 I would ask you to try to be concise in  
3 your questions so that we can give everybody who wants  
4 to talk an opportunity to participate today. And  
5 during the formal comment period, I'm going to ask you  
6 to try to hold your comments to three to five minutes  
7 to make sure that we can finish up on time, and we do  
8 have another meeting tonight at 7:00 p.m.

9 I think that three to five minutes is  
10 enough time to summarize what you have to say. It  
11 also alerts the NRC staff to issues that we should  
12 start working on immediately. And as the NRC staff is  
13 going to tell you, there is an opportunity to submit  
14 written comments on these issues so that if you have  
15 to amplify on what you said today, you can do it in  
16 your written comment.

17 Finally, I would just ask you to extend  
18 courtesy to all. You may hear opinions today that you  
19 don't -- just don't agree with, and so I would just  
20 ask you to respect the person who's giving the  
21 particular comment. And I hear those cell phone  
22 chimes.

23 Let me introduce the NRC speakers. First  
24 of all, we're going to go to Nilesh Chokshi -- and you  
25 can correct me on the pronunciation of your name --

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1 but Nilesh is the top NRC manager here today.

2 He's from the Office of New Reactors, and  
3 he's Deputy Director of the Division of Environmental  
4 Review, I believe. And he's going to tell you about  
5 the NRC and our purpose here today in doing scoping.

6 After Nilesh we're going to go to Mr.  
7 Paul -- no, we're going to go to Mr. George Wunder,  
8 who is the Project Manager for the Review of the  
9 safety aspects of the application, and he's going to  
10 tell you about what the NRC does in safety review.

11 And finally we're going to go to Mr. Paul  
12 Kallan, who is going to address the instant subject of  
13 this meeting, which is the environment review and  
14 scoping, and Paul is the Project Manager for the  
15 review of the environment aspects of the South Texas  
16 application for the new plant.

17 And with that, let me just thank you all  
18 for being here. And I just want to emphasize one  
19 thing, which is continuity. This meeting is just one  
20 point on the way of perhaps a long process. I believe  
21 the NRC staff is going to give you their contact  
22 information. If you have questions or concerns,  
23 please call us, get in touch with us so that we can  
24 stay in touch over the life of this particular  
25 project.

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1 And with that I'm going to ask Nilesch to  
2 come up.

3 MR. CHOKSHI: Thank you, Chip.

4 Good afternoon.

5 MALE VOICE: I don't think your microphone  
6 is on.

7 MR. CHOKSHI: It's not on?

8 (Pause.)

9 MR. CHOKSHI: All right. Let me start  
10 again. Thank you, Chip.

11 Good afternoon. My name is Nilesch  
12 Chokshi -- and you pronounced correctly. I'm the  
13 Deputy Director in the Division of Site Environmental  
14 Review in the NRC's Office of New Reactors.

15 Let me begin by welcoming you and thanking  
16 all of you for taking time to really help us fulfill  
17 our important responsibilities regarding the  
18 environmental reviews under the National Environmental  
19 Policy Act. NRC has specific responsibilities under  
20 this Act.

21 We realize that you are taking time out of  
22 your personal schedule to meet with us and share your  
23 views with us about the South Texas Project. I hope  
24 that during the open house some of you had a chance to  
25 meet with a number of NRC staff members here who have

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1 a better understanding of why we are here.

2 But that's what I want to talk about, and  
3 then we'll -- the purpose of this meetings. We're  
4 going to be presenting information today on the  
5 application of two new reactors to be constructed and  
6 operated at the South Texas Project Site. But we're  
7 going to particularly focus on the environmental  
8 review aspects of the application.

9 And it is my staff who is responsible for  
10 managing the environmental review. And several  
11 members of our environmental review team are here, and  
12 so I think that it will be very good to get feedback  
13 on that to include in that process.

14 We have to conduct an environmental review  
15 before we can make any decision -- and issue an  
16 environmental impact statement before we can make  
17 decision regarding the application.

18 Of course, in the course of our  
19 environmental review, we work very closely with our  
20 safety counterparts in our Division of New Reactor  
21 Licensing, which they manage the overall review, as  
22 well as the overall schedule for the NRC. It's quite  
23 an interactive process.

24 Now let me go to the next slide -- let's  
25 talk about the purpose and expand on this. I think

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1 many of you are familiar with the proposal,  
2 application which is in front of the NRC. I also want  
3 to put this meeting in context of the meeting we had  
4 last June, our public outreach meeting which took  
5 place before the application came to us.

6 In that meeting we wanted to share the  
7 steps involved in the licensing process. In that  
8 meeting we informed you about the opportunities that  
9 you will have to observe and participate in the work  
10 of NRC if we were to receive an application to  
11 construct and operate nuclear reactors.

12 During that meeting we identified several  
13 major tracks of review, which include the safety  
14 review, inspection activities, formal hearings, as  
15 well as the environmental reviews. So there are  
16 several major areas of review.

17 In June I think we really also wanted to  
18 explain what is the combined construction permit and  
19 operating license. So you will hear the words, often  
20 COL, combined operating license, and during this  
21 discussion people will say COL or COLA, that's all  
22 combined operating license application.

23 And at the outreach meeting we also I  
24 think stressed, and I think you're going to hear this  
25 during the entire meeting, -- in all of our NRC

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1 presentations, the importance of your participation in  
2 this process, because, you know, ultimately this is  
3 your home, your community, and if the proposed project  
4 comes to fruition out of all of the applications and  
5 number of agencies involved grant approvals, you will  
6 be impacted more than anybody else, living close to  
7 the plant.

8 And now, I think, as you know, that since  
9 that outreach meeting last June, we did receive an  
10 application to construct and operate two --  
11 two nuclear plants at South Texas in September 2007.  
12 And, after completing our acceptance review process,  
13 now that application has been docketed, and now we are  
14 in the very initial stages of beginning the review of  
15 the application.

16 We are in the very early stages, and much  
17 of our focus is now focused on information gathering.

18 We're getting ourselves ready for the review. And  
19 that's why this meeting is particularly important.

20 So what you're going -- as you see in this  
21 chart, in the first three bullets -- basically we're  
22 going to repeat ourselves somewhat and tell you,  
23 again, about some of the licensing process, so to put  
24 in proper context.

25 But what I want to really stress,

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1 the purpose, and put into context, is the fourth  
2 bullet. That's why we are here. And Mr. Cameron  
3 mentioned, this is scoping process for the  
4 environmental review.

5 So the primary purpose is to give you an  
6 opportunity to share with us your thoughts, your  
7 comments on what you think we should consider in the  
8 environmental review when we develop the NRC's  
9 environmental impact statement on the South Texas  
10 Project.

11 As I said, this is a scoping meeting.  
12 It's a part of the formal scoping process. And the  
13 scoping process is to help us understand what matters  
14 and what we need to consider. Many of you live close  
15 to the proposed plants, and have a useful or better  
16 understanding of your local environment. We need to  
17 better appreciate those environmental values and  
18 insights that you have. And today we really want to  
19 hear about those issues.

20 During the presentation you will hear that  
21 we -- already have a very well structured  
22 environmental review process, and our review will  
23 start with nationally and internationally recognized  
24 experts in all of the environmental disciplines.

25 In fact, in the audience there are members

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1 from NRC's experts in environmental, as also from the  
2 Pacific Northwest National Lab, and they're all ears.  
3 So I hope that they get to hear some of your concerns.

4 Now I want to make sure that you  
5 understand that this is not the last opportunity to  
6 interact with us on this matter. There will be other  
7 opportunities as we conduct our review and as we  
8 further progress toward preparing our environmental  
9 impact statement, and you will hear about those  
10 opportunities in the later part of the presentation.

11 Now, before I hand this over -- meeting to  
12 the two project managers, I think it will be  
13 worthwhile to talk about -- a little bit about who we  
14 are, what we do, and whom we interact with. I know  
15 you -- probably many of you were at the June meeting  
16 and you heard, but I think it's very, very important  
17 to go over that again.

18 The Nuclear Regulatory Commission was  
19 created in 1974 to regulate, among other things, the  
20 civilian use of nuclear power to ensure the health and  
21 safety of the public, to promote the common defense  
22 and security, and to protect the environment.

23 I would like to emphasize that we are not  
24 part of the Department of Energy, or any other agency.

25 We are an independent agency, and we are not here to

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1 promote nuclear power. We are an independent  
2 regulatory agency headed by five commissioners, all  
3 appointed by the President and confirmed by the  
4 Senate.

5 Unlike cabinet secretaries and other  
6 political appointees, the NRC commissioners do not  
7 change when a new president is elected. We have a  
8 tremendous continuity in that regard.

9 The commissioners serve five year terms,  
10 and there is always a mix of both Republicans and  
11 Democrats. And then the Commission is supported by a  
12 staff of technical and regulatory experts, something  
13 in the order of 3,000.

14 And as an agency -- after becoming a  
15 nuclear regulatory commission-- breaking off from the  
16 Atomic Energy Commission, we have over 30 years of  
17 experience in regulatory and licensing nuclear power  
18 plants and other uses of nuclear material.

19 In -- let me -- a few talks on the -- our  
20 process of licensing, of the construction and  
21 operation of a nuclear power plant. One of the, I  
22 think, major emphasis for us is to the -- that the  
23 process be open to the public to the greatest extent  
24 possible. I think that's -- and I think this -- from  
25 the highest level of the agency, you hear this thing

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1 repeatedly.

2 The process is also designed so that the  
3 people who have a stake in the proposed action are  
4 given a chance to participate and to be heard.

5 On this line, I have listed the parties  
6 participating in the licensing process into three  
7 categories. I only mentioned the commissioners and  
8 the staff, but if you look under the heading of NRC,  
9 you will also notice that I also have listed hearing  
10 boards and the Advisory Committee on Reactor  
11 Safeguards. These are, again, the opportunities for  
12 participation, as well as independent reviews.

13 Other parties involved in the process is,  
14 of course, the company that wants to build the plant.

15 And the final group of participants in the process is  
16 that group of people we call stakeholders, which is  
17 comprised of people with all different interests, and  
18 that includes you, the residents and business  
19 operators of the community.

20 Also included under this group are various  
21 public interest groups, as well as the state  
22 government, local, and your own county and city  
23 governments. I think at a later part of the  
24 presentation you will see in the environmental review  
25 how many agencies and parties we interact with

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1 regularly.

2 So I think with this sort of a background,  
3 and with my efforts to set the stage for this meeting,  
4 I want to thank you again for allowing us to come into  
5 your community and for you taking this effort to meet  
6 with us and share your views.

7 We have a long way to go before the NRC  
8 completes its review of the application, and is ready  
9 to make a decision on the proposal. So this will be  
10 an ongoing interaction, and I think it will be  
11 important that we continue to interact with you.

12 Let me now introduce you to, Mr. George  
13 Wunder. He is the NRC Safety Project Manager for the  
14 South Texas Project, and he will provide more detail  
15 on the application and all aspects of review. And  
16 then we'll go to the -- really the heart of the  
17 meeting, the environmental review, which will be  
18 presented by Mr. Paul Kallan. He's our Environmental  
19 Project Review Manager.

20 And then we'll open the floor to you. And  
21 I think we are here to listen. Thank you.

22 (Applause.)

23 MR. WUNDER: Thank you, Nilesch.

24 I'm George Wunder. I'm the -- oh, thank  
25 you all for coming -- I'm George Wunder and I am the

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1 safety Project Manager for the Office of New Reactors.

2 I've just got a few slides I'd like to go through by  
3 way of background. And I promise to be mercifully  
4 short.

5 So what is a combined license, and what do  
6 they want, why do they want one? Well, a combined  
7 license is essentially permission from the NRC to  
8 build and operate a reactor plant with a specific  
9 design at a specific location, subject to applicable  
10 codes and standards. In the case of South Texas, the  
11 application is for two General Electric advanced  
12 boiling water reactors to be built at their facility  
13 in Wadsworth.

14 As far as who can get a combined license,  
15 it has to be an entity that is qualified both  
16 technically and financially. In this case, South  
17 Texas Project Nuclear Operating Company. And as far  
18 as when the application came in, at the end of  
19 September, and we officially docketed and accepted it  
20 at the end of November of last year.

21 NRC has a pretty big job to do when it  
22 comes to reviewing a combined license application.  
23 Nilesh mentioned earlier that our primary focus is on  
24 safety, and one of the ways that we ensure safety is  
25 by making sure that the things that are being -- that

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1 everything is being done in accordance with the  
2 appropriate laws and regulations.

3 In this case the law is the Atomic Energy  
4 Act, and the regulations are those contained in Title  
5 10 of the Code of Federal Regulations. So these are  
6 the standards which we will evaluate the -- by which  
7 we will evaluate the application that South Texas has  
8 submitted. We're also tasked with performing an  
9 environmental review under the National Environmental  
10 Policy Act, and Paul Kallan will say more about that  
11 in a bit.

12 Throughout our review, our effort is  
13 always to make the best and most informed decision as  
14 we can at all times, and to document these in as clear  
15 and unambiguous way as possible. And this goes toward  
16 meeting our goal of ensuring that the entire process  
17 is as open as possible, and that anyone, any citizen  
18 who is interested can understand not only what  
19 decisions we have made, but why we are making them.

20 Okay. Let's talk briefly here about the  
21 scope of our review, what are the things that we're  
22 going to be looking at. First we're going to look at  
23 the design of the plant, and actually a lot of this  
24 work has already been done, it was done 10 years ago.

25 The advanced boiling water reactor is what's called a

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1 certified design, and that is our staff has already  
2 reviewed it and written a safety evaluation on the  
3 basic plant.

4 There's going to be some differences  
5 between the design that we certified 10 years ago, and  
6 the plant that South Texas is eventually going to  
7 build, and these differences can be the result of  
8 various things, such as improvements in technology.

9 For example, South Texas may want to use  
10 equipment that wasn't available when we did our  
11 certification. Or they can be due to certain unique  
12 individual needs of South Texas. Any deviations from  
13 the certified design will be reviewed and approved by  
14 the NRC staff.

15 We're also going to look at the  
16 suitability of the site itself. This includes things  
17 like determining the suitability of the soil to  
18 support the structures that will be built there;  
19 taking a look at the seismic history of the area;  
20 taking a look at the potentials for things like  
21 flooding, or tornados and hurricanes. All of these  
22 things are taken into account in our chapter on site  
23 characteristics.

24 We're going to look at the environmental  
25 impact of the project, and Paul's going to tell you

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1 more about that in a minute. We're going to look at  
2 things like the way they want to build the plant, the  
3 way they want to put it together, what kind of  
4 materials they want to use, and how the components are  
5 going to be arranged. We have standards on quality  
6 assurance, and we're going to review and inspect to  
7 ensure that those are upheld.

8 There's going to be an army of  
9 construction workers descending, and so obviously  
10 we're going to have to think about things like  
11 physical security, both for the new plants and for the  
12 plants that are operating already.

13 We're going to look -- in coordination  
14 with the Federal Emergency Management Agency, we're  
15 going to look at the emergency preparedness plans, and  
16 we've got an emergency preparedness expert with us  
17 this evening -- or this afternoon, in case you have  
18 any questions in that area.

19 And finally, of course, we're going to  
20 look at personnel training and make sure that  
21 everybody who is doing a job associated with these  
22 plants is qualified to do so.

23 We said we wanted you to have a good idea  
24 how you can participate in the review process, and  
25 where you can have access to information. Well, one

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1 of the -- ah, yes -- okay, sorry -- yes, one of the  
2 places that you can find all sorts of information is  
3 at our electronic public reading room, public document  
4 room.

5 Also, virtually all of the meetings that  
6 we're going to be having with South Texas on the  
7 subject of this plant are going to be open to  
8 public -- to -- open for public -- not participation,  
9 excuse me, open for public attendance.

10 We post meeting notices on our website,  
11 and we get those posted about 10 days before the  
12 meeting.

13 I understand that it's not often convenient for you  
14 to come to one of our meetings, so we also publish  
15 meeting summaries and post those on the website as  
16 well.

17 And then, another opportunity for you to  
18 comment is going to come later on in the review  
19 process. It's called the meeting of the Advisory  
20 Committee on Reactor Safeguards. When we're -- when  
21 the staff has got its safety evaluation to a point  
22 where it's in pretty good shape, we meet with the  
23 Advisory Committee on Reactor Safeguards and we  
24 present our findings and our review of the  
25 application.

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1           The Advisory Committee is an independent  
2 body that reports directly to the Commission. We  
3 have -- the meeting is open to the public and members  
4 of the public can register to talk at that meeting and  
5 present any questions or concerns you have directly to  
6 the Advisory Committee.

7           And finally, there is the hearing process.

8           On December 27 we published in the *Federal Register* a  
9 notice for opportunity for a hearing, which offers an  
10 opportunity for the public to participate in the  
11 hearing as a party, and this is called intervention.  
12 A request -- if you want to intervene, a request has  
13 to be filed within 60 days of the original *Federal*  
14 *Register* notice. And in this case, that period is  
15 going to expire on February 25.

16           I'm not going to go into any more detail  
17 about the hearing process. We've got some very fine  
18 attorneys here this evening, and when we get to the  
19 question and answer period, if you have any questions  
20 regarding that, they will be more than happy to field  
21 those.

22           Okay. This is just kind of an overall  
23 flow chart. It shows where we are. We've received  
24 the application, and as you can see, there are two  
25 branches of review that go on in parallel. There's

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1 the safety review and the environmental review. And  
2 this is the way it's supposed to work, but nothing  
3 ever works the way it's supposed to.

4 We received, as I said, the application,  
5 and docketed it on November 29, 2007. By a letter  
6 dated January 10, 2008, South Texas informed us that  
7 they were having some challenges in arranging for some  
8 design support that would be necessary to further push  
9 this project forward, and they asked us to place some  
10 of the safety review on hold, which we did. And we  
11 documented that in a letter on January 30, 2008.

12 The environmental review will continue,  
13 and with that, I'd like to turn it over to Paul.

14 (Applause.)

15 MR. KALLAN: Thank you, George.

16 I thank you for coming out this afternoon  
17 to understand our process.

18 My name is Paul Kallan, and I'm with the  
19 Office of New Reactors. I'm also the Environmental  
20 Project Manager for this project.

21 And you may be wondering why there are two  
22 project managers, one is the safety and the other  
23 environmental. The answer is simple. It's because  
24 the NRC's mission is to ensure the safety of the  
25 facility, as well as to protect the environment.

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1 These are equally important tasks. In recognition of  
2 that, the NRC has two project managers to oversee the  
3 process.

4 So I'm here to talk to you a little bit  
5 about the National Environmental Policy Act. The goal  
6 of the National Environmental Policy Act is to create  
7 conditions under which man and the environment can  
8 exist in productive harmony.

9 The National Environmental Policy Act  
10 requires the NRC to do an independent evaluation. So  
11 we use a systematic approach to doing environmental  
12 reviews. An environmental impact statement is  
13 required for major federal actions that may  
14 significantly affect the quality of the human  
15 environment. Issuing a combined license, such as for  
16 this project, would be considered a major federal  
17 action.

18 This slide illustrates the environmental  
19 review process. There are many steps to this process,  
20 and there are many ways for the public to participate.

21 We would like the public to participate, and  
22 therefore we have the public scoping meeting, such as  
23 this afternoon, where we try to give information on  
24 our process, and receive your concerns. There's a  
25 large contingency of technical teams from the NRC to

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1 cover all these areas.

2 We accepted the application in September  
3 2007. Our next step is to do the site audit, which we  
4 are conducting this week. We look at the application  
5 to see what is in -- what was given to us. We try to  
6 do our independent evaluation ourselves, by looking  
7 for issues that we try to cover in our reviews.

8 Also, we schedule at this time a public  
9 scoping meeting, such as the one this afternoon, so  
10 you can give us your comments. Along with the public  
11 participation we get comments from the federal, state,  
12 tribal and local governments.

13 We take all this information and draft an  
14 EIS, an environmental impact statement, that we will  
15 issue for comments. After the document is available,  
16 we'll make -- we will have another meeting to comment  
17 on the document and get your concerns.

18 Finally, we draft -- or we write the final  
19 impact statement, which is based on the draft  
20 environmental impact statement, and we incorporate the  
21 additional comments. The NRC has a public hearing,  
22 and after the hearing is completed, the agency makes a  
23 decision.

24 So you may be wondering what is scoping.  
25 Scoping is participation of diverse groups. This is

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1 necessary for full understanding and consideration of  
2 all the potential environmental impacts of a proposed  
3 agency action and it's alternatives.

4 But discussing and informing the public of  
5 the emerging issues related to the proposed action,  
6 agencies may reduce misunderstandings, between the NRC  
7 and the public, build cooperative working  
8 relationships, educate the public and the decision  
9 makers, and avoid potential conflicts.

10 For example, I just wanted to give you an  
11 example with a past scoping meeting we had with VOGTLE  
12 where a member of the public had mentioned how the  
13 U.S. Army Corps of Engineers was managing the flow of  
14 the Savannah River. Based on that comment, the NRC  
15 held a meeting with the Army Corps of Engineers to  
16 discuss issues on drought levels in the Savannah  
17 River.

18 So the information identified in this  
19 scoping process, such as this meeting, is evaluated  
20 and considered in our environmental report. The  
21 public has the opportunity to make comments until  
22 February 18, 2008.

23 So how does the NRC make an independent  
24 evaluation of the environmental impacts? We don't  
25 only look at the application that the applicant has

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1 given us, we also have our own site audit that we do  
2 ourselves.

3 Also, we receive public comments, such as  
4 at these meetings. The reason for this is because  
5 public comments are important to us because you live  
6 here, you know best of what's important, and you can  
7 give us good information with regards to the  
8 environmental impacts of the project.

9 We talk to social services and other  
10 areas, such as socio-economics and environmental  
11 justice. We also talk to federal agencies, such as  
12 EPA, FEMA, Army Corps of Engineers, and Fish and  
13 Wildlife to name a few. We also have a long list of  
14 agencies that we contact to get their expertise. We  
15 also look at the state, local, and federal, tribal  
16 agencies to get their input on local conditions.

17 On this slide we look at the environmental  
18 review areas. I just wanted to give you another  
19 example. We have a large team of experts that look in  
20 different areas. We look at socio-economics,  
21 environmental justice, aquatic and terrestrial  
22 ecology, water quality, hydrology, land use, radiation  
23 protection, atmospheric science. We also look at  
24 transportation of radioactive material and  
25 decommissioning.

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1           The staff has begun its environmental  
2 review. A schedule helps the staff organize its  
3 review and use its resources efficiently. Normally  
4 staff would expect to issue a draft environmental  
5 impact statement in 18 months. However, as part of  
6 this review, the staff has identified additional  
7 information necessary to determine a detailed  
8 schedule.

9           While the schedule is uncertain, we'll be  
10 posting updates on the NRC website.

11           Here are some milestones on the  
12 environmental review. Scoping comments will be  
13 accepted February 18, 2008. The public can petition  
14 to intervene till February 25, 2008. Also, we have  
15 still to determine the draft EIS, also the public  
16 meeting to the draft environmental impact statement,  
17 and the final impact statement.

18           As the review progresses, we'll give you  
19 updates on these dates. The review schedule will be  
20 available on the NRC website. And the NRC website is  
21 listed below on the slide.

22           We encourage public involvement in the  
23 review process. It's important in our process. The  
24 public can make comments during the comment period for  
25 the scoping meeting, as well as the draft

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1 environmental impact comment period.

2 Throughout our environmental process we  
3 hold public meetings to give information to the public  
4 and to explain our process. The next public meeting  
5 will be the draft environmental impact statement  
6 meeting. The NRC hearing is another way for the  
7 public to participate. The public can file petition  
8 to intervene February 25, 2008.

9 I'd like to point out that the Commission  
10 recently passed a rule for e-filing which requires a  
11 digital certificate. The digital certificate will --  
12 usually takes about a day, so interested parties can  
13 review the instructions on the notice of hearing on  
14 the NRC website. The hearing covers both safety and  
15 environmental issues.

16 We welcome your written comments and we do  
17 hope you have comments today. Other ways that you can  
18 provide comments is by mail at Chief Rules and  
19 Directives Branch, Division of Administration  
20 Services, Mail Stop T6059, U.S. Nuclear Regulatory  
21 Commission, Washington, D.C. 20555; or by e-mail,  
22 stp\_col@nrc.gov; or in person at 11545 Rockville Pike,  
23 Rockville, Maryland 208532.

24 Here's a list of contacts. Please contact  
25 George Wunder, who's the Safety Project Manager, or my

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1 self, for environmental issues. And here's a list of  
2 acronyms that we thought would be helpful in your  
3 environmental review.

4 MR. CAMERON: Okay. Thank you. Thank  
5 you, Paul --

6 (Applause.)

7 MR. CAMERON: -- Nilesh, and George.

8 And by the way, the William Burton who was  
9 mentioned on the slides is the William Burton right  
10 here, Chief of the Environmental Branch.

11 (Applause.)

12 MR. CAMERON: We have a few moments for  
13 questions before we get to the speakers. Are there  
14 questions about the basic process that the NRC is  
15 going to follow? And we'll come back down -- let's go  
16 to this gentleman here.

17 Please just introduce yourself to us, sir.

18 MR. CAMPBELL: My name is Steven Campbell.  
19 I'm a resident of San Antonio. My question is for  
20 Mr. Wunder.

21 In the information that CPS Energy has  
22 posted on their websites, it speaks to a Toshiba  
23 reactor and infers that perhaps it's going to be  
24 manufactured by Toshiba in Japan. You mentioned  
25 General Electric.

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1           Could you clarify that for me, and  
2 particularly who's going to be the designer of record,  
3 and responsible for meeting 10 C.F.R. 21 and 10 C.F.R.  
4 1555?

5           MR. CAMERON:   Okay.   Thank you.   Thank  
6 you, sir.

7           George?

8           MR. WUNDER:   Well, the information that we  
9 have -- the application that we have is for the  
10 General Electric reactor. We do not have anything in-  
11 house currently regarding that, and we've got people  
12 here from South Texas, and I think it's more  
13 appropriate that they address that.

14          MR. CAMERON:   And do you want to do it for  
15 us?

16          MR. RICHARDS:   Yes, currently Toshiba is  
17 in the plans to design and build the GE-certified  
18 reactor, and Toshiba will be the designer of record  
19 for the plant.

20          MR. CAMERON:   Okay.   And your name, sir,  
21 is?

22          MR. RICHARDS:   My name is Kevin Richards.

23          MR. CAMERON:   Okay.   And I'm going to ask,  
24 when we -- I think that there'll be some other  
25 speakers from South Texas later who may amplify on

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1 that for you. Okay. So we'll come back to that one.

2 Sharon?

3 FEMALE VOICE: Hi. There was a reference  
4 made to a safety expert who is here, and I'm wondering  
5 two things: who that person is, and what agency they  
6 represent; and if there's someone here today, since  
7 the agencies should be working together, from Homeland  
8 Security or from FEMA?

9 MR. CAMERON: When you talk about a safety  
10 expert, do you mean an emergency planning expert?

11 FEMALE VOICE: Well, the speakers earlier  
12 referenced someone who is here.

13 MR. WUNDER: I think it must have been me.  
14 And it must have been -- you're probably referring to  
15 me. And, yes, it's one of our own people here. His  
16 name is Dan Barss [phonetic], and he's an expert in  
17 emergency preparedness.

18 MR. CAMERON: And Dan is right back here.

19 FEMALE VOICE: And is he NRC?

20 MR. WUNDER: He is NRC, yes.

21 MR. CAMERON: Okay. Yes, sir?

22 MR. STINER: Eric Stiner of Bay City. How  
23 many licenses have you all approved that have been  
24 through the full process in America?

25 MR. CHOKSHI: There are currently 104

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1 operating plants, in which are -- but in terms of the  
2 new applications, we have in-house several combined  
3 operating license and early site permit applications.

4 We granted I believe three or four early site permits  
5 already, but we are reviewing the other ones.

6 MR. CAMERON: Okay. Yes, sir?

7 MR. HERMAN: Greg Herman, San Antonio. I  
8 also was curious about the operating company. My  
9 understanding is that the containment vessels have  
10 already been ordered from Japan. Is that the case?

11 MR. CAMERON: Can we just have a quick  
12 answer to that? And the company will be here after  
13 the meeting for any extended discussion.

14 But, Mark, can you --

15 MR. McBURNETT: Mark McBurnett. I'm Vice  
16 President, Oversight and Regulatory Affairs of the  
17 South Texas Project.

18 Yes, we have orders in place for the  
19 forging slots for the reactor pressure vessels with  
20 Japan Steelworks in Japan. They are the only source  
21 in the world that has the capability of fabricating  
22 these ultra-large forgings, and the demand on that  
23 facility is high. In order to get into there, you  
24 have to get in early and get your order in, and that's  
25 what we've done. Thank you.

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1 MR. CAMERON: Thank you, Mark.

2 Let's go to this gentleman here, and then  
3 we'll go back to you, sir.

4 MR. REED: Cyrus Reed, Austin, Texas. I  
5 had two quick questions. One, it was mentioned, I  
6 believe by the second speaker, about a letter to the  
7 company indicating that there wasn't enough  
8 information to proceed on some parts of the  
9 application.

10 Can you just verify that and respond? In  
11 other words, my question is, why has the application  
12 been accepted and docketed if there's information out  
13 there that has yet to be obtained?

14 MR. WUNDER: No, and thank you very much  
15 for asking that question. I should have probably  
16 amplified that, and in tonight's presentation I will.

17 The fact that they are not currently ready  
18 to support a full NRC review shouldn't -- does not  
19 reflect on the adequacy, the completeness, or the  
20 acceptability of the application. All it means is  
21 that, as we go forward with the review -- we have to  
22 ask a lot of technical questions, and it's a very give  
23 and take, very active, aggressive process, and they  
24 simply aren't ready to support a review in full right  
25 now.

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1 MR. REED: And my second question, which  
2 is somewhat similar to the last speaker, he mentioned  
3 that in terms of the environmental review, they were  
4 going to need additional information from the  
5 applicant.

6 And, again, my question would be, if the  
7 environmental review isn't really ready for us, the  
8 public, to provide comments on, then why are we here  
9 today, or what sort of additional information are you  
10 talking about?

11 MR. KALLAN: Well --

12 MR. CAMERON: And, Paul, you're going to  
13 answer that. You may want to talk a little bit also  
14 about the process that the NRC typically goes through  
15 with an application of this kind too.

16 MR. KALLAN: Well, the idea is that  
17 usually we have -- we ask the applicant for additional  
18 information, and which is what we're doing right now  
19 in the site audit. And with that we'll be better  
20 prepared to have a schedule.

21 I mean at this present time we felt that  
22 it had sufficient information to docket, and we're  
23 continuing with our review. We will -- you know, as  
24 to -- for the -- as we continue we will ask for  
25 further information if we need it. But at this

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1 present time, you know, that's --

2 MR. CAMERON: And, Paul, are those  
3 requests that we make to the applicant and their  
4 answers -- they're all part of the public record if  
5 the public wants to look at that?

6 MR. KALLAN: Yes.

7 MR. CAMERON: Is that correct?

8 MR. KALLAN: That's correct.

9 MR. CAMERON: Okay. Yes, sir?

10 MR. SIMON: Pascal Simon from Bay City. I  
11 just need clarification. You referred to the Advisory  
12 Committee on Reactor Safeguards meetings. Where are  
13 those meetings, who are those people, will -- you do  
14 say the public's invited, but what opportunities will  
15 there be for that?

16 And the second question is, on the  
17 environmental review schedule slide you referred to  
18 the draft EIS-TBD. What is TBD?

19 MR. CAMERON: Thank you.

20 MR. KALLAN: The EIS is the environmental  
21 impact statement, and to be determined.

22 MR. CAMERON: TBD is to be determined. We  
23 don't know --

24 MR. KALLAN: We don't have --

25 MR. CAMERON: -- exactly when --

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1 MR. KALLAN: -- as of yet we don't have a  
2 schedule since we --

3 MALE VOICE: [inaudible]

4 MR. KALLAN: Oh, getting information from  
5 the applicant.

6 MR. CAMERON: Okay. In terms of the  
7 Advisory Committee, can you explain who they are, what  
8 their function is, where they hold meetings, Niles?

9 MR. CHOKSHI: Yes, the Advisory Committee  
10 on Reactor Safeguards is, by statute, a committee.  
11 The 10 C.F.R. requires that we have this independent  
12 advisory board which provides advice to the  
13 commissioners.

14 And so it's an -- within the NRC it's an  
15 independent group of people. These are technically --  
16 nationally known technical experts in different areas  
17 of reactor safety, science, and nuclear engineering.

18 And all of the safety reviews,  
19 particularly the major safety reviews, the staff makes  
20 its findings, goes and presents it to the ACRS, and  
21 ACRS conducts its reviews and then provides  
22 independent opinion to the commissioners.

23 And normally it's a couple of rounds of  
24 meetings, then a draft safety evaluation report, and  
25 also the final evaluation report. In many important

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1 actions, the Advisory Committee will come down to the  
2 local community also, particularly when it -- things  
3 more like licensing a nuclear facility.

4 Now we haven't done any licensing  
5 recently, but my anticipation will be that, if you get  
6 to that stage, then you will see ACRS meetings -- at  
7 least one of the meetings will be held here, but  
8 normally the meetings are held in the first week of  
9 the month in Washington at the NRC offices. But their  
10 meeting notices are regularly posted on the website,  
11 and you can go and look at their schedule.

12 MR. CAMERON: And are those -- those ACRS  
13 meetings are transcribed so that people can view --

14 MR. CHOKSHI: Yes.

15 MR. CAMERON: -- the transcript?

16 MR. CHOKSHI: Yes, the transcripts are  
17 also available. Good point. Yes.

18 MR. CAMERON: Yes. And we talk about a  
19 number of meetings, including ACRS, is it -- can we  
20 tell people, if they want to know when we're having  
21 meetings with the applicant, the staff, when the ACRS,  
22 is there an easy way for them to find out when those  
23 meetings are happening?

24 MR. WUNDER: It's on our website.

25 MR. CAMERON: Okay. So you go to

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1 www.nrc.gov, and then you would go to the public  
2 meetings --

3 MR. CHOKSHI: Yes.

4 MR. CAMERON: -- click on the public  
5 meetings banner and that will tell you all the  
6 meetings.

7 Yes?

8 MS. DANCER: My name's Susan Dancer from  
9 Blessing, Texas, and my question is -- I have two  
10 questions somewhat related. One, if I understand  
11 correctly, the EIS, the clock is ticking, so to speak,  
12 and the 25th of this month, 20 days from now, is the  
13 last chance the public has to file any kind of  
14 official contingent. How do you justify that with us  
15 having to file contentions against an incomplete EIS?

16 And the second part of that question is,  
17 is there -- I hear, you know, much money's been spent  
18 already, major equipment is on order for the plant.  
19 Is there any chance at all that the application will  
20 be denied?

21 MR. CAMERON: Okay. The first part of the  
22 question I'm going to -- I think I'm going to ask our  
23 representative, Jim Biggins, from the Office of  
24 General Counsel to clarify what the different  
25 deadlines are, and answer that question. And then

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1 we'll go to Nilesh for the second part.

2 Jim?

3 MR. BIGGINS: Thank you. Jim Biggins with  
4 the Office of General Counsel at the NRC.

5 As far as the information in the  
6 application, the application was complete in order for  
7 us to docket it. And an intervention period from the  
8 date of docketing has already begun, and the  
9 information is available and has been available in  
10 order for those interested to intervene to review the  
11 information and determine whether they are going to  
12 intervene in the case or not.

13 That is separate from the comment period  
14 for the scoping process, which does end on the 15th.  
15 However, we do allow comment after the draft EIS is  
16 issued.

17 So I want to be sure, does that answer the  
18 first part of your question?

19 MR. CAMERON: And let's just make sure  
20 that people know the two dates. The date for comments  
21 on scoping is February --

22 MR. BIGGINS: Fifteenth.

23 MR. KALLAN: Eighteenth.

24 MR. BIGGINS: Oh, pardon me, 18th.

25 MR. CAMERON: Okay. And the day that

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1 intervention petitions have to be filed is February --

2 MR. BIGGINS: Twenty-fifth.

3 MR. CAMERON: -- 25. All right. Now the  
4 second part of the question I think is -- are you  
5 done -- are you done here? Go ahead.

6 MR. BIGGINS: I'm done. I just want to  
7 make sure we remembered that second part. It's if  
8 they already ordered components, or started that  
9 process, whether the -- there's a possibility that the  
10 application could be denied. Is that correct?

11 MR. CAMERON: That sounded like the  
12 question.

13 Okay. Nileshe?

14 MR. CHOKSHI: Yes, can we clarify what was  
15 the question? What -- is there --

16 MR. CAMERON: I think the question is is  
17 that we've heard that the company is obviously  
18 investing in time and effort and everything, ordering,  
19 or at least getting in line for the reactor vessel.  
20 Does that still mean that there is a possibility that  
21 the application would be denied?

22 And I think that you know the answer to  
23 that one.

24 MR. CHOKSHI: Yes. I mean, we have very  
25 specific requirements and regulations and we have to

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1 make sure that the application is in compliance with  
2 all of our regulation requirements before we can pass  
3 a judgment. But the fact that they have ordered a  
4 component doesn't have a bearing on our review at this  
5 point.

6 MR. CAMERON: Okay. Thank you.

7 Let's -- I think we have time for one more  
8 question. I think Tom Smith has it, and then we'll go  
9 to comment.

10 MR. SMITH: Tom Smith, public citizen.  
11 Let me go back and clarify your answer. On the 30th  
12 of January you all sent a letter NRG basically saying  
13 there were so many deficiencies in their application  
14 that you were suspending review of components of that  
15 application because there simply wasn't enough  
16 information for you all to make an informed judgment  
17 about the quality of those particular sections of the  
18 application. I'm paraphrasing your language.

19 How can we in the community have a fair  
20 and adequate opportunity to review the adequacy of the  
21 application, make an informed judgment about whether  
22 we might want to intervene, or whether or not there  
23 might be contentions that should be raised in those of  
24 the application that you have acknowledged to the --  
25 or indicated to the applicant that you don't feel are

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1 adequately complete?

2 MR. CAMERON: That's a good question.

3 Jim Biggins again.

4 MR. BIGGINS: Yes, Jim Biggins with NRC.

5 It's not that we believe the application  
6 is incomplete. We believe the application is complete  
7 and we docketed it as a complete application. Our  
8 letter indicates our response to STP in regards to  
9 their request that we hold off on the review process  
10 on the safety side of the application, on portions of  
11 it.

12 And we agreed to hold off on our review  
13 process. That is in response to their explanation  
14 that they have difficulty currently lining up the  
15 support to answer the questions that the staff would  
16 raise during our normal review process.

17 During our review process for any COLA  
18 application, we are, of course, going to ask  
19 questions, ask for additional information. This is  
20 part of our normal process. We submit requests for  
21 additional information to them, we conduct audit  
22 activities. And during this process we get  
23 clarification on things that the staff believes need  
24 clarification in the application.

25 Many applications go through a revision

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1 process, and the applicants submit revisions to their  
2 application with additional information. The initial  
3 intervention period is based on docketing of the  
4 application, which we believe is complete.

5 When new information does arise, our rules  
6 provide a process to ask to intervene in a late file  
7 contention. And that process does allow the public to  
8 intervene in the case beyond the initial period,  
9 according to the requirements in the regulation.

10 MR. CAMERON: So, in other words, you  
11 would recommend to someone who was interested in  
12 intervening is to take a look at the environmental  
13 report and what's in the safety analysis and decide on  
14 that whether they wanted to intervene and to form a  
15 contention, but if that there's information that has  
16 not been detailed yet, that they would have an  
17 opportunity to raise a contention later on?

18 MR. BIGGINS: That is correct regarding  
19 our process, yes.

20 MR. SMITH: And may I ask for the same  
21 courtesy that you're offering the company, because the  
22 application, as I understand your regulations, is  
23 woven as a whole and needs to be judged as a whole.  
24 And I believe your answer is just as incomplete as  
25 their application.

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1           And I would like to ask for the same  
2 opportunity to say, Geez, we're not ready yet to have  
3 all of our contentions and to have the opportunity, as  
4 time goes on, for a free pass, just as you've given  
5 the company, to modify our contentions.

6           And yet from my understanding of your  
7 records, that is not a likely granted favor for  
8 contestants, people who would want to, but it seems to  
9 be a likely granted favor to the applicant. Will you  
10 guarantee us a free pass on any contentions we might  
11 want to raise on documents that might later come to  
12 your -- across your desk from the company?

13           MR. BIGGINS: We're not in a position to,  
14 as you say, grant a free pass. We have the open  
15 period for contentions currently, and a contention can  
16 be filed during this period. And as I said, we have a  
17 process to allow contentions to be filed later.

18           MR. CAMERON: And, Tom, and for all of you  
19 who have the same concerns, this issue will be taken  
20 back to the NRC staff and commissioners, but to leave  
21 nothing to chance, if this is a concern, I think we  
22 would all recommend that you send a formal letter into  
23 the Commission and the licensing board, and state the  
24 reason why either it should be postponed in terms of  
25 filing for intervention, or that your request later

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1 on, on information that isn't there, should be held to  
2 a lesser standard than the late file contention.

3 MR. CHOKSHI: Yes. I think I want to  
4 emphasize that we heard the concern, and, you know, we  
5 cannot give an answer because this is a very formal  
6 process, but I think, as Chip said, noticed and we can  
7 do -- you know, inform the right people. So I think  
8 follow Mr. Cameron's, suggestion.

9 MR. CAMERON: Okay. We have one small  
10 question.

11 MS. HADDEN: Yes, it promises to be short.  
12 In the process of working on COL plant issues, we  
13 learned that many of the supplies needed for a large  
14 construction project are in short supply, not very  
15 available, costs have gone up. In some cases some  
16 companies wanted to import steel from abroad that did  
17 not meet U.S. standards for tensile strength.

18 What are you doing and what can you  
19 guarantee in terms of the metals that are imported?  
20 Will they have to meet U.S. standards for all steel  
21 used in the reactors and on the site?

22 MR. CAMERON: And this -- you may want to  
23 address this when we get to the -- you want to address  
24 this when we get to your -- you want to do it? Okay.

25 MR. McBURNETT: Mark McBurnett from South

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1 Texas Project again. Yes, under nuclear plant  
2 operation and construction, we operate under a quality  
3 assurance program, it's 10 C.F.R. 50, Appendix B.  
4 It's a program approved by NRC.

5 Our components are required to meet ASME,  
6 American Society of Mechanical Engineers, codes.  
7 That's all the metal in the plant and that are in  
8 safety related applications. That has extensive  
9 testing requirements and verification requirements in  
10 all the steps of the process from original work in the  
11 foundry all the way through to delivery to the plant,  
12 the final verification that the material is what it  
13 was sold as.

14 MR. CAMERON: And I would just add also  
15 the NRC has requirements that -- in terms of quality  
16 assurance and other things, that the equipment that  
17 is -- I hate to say important to safety, use that  
18 phrase, but has to meet certain standards. And if  
19 someone during -- after the meeting can talk to Karen,  
20 or online?

21 But, listen, thank you all for those  
22 questions. And we're going to go to the part of the  
23 meeting where we listen to all of you. And I'm just  
24 going to ask you to come up here, and we have  
25 Representative Mike O'Day with us, State

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1 Representative, and I'm going to ask him to come up  
2 here and address us first.

3 (Applause.)

4 REPRESENTATIVE O'DAY: Thank you, Mr.  
5 Chairman.

6 First I'd like to send a message from  
7 Judge McDonald, he's in Washington, D.C. today taking  
8 care of issues for the county, and he apologizes for  
9 the fact that he wouldn't be here today. And to yours  
10 and his demise, I'm going to take his position on  
11 this. Okay. But I'm also going to say what I have to  
12 say doesn't necessarily -- or is not the words of  
13 Judge McDonald.

14 First, I would like to say I'm Mike O'Day.

15 I'm the State Representative from District 29, which  
16 has all of Matagorda County and the western portion of  
17 Brazoria County. And I am a resident, or I have a  
18 home in Matagorda County, which I can see the lights  
19 of the nuclear plant from my house.

20 I have never felt endangered from STP. As  
21 a matter of fact, I have a lot of friends that work  
22 over there. I have a boat, I fish, I spend a lot of  
23 time in the Colorado River, both upstream and  
24 downstream from the nuclear plant.

25 I am a water contractor by career. I

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1 spent 35 years in the water industry. I served on the  
2 Brazoria County Ground Water Conservation District; I  
3 sit on the Natural Resources Committee in the House of  
4 Representatives, and I sit on the Culture, Recreation,  
5 and Tourism, which also takes care of fish and game,  
6 and the parks in the state of Texas.

7 I say that to you because I want you to  
8 know, I'm not somebody that just came down here to  
9 talk to you because it's something I felt about. I'm  
10 a resident of the county -- I say a resident -- I  
11 spend a lot of time in the county. My pleasure home  
12 is here in the county. And I love Matagorda County.  
13 A lot of my work is done here in the county.

14 I support, personally, clean and safe  
15 nuclear energy. I've had a lot of chances --  
16 fortunate enough I've traveled around the world a lot.  
17 There's a lot of nuclear plants around the world. We  
18 quit making nuclear plants in the United States for  
19 the last 29 years, I believe.

20 I think we're falling behind in the world  
21 market. We talk about what the cost of energy is.  
22 Nuclear energy is, in my opinion, our best alternative  
23 to replace natural gas for making our power needs. I  
24 want to say that obviously nuclear energy is low cost  
25 power generation, clean energy, and zero gas

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1 emissions. Not anywhere like a coal or a gas power  
2 plant.

3 I would like to let you know that the  
4 State of House -- the House of Representatives, we had  
5 two major issues this year in support of nuclear power  
6 in the Texas. One of those passed unanimously, 139 to  
7 0, and the other passed 135 to 4.

8 I'd just like -- I say that to let you  
9 know that the representatives, the people's  
10 representatives in the House of Representatives in the  
11 State of Texas obviously feel that nuclear energy is  
12 important for the State of Texas.

13 So I am here as an advocate for nuclear  
14 energy, and for the South Texas nuclear plant. I  
15 believe they've been good stewards of the community, I  
16 think they're important, education is important to our  
17 community, they've worked hard to influence education  
18 and promote education in the community.

19 And I'm available for any questions that  
20 anybody would like to give, or ask me at a later time.

21 And thank you for the time to speak.

22 MR. CAMERON: Okay. Thank you,  
23 Representative O'Day.

24 (Applause.)

25 MR. CAMERON: We do have a letter from

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1 Judge McDonald that we're going to accept as a formal  
2 written comment, and attach it to the record.

3 And since I'm on that subject, we also  
4 have a statement from Polly Hearn, Kay Lawson, Roberta  
5 Ripkey, Debbie Morris, who are residents, and we're  
6 also going to put that on the record.

7 We're going to go next to Sheriff James  
8 Mitchell.

9 Sheriff Mitchell?

10 (Applause.)

11 SHERIFF MITCHELL: Thank you. Good  
12 evening.

13 My name is James Mitchell, and I'm your  
14 County Sheriff. I've served in that capacity here for  
15 the past 12 years. I'm currently serving my 26th year  
16 in law enforcement here in Matagorda County.

17 Again, I tell you these things for  
18 important reasons. I've lived my entire life in  
19 Matagorda County, most of it in Bay City. There were  
20 two generations of Mitchells before me, and there has  
21 been two generations of Mitchells since me, being my  
22 children and my grandchildren, who I intend to raise  
23 here and be happy with.

24 My concern as sheriff in this whole  
25 project is obviously security. The goal of the

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1 security program at STP being protecting the health  
2 and safety of the public. My response to that is,  
3 yes, they can. They've been doing it for over 20  
4 years. I work very closely with the officers out at  
5 the nuclear plant, my officers actually train with  
6 their security officers.

7 I share a SWAT team with the Bay City  
8 Police Department, a 15-man SWAT team. Most of those  
9 officers on that SWAT team got their basic,  
10 intermediate, and advanced SWAT certification at that  
11 nuclear plant.

12 My officers on the SWAT team, and even  
13 many of them on the street, carry compatible weapons  
14 so that in an event we can exchange ammunition clips,  
15 magazines, the whole thing. We've always been there  
16 to back the plant up in any way that we can, and we  
17 will continue to do that.

18 As I said, I have, you know, 26 years in  
19 law enforcement, and most of that has been working  
20 with the nuclear plant in one capacity or another. At  
21 the present time my wife is the senior security  
22 coordinator for the nuclear plant. And that's only  
23 been going on since last April, so that's to what's  
24 motivated me to speak here today.

25 As -- both as a citizen of Matagorda

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1 County, and as your sheriff, I not only welcome the  
2 addition of Units 3 and 4, I look forward to it.  
3 There's never been an incident, a security based  
4 incident at our nuclear plant that has not been  
5 handled properly and professionally. And there's no  
6 doubt in my mind that that will continue with the  
7 additions of these two new plants.

8 So I would encourage this, and I hope the  
9 citizens of Matagorda County will also. And as  
10 Representative O'Day, I'll leave some cards out on the  
11 back table, and if anybody has questions, I'll be glad  
12 to take those later. Thank you all.

13 (Applause

14 MR. CAMERON: Thank you, Sheriff.

15 Next we're going to go to Mayor Richard  
16 Knapik, Bay City mayor.

17 (Applause.)

18 MAYOR KNAPIK: Thank you, Chip.

19 To the NRC staff, those seated here and  
20 those in the audience, all of my fellow citizens, and  
21 visitors from far away, I want to say welcome to Bay  
22 City.

23 I'm glad you all left the acronym sheet up  
24 there. As you're all aware of, there's an acronym  
25 called NIMBY, not in my backyard. Commissioners, I'm

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1 here to tell you, I stand for PIMBY, please in my  
2 backyard.

3 We are strong supporters of STP. What  
4 community would not welcome a \$6.4 billion investment  
5 in their community? I mean, this is great. We're  
6 talking about 8,000 construction jobs during peak,  
7 800 -- I mean 4,000 jobs, 800 permanent jobs.

8 I want to tell you about STP. I want to  
9 put a human face on the corporate citizens of STP.  
10 Mr. Shepherd and his crew have created a culture of  
11 excellence and community involvement. The American  
12 Red Cross, they're always there to help them, the  
13 American Cancer Society, the Relay for Life. They've  
14 grossed over \$100,000 in the past three or four years  
15 thanks to the involvement of STP.

16 Their employees care. They serve on our  
17 city councils, they serve on our school boards,  
18 they're involved in economic development, they're  
19 involved in all aspects of our community life. I'm  
20 here to say -- I want to say thank you for that  
21 involvement.

22 And if we can get 800 more citizens like  
23 that, what a great community Bay City and Matagorda  
24 County will be. So I urge you --

25 (Applause.)

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1                   MAYOR KNAPIK: I urge you to grant the  
2 license for 3 and 4. Thank you, and once again, enjoy  
3 your stay in Bay City.

4                   MR. CAMERON: Okay. Thank you very much,  
5 Mayor.

6                   We're going to hear from Mayor Joe Morton  
7 of Palacios, Texas.

8                   MAYOR MORTON: A little too heavy there.  
9 (Laughter.)

10                  MAYOR MORTON: Hello. My name is Joe  
11 Morton. I am mayor of the City of Palacios. And  
12 welcome to our area and our community.

13                  But I'm here today as a citizen, a native  
14 Texan, born and raised in Marshall, Texas, and I'm  
15 here today to talk about why I am for STP as a person,  
16 not as an elected official.

17                  I feel like that my qualifications to make  
18 that statement comes from many years of experience. I  
19 came to Houston in 1967, worked in the construction of  
20 civil infrastructure for 40 years, the last 19 being  
21 executive vice president of a construction company in  
22 Rosenberg, Texas.

23                  I've installed many miles of pipe, poured  
24 many thousand yards of concrete, and also had the  
25 pleasure of working with Mr. O'Day in years past in

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1 water projects and building waste water treatment  
2 plants.

3 I came to Palacios seven years ago because  
4 I wanted to live close to the water. And I have four  
5 grandchildren -- three children, four grandchildren.  
6 And I've worked the last seven years to get them to  
7 live in Palacios. At this time they all do. And if I  
8 thought there was any danger whatsoever at that  
9 nuclear treatment plant, I would not put my  
10 descendants in that danger.

11 It's good for us, it's a good place,  
12 they've been great neighbors. There's a lot more  
13 opportunity for danger in other types of process  
14 plants in our area besides STP, especially when it  
15 comes to terrorists.

16 But all of them, including STP, and all  
17 the process plants have been great neighbors and  
18 partners in our community, especially in the  
19 environmental section. So I don't believe there's any  
20 reason why that we should go against this type of  
21 investment for our community. And I look forward  
22 to -- for my descendants to live here.

23 And I want to praise the NRC for their  
24 educated people. And, Bob, they've got a fantastic  
25 track record. No other agency in the government has

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1 had the challenges that NRC has, other than maybe the  
2 Department of Defense, or NASA, in the last 40 years.

3 And the reason being is because of the  
4 educated and highly bright people that they have on  
5 staff. They have not made a mistake since they've  
6 been incepted. Not one. Other agencies have had  
7 mistakes. That's because of the people involved and  
8 how much they care and can work.

9 So I put my descendants' future in their  
10 hands, and I believe they'll do a good job. Thank  
11 you.

12 (Applause.)

13 MR. CAMERON: Thank you very much, Mayor  
14 Morton.

15 We're next going to go to Tom Smith, and  
16 then Karen Hadden, and then Bobby Head.

17 Tom?

18 MR. SMITH: Good afternoon. My name is  
19 Tom Smith, and most everybody calls me Smitty. I'm  
20 Director of Public Citizen's Texas office.

21 And I would like to thank the NRC for  
22 holding this hearing, and the people in particular,  
23 the workers at the plant who have worked to make this  
24 plant a safe plant. And we wish you continued success  
25 in this.

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1 I'm here today to raise a number of issues  
2 that I think are of concern in this scoping hearing,  
3 and we have submitted a greater length -- more lengthy  
4 documents, and we'll submit more additional comments  
5 in writing.

6 But let me highlight a number of them for  
7 you quickly, others will speak to you about these in  
8 greater depth, and then I'll speak to the issue of the  
9 need for the plant in much greater depth in just a  
10 second.

11 I think the first question that you all,  
12 in this community, may want to ask is, is this going  
13 to be a benefit to you, or will your taxes have to go  
14 up to pay for the infrastructure to support the growth  
15 of the plant, the additional hospitals and security  
16 systems, roads, schools and other issues.

17 What will the impact of cancer be on this  
18 community? And if you look at data you see that the  
19 cancer rates have gone from below average to above  
20 average since this plant's been in operation.

21 What about water use? With the droughts  
22 we've been having and with the increasing belief that  
23 global warming is a significant issue in this part of  
24 the country, will there be significant decreases in  
25 the amount of available water, and what will that mean

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1 to the operations of this plant?

2 And, will the temperatures of the  
3 operating water in the plant get to a level that the  
4 plant has to be shut down, like it has been in France,  
5 Germany, and some places in the Southeast?

6 What about hurricanes? If sea level rises  
7 occur at the rate that are projected by many of the  
8 people who are looking at global warming, will this  
9 plant be vulnerable to hurricanes? And in this  
10 particular community, will you be able to get out in  
11 time?

12 And for those of you who were here in Rita  
13 and in other hurricanes, you know how clogged the  
14 roads became. That was with three days notice. If  
15 you had a couple of hours worth of notice, would you  
16 be able to evacuate in time? Are the evacuations  
17 plans adequate? Do you have adequate notice, and will  
18 you be able to evacuate in time?

19 What about endangered species? There are  
20 kemp ridley turtles, whooping cranes, and others that  
21 are on the threatened and endangered species list in  
22 this community. Many of them we are beginning to  
23 understand how significant they are since they last  
24 time this plant was permitted in this community.

25 What about wastes? The whole community

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1 of -- the whole question about the plant being  
2 permitted is dependant upon your ability to dispose of  
3 wastes. The high-level radioactive waste site in  
4 Yucca Mountain has yet to be completed, and just  
5 recently they have announced they are laying off staff  
6 because of the impossibility of getting that site  
7 permitted and operating.

8 And we do not yet have a licensed and  
9 operating low-level radioactive waste disposal site,  
10 which means that the disposal, up until we get those  
11 things permitted, if we ever do, is here in this  
12 community.

13 Subsidence, no. What happens if we over-  
14 use the ground water in this community, and will there  
15 be a decrease in the level of the plant?  
16 Transportation, how will the materials and the waste  
17 come in and out of this community? Environmental  
18 justice, what will the net impact be on your taxes and  
19 the community, the low-income communities of color?

20 And then the source of uranium. We all  
21 think that the uranium will probably come from  
22 someplace else, and most of it will, but here in Texas  
23 we have a number of communities, particularly those  
24 around Karnes City and Kingsville where we have  
25 significant impact already to ground water as a result

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1 of uranium mining.

2 We're about ready to get into another  
3 round of uranium mining in Goliad and Duval Counties.

4 And the impact of the uranium extraction on those  
5 communities typically means that ground water is no  
6 longer safe.

7 But the fundamental question is, do we  
8 need this plant, and will it be completed on time.  
9 And this history of this has not been clear. The last  
10 time we tried to build a plant in this community, it  
11 took eight years longer than necessary.

12 And what we're seeing here in this  
13 particular analysis that has been presented to you  
14 all, is that the applicant says, We need the plant for  
15 base load. And it is impossible to really utilize  
16 other resources like energy efficiency and renewable  
17 energy as base load.

18 Yet there are three studies not referenced  
19 in this most recent submission by NRG to you all that  
20 have been done in the last several years. One on San  
21 Antonio in particular that said we could save more  
22 than 1200 megawatts, far more than CPS's share of this  
23 plant, if we did energy efficiency at costs less than  
24 building this plant.

25 Another by Optimal Energy that said that

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1 the state could save 80 percent of the energy -- the  
2 growth in demand for energy that this plant is  
3 designed to meet.

4 And yet another most recently by AC Triple  
5 E indicating that we could save between 75 percent of  
6 the growth in demand for energy, and 101 percent of  
7 the growth in demand for energy in either the Houston  
8 or Dallas areas respectively, by using energy  
9 efficiency as our first resource, along with other  
10 resources like combined heating and power, and  
11 renewable energies.

12 None of those data are analyzed  
13 appropriately in this document. And those are the  
14 bread and butter. If we can do energy efficiency less  
15 expensively than building this plant, and put Texans  
16 to work as opposed to people in Japan or in Russia or  
17 in Africa that will be mining this uranium. Wouldn't  
18 it be better to have the jobs and money stay here in  
19 the United States?

20 Thank you all very much for you time. And  
21 good luck with your review.

22 (Applause.)

23 MR. CAMERON: Thank you. Thank you,  
24 Smitty.

25 And Karen?

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1 MS. HADDEN: Good afternoon. My name is  
2 Karen Hadden, and I'm the Director of the Sustainable  
3 Energy and Economic Development, or SEED Coalition.  
4 We work statewide around Texas for clean air and clean  
5 energy.

6 We do not believe that nuclear reactors  
7 are the right path to take at this point in time. For  
8 one reason, they do not solve the global warming  
9 problem. That's been discussed a lot of times as a  
10 rationale for building nuclear power plants.

11 But instead they would divert huge  
12 resources that right now are desperately needed to go  
13 into technologies that are safe, clean, that exist  
14 today. Wind power on the coast can be developed much  
15 further providing jobs. Solar power can be developed  
16 on the coast. Texas has an incredible wealth of wind  
17 and sun. Those types of technologies are life-giving  
18 and sustainable.

19 With a nuclear power plant, the waste  
20 issue has not been solved. Yucca Mountain has been  
21 cutting back the workers to 15 now. And to bring more  
22 of this into the community is putting the community at  
23 risk. When you consider that this plant would be --  
24 if it goes through -- having construction right next  
25 door to an operating nuclear plant, you're introducing

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1 circumstances that haven't been seen before.

2 And, again, workers will probably be  
3 coming from around the world. Security is going to be  
4 a very serious concern. And I am dismayed to find  
5 that there is no one here from the Department of  
6 Homeland Security, or from FEMA, because these  
7 agencies, after 9/11 have vowed to work closely  
8 together to prevent catastrophes.

9 And I think it's a huge lack that they are  
10 not here today working with the NRC. I am wondering  
11 when you will have a public meeting that does have  
12 those representatives present, and asking for you to  
13 do that.

14 I would also ask that you hold scoping  
15 meetings in Houston, which is down wind, as is  
16 Dallas/Ft. Worth, from any potential accident, in  
17 Austin and San Antonio, where the cities could  
18 potentially be partners, and to let more people speak  
19 up and be part of this process.

20 Since 1992 there has been a consistent  
21 effort to constrain citizen input, not to expand it.  
22 Right now we've seen -- and this is all too familiar  
23 in Texas -- what we're seeing is fast tracking of  
24 these permits, and it's unacceptable.

25 We've gone from what should be four and a

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1 half years down to three. We've gone from shortened  
2 input -- and to be honest, this is -- if this permit  
3 moves forward, it is actually illegal. And I'd like  
4 to explain why.

5 I'd also like to mention that these  
6 reactors have never been built before in the United  
7 States. NRG has never built a nuclear reactor. In  
8 Japan the reactor history has not been a good one.  
9 We've provided a sheet to you about some of the many  
10 incidents that have occurred there. Of course, one is  
11 hopefully one we won't have here, which included an  
12 earthquake, and now they've got stuck control rods  
13 they can't get out.

14 In the meantime, they've had to buy spot  
15 power on the market for LNG. It's costing them huge  
16 amounts of money. For the first time TEPCO in Japan  
17 is running at a deficit, and not meeting their global  
18 warming commitments.

19 To come back to the reasons why this  
20 process should not go forward as it is right now, the  
21 draft environmental impact statement will not be  
22 ready, the draft, for at least 18 months, according to  
23 what we've been told her today. That is supposed to  
24 be finished, by law, before a license can move  
25 forward.

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1           This is under the National Environmental  
2 Policy Act, or NEPA. There's two main components to  
3 it. It says that those who propose a project have to  
4 take a hard look at environmental impacts, and, part  
5 two, that the process is meant to provide meaningful  
6 public participation in identifying the potential  
7 environmental impacts and responding to the analysis.

8           In the case of a nuclear power plant, the  
9 NEPA process is interrelated with the licensing,  
10 public participation is through filing petitions to  
11 intervene. A key document that could provide  
12 information upon which intervenors could build  
13 contentions, is the final environmental impact  
14 statement.

15           Yet the 60 day clock has started on  
16 intervention petitions as soon as the NRC accepted the  
17 application for docketing, so we now have a deadline  
18 of February 25, with no date even set for a draft  
19 environmental impact statement. The EIS will not even  
20 begin before the final deadline for intervenors to  
21 file.

22           The NEPA law prohibits irreversible or  
23 irretrievable commitments of resources prior to the  
24 completion of the EIS. That involves the work that  
25 the NRC does on the permit. So basically what's going

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1 on is that we have docketing of a license application  
2 for two nuclear reactors that is grossly incomplete,  
3 forcing potential intervenors to decide on whether to  
4 pursue intervention, and to decide on what issue or  
5 issues to pursue without a complete application  
6 available.

7 We have a licencing process moving forward  
8 with an EIS not even begun. These are both violations  
9 of the statutes and regulations that apply to this  
10 process, and I would urge you to halt all further  
11 proceedings on the license application until the  
12 environmental impact statement is finalized as is  
13 required by federal law. Thank you.

14 MR. CAMERON: Thank you very much, Karen.

15 (Applause.)

16 MR. CAMERON: Usually we don't respond to  
17 what we're listening to here, but just to make sure  
18 that -- because this is important for all of you --  
19 just to make sure that our process is clear, I've  
20 asked Jim from our Office of General Counsel to just  
21 clarify a little on how the contentions and draft  
22 environmental impact statement are treated.

23 Jim?

24 MR. BIGGINS: Thank you, Chip.

25 The draft environmental impact statement

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1 is essentially a complete environmental impact  
2 statement. It's called draft because we accept public  
3 comments after it comes out. And then the process of  
4 our application review continues while we incorporate  
5 those comments and the concerns from those comments  
6 into the final environmental impact statement.

7 In addition, our rules do allow for  
8 intervention after the draft impact statement, or  
9 after the final environmental impact statement, as  
10 long as those who seek to intervene meet the  
11 requirements for late intervention.

12 And I really just wanted to comment on the  
13 process, and there we go.

14 MR. CAMERON: Okay.

15 MR. BIGGINS: Thank you, Chip.

16 MR. CAMERON: Thank you very much, Jim.

17 And we're going to go to Bobby. Bobby  
18 had -- Bobby, are you here?

19 (No response.)

20 MR. CAMERON: Okay. He may be coming  
21 tonight. I want to ask Mitch Thames, and then Cyrus  
22 Reed, and then Robert Alvarado to come up.

23 Mitch?

24 MR. THAMES: Yes, sir.

25 MR. CAMERON: And Mitch is the head of the

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1 Bay City Chamber of Commerce. Correct?

2 MR. THAMES: Absolutely. We appreciate  
3 you all. Thank you so much.

4 (Applause.)

5 MR. THAMES: My name is Mitch Thames. And  
6 I probably have one of the luckiest jobs her in  
7 Matagorda County, and that is being a part of the Bay  
8 City Chamber of Commerce and agriculture.

9 It's a great honor to have a lot of my  
10 neighbors here. I see you. Thank you so much for  
11 your attendance. We've got some visitors. Be sure  
12 and pick up a visitors guide and make sure you come  
13 back to this great county.

14 You know, we talk a little bit about in  
15 the environment. Let's talk a little bit about  
16 Matagorda County. I'm going to tell you right now,  
17 North American Audubon Christmas Bird count winners 10  
18 years out of nine [sic], they stole it from us one  
19 year, 236 species of birds identified in a 12-hour  
20 period right here in Matagorda County in a 15-mile  
21 circle. We are the birding capital of the nation, if  
22 not the world.

23 But I want to tell you, it means a lot to  
24 us. Our environment is everything. We've got a river  
25 flowing down with fresh water, we've got two bays and

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1 estuaries, we've got the Gulf of Mexico. What a  
2 sensitive environmental location.

3 We have got some of the best fishing in  
4 both bays. I'll tell you right now, great, great  
5 economic benefit. Deep sea fishing, you know it's  
6 tremendous, as well as fishing in the river. Our  
7 water fowl hunting is absolutely tremendous. It has  
8 been that way for many, many years. I used to say we  
9 were the undiscovered Gulf Coast. We were a gem.

10 Well, we've been discovered because a lot  
11 of you live here because of that. I know I do. I  
12 chose to move to Matagorda County because of its  
13 location in Bay City, it's quality of life, the  
14 opportunities that we had for you and I to work  
15 together to grow this community. And grow it we have.

16 From an economic development standpoint,  
17 let us go back, those of us that lived here, and those  
18 that are visiting, let me tell you, living here four  
19 and five years ago with a 14 to 17 percent  
20 unemployment rate was not fun. And our economy flat,  
21 if not declining. We, the citizens right here,  
22 decided that that was not acceptable, and that we  
23 weren't going to live like that. And we went out and  
24 aggressively are seeking investment opportunities both  
25 jobs.

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1 I'll tell you this, for a young person,  
2 looking for a high paying job in Bay City, Texas, in  
3 Matagorda County years ago, the prospects were not  
4 well. They would go off to -- there was not any  
5 higher education. Once they graduated high school, we  
6 could probably offer them a service job for under \$10  
7 an hour. You can't make a living wage, you can't buy  
8 a house, you can't raise a family on that.

9 So the job right now, and the job that I'd  
10 signed up for, and the leaders here in this community,  
11 is to grow this economy. To get the high paying jobs  
12 so we can grow those roof tops so my kids get an  
13 opportunity to come here and make a living, and my  
14 grandkids get to grow up here. Matagorda County,  
15 absolutely something.

16 Let me tell you something about the  
17 environment. The nuclear plant has been here through  
18 every bit of it. A very sensitive environmental  
19 location that exists side by side with STP's 1 and 2,  
20 and we certainly hope 3 and 4.

21 I want to extend a very, very warm welcome  
22 on behalf of Matagorda County. Thank you so much for  
23 your attendance. Thank you for the process. Thank  
24 you for leaving your homes and coming down here and  
25 spending some time with us. So we certainly do

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1 appreciate you. Thank you.

2 (Applause.)

3 MR. CAMERON: And while Cyrus is coming  
4 up, this would be an appropriate time to -- for the  
5 NRC to express our appreciation to Bay City and the  
6 Chamber of Commerce, and especially to Mitch for the  
7 hospitality and the meeting room and all that help.  
8 Thank you.

9 And this is Cyrus Reed of the Sierra Club.

10 MR. REED: Hello. Good afternoon. My  
11 name is Cyrus Reed. I'm here on behalf of the Sierra  
12 Club. I'm not a native Texan. I did come here in  
13 about 1990. I'm very proud of Texas, I'm glad that I  
14 live here.

15 I don't come here in any way to disparage  
16 the hard work that the folks of Matagorda County are  
17 doing, or the workers at STP, or those investing. I  
18 do come here, however, to raise some concerns about  
19 the environmental assessment, the environmental  
20 report.

21 And the first concern I would raise is one  
22 that's already been mentioned, which is the time  
23 factor, that there is a feeling among anyone who  
24 analyzes the application and analyzes the  
25 environmental report that 60 days simply is not enough

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1 time to have a logical and reasonable assessment,  
2 particularly when there's new information coming in.  
3 I do take note of the issue you raised earlier, which  
4 is one can raise contentions later on if new  
5 information comes in.

6 Let me start by talking about demand. And  
7 it's something that was mentioned earlier about how we  
8 get our power in the future. A number of studies have  
9 been suggested -- a number of studies have been  
10 mentioned that suggest that Texas could be getting  
11 more of our energy from energy efficiency, from  
12 renewables, as we have been.

13 And I wanted to make sure that the NRC is  
14 aware that legislation was passed last legislative  
15 session, and I'm pretty sure Mr. O'Day voted for it,  
16 that expands the amount of energy that investor-owned  
17 utilities, like NRG, are required to get from energy  
18 efficiency programs that all of us, frankly, pay for.

19 And so I wanted to make sure that when you  
20 do the analysis of whether this power is needed, that  
21 we look at those new requirements on energy  
22 efficiency, because I think everyone agrees we can  
23 save money for our consumers, and generate more power  
24 simply by saving energy.

25 And I also think that if we're going to

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1 really analyze the power demands of -- that may be  
2 needed by these new plants, we've also got to look at  
3 the cities like San Antonio, like Austin, that may be  
4 investing in the plant and see -- look at how they  
5 meet their energy demands and whether they could be  
6 getting their energy in a cheaper, cleaner and faster  
7 manner.

8 And so I would urge you to expand that  
9 part of your environmental analysis to look at that.  
10 And we will be providing comments.

11 I also wanted to say -- and I hope that I  
12 get an opportunity in the near future to visit here  
13 the Matagorda Bay and the river. One of the issues  
14 that's come up in terms of what scientists are telling  
15 us is that climate is changing. Yes, it always has  
16 changed, but it's changing more rapidly than in the  
17 past.

18 And so, again, I would urge you, in the  
19 environmental analysis to look at how climate change  
20 might impact river flow, because I know that STP has  
21 an existing water right, and it appears on paper that  
22 you've got the water to operate your -- you know, the  
23 present plants and the plants in the future.

24 But I guess our concern would be, if what  
25 this scientists tell us is correct, and if we're

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1 likely to have more droughts, more hurricanes, how is  
2 that going to impact the operation of this plant. Is  
3 it really a good investment if in 30 years our flows  
4 are going to be that much less, will the water really  
5 be available and be there? Because if the plant is  
6 built and then doesn't operate, it doesn't make  
7 economic sense for anybody.

8           So, again, I would urge you to -- and we  
9 can provide some information on some of those analyses  
10 in Texas for reduced water flows. A similar situation  
11 would be the temperature of that water. We've had  
12 issues -- and I say we -- I mean the United States has  
13 had issues recently on nuclear plant where because the  
14 temperatures have gone up, the water temperature has  
15 gone up, which has made it difficult for those  
16 operators to be able to use the water and then  
17 discharge the water back in the rivers. And I'm  
18 speaking about some -- a nuclear plant in Tennessee.  
19 And some of the nuclear plants in Europe had a similar  
20 situation last summer.

21           So, again, we need to be analyzing the  
22 water temperature of the river, and I know that in  
23 your case it's -- you know, there's a recycling of the  
24 water through the cooling reservoir, but at some  
25 point, some of it still goes back into the river. And

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1 the question would be -- not correct?

2 MALE VOICE: Not correct.

3 MR. REED: My understanding was when you  
4 reach certain amounts of -- when the water quality is  
5 of a certain type, in other words, if there's a lot of  
6 sediment in the water, you do have to discharge some  
7 back into the river.

8 MALE VOICE: That's theoretical. We've  
9 never had to do it.

10 MR. REED: Okay. Well, the question would  
11 be, do we need to analyze that for the future, if the  
12 climate changes. Similarly, hurricanes, if hurricanes  
13 are to increase, if the sea is to rise, if there's the  
14 potential for storm surges, if there's the potential  
15 that more saline water goes further upstream,  
16 particularly in low flow conditions.

17 It seems to me an environmental assessment  
18 before we grant this license should look at those  
19 factors, and I would urge you to do that in writing.

20 A third issue is radioactive waste. It's  
21 the big bugaboo in the room, nobody likes to talk  
22 about it. But the fact is, you know, for 50 years  
23 we've been talking about how we're going to deal with  
24 radioactive waste. We still haven't dealt with it.  
25 We still don't have a final repository for radioactive

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1 waste.

2 When I read the environmental assessment,  
3 which frankly I did rather quickly, I saw some  
4 discussion about, you know, the transportation of the  
5 spent fuel rods to a final repository, and about the  
6 amount of space you would have at STP 3 and 4 to have  
7 these spent fuel rods. But I didn't see the  
8 contingency.

9 What happens if we never -- you know, what  
10 happens if we are never able to locate a place to put  
11 all this waste? Does it just sit there forever? Do  
12 you have the capacity? Do you have the security in  
13 place to make sure that it's never the subject of  
14 terrorist sabotage and airplane attack, whatever? I  
15 just didn't see that in the environment assessment. I  
16 think it should be there, and we'll provide comments.

17 Similarly with low-level rad waste, you  
18 know, there are currently only three sites that are  
19 taking it, one of the which, Barnwell, has now said  
20 they're not going to take it. We haven't yet had the  
21 Andrews County site open up. Where is the contingency  
22 in here for what to do with that waste?

23 It's mentioned in the application that you  
24 currently send it to several locations. It seems like  
25 more detail would be needed so that we, the public,

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1 can be sure that this rad waste, both low-level and  
2 high waste, is taken care of.

3 I had a question -- this is more of a  
4 question, but my understanding is that you folks  
5 certified the design for this, and my question is  
6 really, have we made sure that this design is capable  
7 of withstanding something like a terrorist attack.  
8 You know, I hope I would never have to think about  
9 this, but I'm originally from New York, and 9/11  
10 affected me and the people I grew up with, and so we  
11 never thought we'd have these kind of attacks, but now  
12 we have to think about those things. So is it being  
13 designed to withstand that kind of attack would be the  
14 question.

15 And then just in summing up -- and this  
16 was already mentioned, but where is that uranium going  
17 to come from? We have at the Railroad Commission now  
18 19 new exploratory permits for a uranium mine. To  
19 make the nuclear power plant you need uranium, uranium  
20 mining can have some environmental impacts here in  
21 Texas. So how are we going to make that if -- where  
22 that uranium's coming from, and what the total fuel  
23 cycle impacts are going to be.

24 And then I would just say, sort of in  
25 summing up, really the first point I made, if the

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1 choice -- let's make sure we look at all the choices.

2 If the choice is this new nuclear plant, or  
3 concentrated solar power and efficiency, which really  
4 makes the most sense. And I hope, frankly, that NRG  
5 and the other investors are looking at all the options  
6 that are out there on the table, some of which I think  
7 could be used in Matagorda County.

8 And I'll just sum it up, I'm not here as  
9 the enemy, but we do have serious concerns with some  
10 of these issues and we'll be raising them through the  
11 comment. And we think ultimately that the future is  
12 not more nuclear plants, it's concentrated solar  
13 plants, efficiency, more wind. And that's the Sierra  
14 Club's position. Thank you.

15 MR. CAMERON: Thank you.

16 (Applause.)

17 MR. CAMERON: Thank you very much, Cyrus,  
18 for those comments.

19 Robert Alvarado?

20 (Pause.)

21 MR. ALVARADO: Hello. My name is Robert  
22 Alvarado. I'm from San Antonio, Texas. I was born  
23 and raised in San Antonio, and I'm with the Committee  
24 to Bring Environment Justice Action in San Antonio.

25 And my case that I bring is because of the

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1 contamination that we have with our military, there  
2 was Kelly Air Force Base that left a few years ago,  
3 the year 2001, and left a lot of chemicals, plumes of  
4 chemicals under our homes. We have rivers of  
5 chemicals that are running under our homes that have  
6 affected not only me, but our community, our children.

7 And mostly my family has cancer of the  
8 throat, my daughter, my wife, myself. I lost my  
9 vision because of radiation, by the Leon Creek. And  
10 I -- my kidneys have failed. I'm waiting for a  
11 kidney. And not only me, but down the street where I  
12 live there's like people just dying, mostly once a  
13 month, or whenever they're passing away.

14 And I'm just bringing this for the concern  
15 of the citizens of this town, that you might not see  
16 it, but the chemicals are there underground. And you  
17 see all these vapors come up, and you can't see it,  
18 but they're killing you. They're killing you day by  
19 day. And it's like you're the living dead. You're  
20 just getting sick, which I had no knowledge of cancer.

21 The next one, the next generation is your  
22 grandchildren.

23 But there's nothing we can do, because I  
24 bought that house in 1970 from the government, and I  
25 can't go nowhere, at my age, because it's too late for

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1 me to move out from that area. And it's a triangle,  
2 it's east Kelly and main Kelly, and all the chemicals  
3 are running like about 25 feet under our homes.

4 And we can't sell our homes because we  
5 have contaminated underground, and we can't sell the  
6 house. We have to mention to whoever wants to buy our  
7 house that we have these chemicals under our home.  
8 And we've lost our value of our house.

9 And it's going to happen to you all if you  
10 don't stop and think what you're doing at this time.  
11 You may just because you have a reactor, sure, but  
12 wait 20 years from now and it'll be too late to  
13 reverse this life of yours. And this is all I have to  
14 say, but look before you sign the dotted line. Thank  
15 you.

16 (Applause.)

17 MR. CAMERON: Okay. Thank you. Thank you  
18 very much, Mr. Alvarado.

19 And next we're going to go to Genaro  
20 Rendon.

21 And thank you, Mr. Alvarado.

22 Then to D.C. Dunham and then to Owen  
23 Bludau. And this is Genaro Rendon.

24 MR. RENDON: Hello, everyone. Good  
25 afternoon. My name is Genaro Rendon, and I'm a

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1 resident of San Antonio, Texas, and a member of the  
2 Southwest Workers Union. We're a 20-year-old  
3 organization based in San Antonio focused on fighting  
4 for community rights.

5 First, you know, I would like to share the  
6 process that we've been through in San Antonio in  
7 dealing with this nuclear reactor, or the proposed  
8 nuclear reactors that NRG, in conjunction with CPS,  
9 City Public Service, who's our energy provider in San  
10 Antonio, are investing in.

11 First of all, when they submitted the  
12 letter to NRC, the letter of intent to apply for a  
13 license, they specifically told NRC to keep it a  
14 secret. So it was kept a secret, not only from folks  
15 here, but it was kept as a secret from folks in San  
16 Antonio; these gentlemen may not even know, but that  
17 was the situation that we've been dealing with.

18 Now, in September of last year, in '07,  
19 then they officially apply for the licensing of the  
20 two new nuclear reactors. In less than a month, City  
21 Public Service is making a decision to invest \$206  
22 million into this project. With that investment also  
23 saying that they need to increase rates for the City  
24 of San Antonio rate payers between 5- to \$7 per month.

25 Now we move into this year where the mayor

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1 of San Antonio is saying that he wants to develop an  
2 energy sufficiency plan. So if you look at the  
3 process on how this has been developing in our city,  
4 there hasn't been a space for folks from San Antonio  
5 to participate, which is why it was important to be  
6 here and share our concerns from the City of San  
7 Antonio about what has and has not been happening.

8 So I applaud everybody here for really  
9 coming out and participating in this process, for NRC  
10 providing a space for folks to participate on this  
11 process, for the local paper informing people that  
12 this is happening so that they can come and  
13 participate, all of which has not happened in San  
14 Antonio.

15 City Public Service has had two what they  
16 call public open houses in the outskirts of the city  
17 with no advertisement, with no mobilizing and trying  
18 to get people to those places. And so I'm making that  
19 as a point on how we have been left in the dark in  
20 this whole process of the development of the nuclear  
21 reactors in the City of San Antonio.

22 And when CPS had their board meeting at  
23 the end of October, we had to petition the board in  
24 order to have citizens go in there and make comment to  
25 CPS and to the Board of Directors around this decision

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1 that they were going to make.

2 And once we got there, then we had to --  
3 you know, then they locked on the doors on the  
4 community folks that were coming in. And they were  
5 finally opened so that we could in and make comment.  
6 You know, so it hasn't been an easy process, an open  
7 process, a process that has been inclusive of the  
8 concerns of the residents of San Antonio.

9 And very important when we're looking and  
10 talking about the environmental impact statement, is  
11 that we also take into effect, into consideration, the  
12 cumulative impacts that folks have to deal with when  
13 we talk about pollution, when we talk about  
14 environmental contamination.

15 Many times, you know, when they're doing  
16 the impact statement, they're just specifically  
17 looking at the nuclear reactor. But as a community,  
18 we have to deal with the multitude of environmental  
19 problems and concerns. You know, I just saw a  
20 chemical plant driving over towards the STP site, and  
21 whatever else exists here.

22 And if you look at the Gulf Coast of  
23 Texas, it's littered with chemical plants, it's  
24 littered as well with refineries and ports, and huge  
25 inland ports as well that are situated for ships to be

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1 able to come in. So if we're looking at ourselves  
2 here and in San Antonio, what is the whole of the  
3 impact that we've being exposed to?

4 And I think another important stat is that  
5 if we look at the State of Texas, we rank number seven  
6 amongst countries in pollution. As one state, we're  
7 surpassing what countries are producing in pollution.

8 So we have to be looking at reducing that  
9 amount of pollution here within the State of Texas,  
10 reducing the impacts that communities are feeling by  
11 living around these polluting industries.

12 And really if we look at the State of  
13 Texas as well and we look at this like the death of  
14 nuclear power, then like Smitty was saying, in South  
15 Texas there's communities that have already been  
16 impacted by uranium mining, where their water supply  
17 is not good anymore, where now uranium companies and  
18 mining companies are moving back in because of the  
19 increase of uranium prices that we've seen over these  
20 last couple of years.

21 And, you know, for us in San Antonio, this  
22 also raises other dangers. In 2004 we had 21  
23 derailments in our city, 21 derailments that killed  
24 five people; one of them spilling chlorine gas in the  
25 community killing four people instantly.

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1           So how is this being transported? Is it  
2 going to be coming through our backyards, of which --  
3 you know, we want to make a clear statement that we  
4 would not, and do not, want this type of deadly waste  
5 passing through people's backyards. And it's  
6 literally passing through people's backyards when you  
7 look at the train system in the City of San Antonio.

8           And as well, within every step of this  
9 process it's producing waste. So when somebody tells  
10 you that nuclear power is clean, don't believe them,  
11 because if you go ask the people in South Texas that  
12 are being mined for uranium, they would definitely  
13 tell you that uranium and nuclear power is not clean.

14           If you're looking at the enriching of  
15 uranium, you have to do -- and you have to do that at  
16 coal burning power plants as well. You know, so, one,  
17 maybe when it gets to the nuclear reactor here the  
18 pollution is not being produced, but every step of  
19 that process there's pollution that's impacting  
20 people, and once it arrives here at the South Texas  
21 Nuclear Project, then there's a huge question of  
22 radioactive waste which we have nowhere to put.

23           So, you know, what is the solutions that  
24 we're pushing for, and how should we be investing in  
25 these, you know, I think that, you know, folks have

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1 touched on solar power and wind power, and the  
2 argument is out there, is always out there that, well,  
3 you can't produce enough.

4 Well, you can't produce enough if you're  
5 investing \$6 million compared to \$6 billion that are  
6 being invested into nuclear power. If we had an  
7 investment of \$6 billion to \$10 billion focusing on  
8 alternative energies like sun and wind power, then  
9 maybe we could advance, you know.

10 So, you know, when the argument is put out  
11 there, we also have to look at, you know, why is being  
12 put there, and how are they not investing and making  
13 these things very real here for us in the State of  
14 Texas. And as well for us in San Antonio then, how do  
15 we use this alternative energy, this green economy, to  
16 build and uplift workers and communities within the  
17 City of San Antonio?

18 Mr. Alvarado was talking about his home.  
19 In the City of San Antonio homes lose over 30 percent  
20 of their energy due to the lack of weatherization, due  
21 to the lack of making those homes energy efficient.  
22 So if the City of San Antonio focused on providing  
23 jobs, green jobs, and producing and fixing homes of  
24 the residents in San Antonio, then, you know, we  
25 wouldn't have to invest in this type of nuclear power.

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1  
2           So, you know, I really thank each and  
3 every one of you for being here. And from San  
4 Antonio, you know, we really bring these concerns to  
5 the community here, and, again, raising them to the  
6 Nuclear Commission, as well as City Public Service,  
7 which I hope that there's at least one representative  
8 here from CPS. Thank you.

9           MR. CAMERON: Thank you very much.

10          (Applause.)

11          MR. CAMERON: D.C.? How are you doing?

12          MS. DUNHAM: Good afternoon. I'm D.C.  
13 Dunham. I'm the Executive Director for Bay City  
14 Community Development Corporation. And as an economic  
15 developer, many of us only get to experience this kind  
16 of expansion once in a life time.

17                So it's real important that we take  
18 advantage of the opportunities that have been put in  
19 front of us. And just to kind of name a few of the  
20 opportunities that we've been working on already,  
21 since the first announcement that we were going to do  
22 this expansion several years ago, but we've turned an  
23 eye sore into a great asset.

24                We've begun developing subdivisions, we've  
25 got new spec houses going, we've recruited retail

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1 sales into our community, sales taxes are definitely  
2 on the rise. We've developed a new associate degree  
3 program. We've formed an alliance with our educators  
4 and industry, we've had career fairs and job fairs,  
5 we've increased our scholarships and our on-the-job  
6 training programs.

7 But let me digress just a moment about  
8 that eye sore, my pride and joy, and education, my  
9 passion. That eye sore that I'm talking about is the  
10 old K-Mart building down on Highway 60. If you're not  
11 familiar with it, then you don't live in Matagorda  
12 County, I can assure you, because that's been an eye  
13 sore in our community, a dilapidated building, for  
14 over 15 years.

15 But we took the opportunity with the  
16 expansion, and working with the management team of  
17 STP, to put the headquarters for Units 3 and 4 in that  
18 dilapidated building, and we created the Center for  
19 Energy Development.

20 And on the other side we have our training  
21 center where we house Wharton County Junior College,  
22 and some of our other trainers. We have a park  
23 environment in the center that's a 6,000 foot atrium  
24 that students can mingle with our industry partners  
25 and share ideas. We presently have 162 students in

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1 our Bay City campus that I'm real, real excited about.

2 They're preparing for the jobs that are being created  
3 across the hall.

4 This new workforce development is a huge  
5 strength for our community, which brings me to my  
6 passion, education. With the announcement of  
7 expansion to Units 3 and 4, we have the opportunity to  
8 bring industry, education, and government together to  
9 solve a huge problem, but it was a good problem.

10 It was especially a good problem for a  
11 community, as Mitch talked about, that had  
12 traditionally had double digit unemployment. The  
13 problem was, how are we going to work to create the  
14 workforce that's needed by our industry, the huge  
15 increase in new jobs that are coming to Matagorda  
16 County?

17 We formed this alliance that includes all  
18 of our regional industry partners, we included  
19 community colleges throughout the region, we had all  
20 four of ISDs, we have four ISDs in Matagorda County,  
21 we had government from the federal government all the  
22 way down to our local officials meet together in one  
23 room to discuss these issues and how we were going to  
24 solve this problem.

25 In just a matter of months we came up with

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1 a degree program, associate degree program called  
2 Power Technology, which we have students enrolled in  
3 already today, and the Mid-Coast Education and  
4 Industry Alliance still meets quarterly.

5 We are continuing to address the issues to  
6 see how we can improve our education systems and make  
7 this a great place to raise our young adults and have  
8 our young adults come back and raise their families  
9 for many, many years to come, creating another huge  
10 strength for our community.

11 So please join me in taking advantage of  
12 this opportunity that's before us and whatever your  
13 interests or your passion might be, I'm sure, between  
14 Mitch and I, we have a committee that you can serve  
15 on. Thank you.

16 (Applause.)

17 MR. CAMERON: Thank you.

18 And this is Owen Bludau.

19 MR. BLUDAU: Good afternoon. I am Owen  
20 Bludau. I'm the Executive Director of the Matagorda  
21 County Economic Development Corporation.

22 My corporation is composed of nine  
23 organizations, five of which are funding -- public  
24 funding entities, including the Matagorda County, the  
25 Navigation District in Palacios, the Port of Bay City

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1 Authority, the Bay City Community Development  
2 Corporation, and the Palacios -- City of Palacios  
3 Economic Development Corporation. In addition, on the  
4 board are representatives of the four Chambers of  
5 Commerce in our county.

6 My job, and the focus on the Matagorda  
7 County EDC is to bring new industry to the county, to  
8 increase our job base, and to increase our tax base.  
9 And the expansion of 3 and 4 is good economic  
10 development.

11 I appreciate the opportunity to be here  
12 this afternoon to address you, and I want to speak  
13 about a couple of the things that approval of 3 and 4  
14 would do to the county, and this is based upon the  
15 experiences we've had with Units 1 and 2 being in the  
16 county for over 20 years.

17 STP has been an outstanding corporate  
18 citizen that has brought amazing economic strength to  
19 Matagorda County. It has been a good industrial  
20 citizen. It has been so good that we wanted a second  
21 one. We aggressively recruited Exelon Nuclear to come  
22 to the county because we thought if STP was good, have  
23 two would be even better.

24 But we were successful in getting them to  
25 select our county because we were nuclear friendly,

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1 and we welcomed them here. Unfortunately, the site  
2 conditions were not such that the site was  
3 economically feasible for them. They've gone to their  
4 second back up site in Victoria County, and we welcome  
5 them being there also.

6 The STP 3 and 4 expansion, as has been  
7 mentioned earlier, would bring about 800 new jobs to  
8 the county. It's been stated that we need jobs, and  
9 we do because our high school students need  
10 opportunities that are not here now, our college-age  
11 students are going away from the county after they  
12 graduate because there's nothing here to bring them  
13 back, what limited job we have.

14 Also, we have a number of under-skilled,  
15 or under-employed people here who are looking for new  
16 opportunities to increase the career potential that  
17 they have, and that they could stay in the county as  
18 well.

19 The percentage of new employees living  
20 here is important to us. Right now we have about 60  
21 percent of the 1200 employees that STP has living in  
22 the county, and we would like to have an equal  
23 percentage or higher of the new hires coming with 3  
24 and 4 that would be here.

25 They would be able to purchase homes and

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1 cars here, groceries, retail activities, they would  
2 use the services of our banks, our medical facilities,  
3 insurance, utility service providers. And if we could  
4 get 600 of those 800 living here, that would generate  
5 another 1,000 secondary support jobs. Those new  
6 employees' salaries will circulate in the community  
7 and that will expand it economically.

8 It's been mentioned that there's going to  
9 be construction workers associated with the new  
10 construction project, and that's true. STP is looking  
11 at about 5,000 construction -- temporary construction  
12 workers here over a six year period. They'll not all  
13 be here at one time. They will ramp up over time. At  
14 maximum construction period they're looking at about  
15 4,000 workers for two years, but then they would ramp  
16 down.

17 We would like to have a lot of them live  
18 here. We know that not all of them will, and that's  
19 fine. A lot of them are going to commute in, a lot of  
20 them may be brought in from Houston who have skills  
21 that are not available in our community.

22 But those living here are going to spend  
23 most of their money here. Those commuting in are  
24 going to spend some of their money here buying gas and  
25 refreshments as they go in and out of the county.

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1 That's going to create a strong financial benefit to  
2 our local businesses and attract some new businesses.

3 As has been mentioned earlier, we're  
4 beginning to see the impacts already of the  
5 anticipation of Units 3 and 4. We saw new retailers  
6 open up in Bay City in 2007. We had new retailers who  
7 have purchased properties in Palacios and in Bay City,  
8 and there's new construction in Palacios and Bay City  
9 in anticipation of this larger customer base that is  
10 going to be here. So these businesses are coming, and  
11 they're expanding our tax base and our employee base.

12 I would like to say something about STP as  
13 a major financial supporter of the community. They  
14 have supported many of the community events, our  
15 organizations, and our civic activities. Without  
16 their support, many of these activities and events  
17 would not have happened. A larger and a stronger STP  
18 will enable them to continue their support, and  
19 hopefully to increase it.

20 But equally, or even more important, is  
21 participation of their employees in the community.  
22 Individually they provide strong support within our  
23 churches, our civic organizations, our youth and  
24 environmental activities, school districts, and in our  
25 governmental units.

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1           They're our neighbors, they are part of  
2 our community. Two of the STP employees serve on my  
3 board, but they're not there as STP employees, they're  
4 there as elected officials representing other  
5 organizations.

6           We expect that the new people coming in  
7 that would work at 3 and 4 will also be part of the  
8 community, and take part in it. But we welcome them  
9 because we need new blood, new ideas, and new  
10 activities. We're an aging community and our  
11 organizations are suffering for the lack of new blood  
12 coming into them. So these provide economic benefits  
13 to the community.

14           The Sheriff mentioned a little bit of the  
15 emergency management planning benefit. You say, How  
16 is that an economic development factor. And it is.  
17 I'm talking to a lot of industries and when we tell  
18 them about the emergency management services and the  
19 coordination between our local industries and the  
20 public sector, that is important to them, because they  
21 know they're going to have the same types of concerns.

22           STP and the emergency planning of the  
23 county has been good for the county. We are well-  
24 prepared, well-equipped to respond to nuclear  
25 incidents, but we're equally as well-prepared and

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1 well-equipped to respond to hurricanes, tornadoes,  
2 floods, and industrial fires.

3 Most of you sitting in this room  
4 benefitted from that planning two years ago when Rita  
5 was aimed directly at the county and we had mandatory  
6 evacuation. It went smoothly, it went quietly  
7 compared to what happened in Houston. And this was  
8 because we had good evacuation plans and we had good  
9 people trained to implement those plans.

10 In summary, I want you to know that  
11 Matagorda County is a stronger and a better community  
12 because STP is here. We support the additions of  
13 Units 3 and 4, they're going to add significantly to  
14 the economic vitality and strength of Matagorda  
15 County. Thank you.

16 (Applause.)

17 MR. CAMERON: Thank you very much for that  
18 information.

19 We're going to go to Jennifer Walker next,  
20 and then to Diana Lopez, and then to, I think it's  
21 Lara Cushing.

22 Is Jennifer -- Jennifer's not here I  
23 guess. Diana, would you like to come up and talk to  
24 us? And then we'll go to Lara. And I guess we might  
25 as well to Sandra on -- or, not Sandra-- okay.

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1 MS. LOPEZ: Hi. Good afternoon. My name  
2 is Diana Lopez. I'm a 19 year old college student in  
3 San Antonio, Texas. And we've traveled more than  
4 three hours here to Bay City to oppose the nuclear  
5 power plants that are proposed.

6 So I'm here to tell about global warming  
7 and how it affects it. With the growth of global  
8 warming you have to include how will this contribute  
9 the nuclear power plants, and how it will affect them.

10 So the plant requires water to cool it down, and it  
11 requires cold water. So with global warming, there's  
12 going to be less water and it's going to be warmer, so  
13 you have to consider what the nuclear reactors will be  
14 in situations like that.

15 Also with the sea level rising and the  
16 storms in the area, how would that impact the nuclear  
17 reactors, and you see what happened with Katrina. And  
18 the people who were most affected were the low income  
19 people who had no Medicare or nothing, and they lost  
20 everything, and they were the ones most affected by  
21 this environmental justice.

22 Also -- it is also a myth that nuclear  
23 energy will save us from global warming. We hear that  
24 a lot and it is not. It is not the truth, it is a  
25 myth. A nuclear power plant also creates global

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1 warming.

2 So you have uranium in South Texas, so you  
3 need to get it enriched, and there are only two coal  
4 power plants that do that, and they're not in Texas.  
5 So you have to transport the uranium to these coal  
6 power plants and you have to enrich it, and it  
7 causes -- it's one of the primary sources of a potent  
8 greenhouse gas that causes global warming.

9 So -- and then you have to transport it  
10 back to the nuclear reactor, so that causes CO2  
11 emissions, so you have all these accumulating effects  
12 just for that source of energy.

13 And then also you have -- once you have  
14 high-level -- high-grade and low-grade uranium, so  
15 once you finish with the high-grade, when you enrich  
16 it you have to use energy to do that. So when you use  
17 low -- the one -- the low-level one, you have to use  
18 more energy just to get it for it could be used at the  
19 nuclear reactor plants.

20 So as a younger person -- I'm sure none of  
21 you all will see in 20 years, 30, 40 years, you all  
22 won't see the impacts of climate change, but I will,  
23 and I don't think you all should be the ones deciding  
24 on the future of my generation.

25 You know, as a young person I wonder why

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1 we are putting so many money and energy into this when  
2 in the last 50 years the nuclear problems have not  
3 even been solved. Thank you for listening, and thank  
4 you for being here, everybody.

5 (Applause.)

6 MR. CAMERON: Thank you. Thank you,  
7 Diana.

8 Our next three speakers, we're going to go  
9 to Geoffrey Castro and Lara Cushing, and then Sandra  
10 Garcia.

11 MR. CASTRO: Good afternoon, everyone. My  
12 name is Geoffrey Castro. I'm the Executive Director  
13 for Citizens League for Environmental Action Now.

14 We are greatly concerned about the permits  
15 to invest in more nuclear plant in South Texas. While  
16 nuclear plant is being touted as a alternative to  
17 coal-fired power plants, nuclear power plant continue  
18 to have serious problems regarding risk associated  
19 with waste and uranium mining.

20 While it's true that nuclear power plants  
21 don't emit carbon dioxide, one of the principle  
22 ingredients fueling global warming, the mining of  
23 uranium to fuel these plants is anything but clean.  
24 I'd ask all of you to consider the indirect costs  
25 associated with uranium mining. It's a nasty business

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1 that can pollute aquifers, and taint drinking water  
2 and irrigation for nearby residents.

3 People living in Goliad County here in  
4 Texas notice this first-hand. They also know the lack  
5 of protection the government offers to residents when  
6 making -- when mining companies decide to mine near  
7 their homes. I know all of you have heard a lot about  
8 this already today. In addition to that, it offers  
9 serious health risks, including cancers associated  
10 with the lungs, and bones, and even kidney damage.

11 Now I understand that our energy needs  
12 here in Texas are growing. However, there are  
13 alternatives to nuclear power here in Texas, which are  
14 cleaner, more affordable, and more sustainable ways of  
15 powering our needs for the future.

16 Alternatives include energy efficiency,  
17 solar power, wind, combined heat and power, and more.

18 In addition, just not too long ago Optimal Energy  
19 discovered that 80 percent of our energy needs could  
20 be met by these technologies.

21 The concerns over the safety of nuclear  
22 waste that were realized with Chernobyl and Three Mile  
23 Island are still reasons for caution today.  
24 Ultimately, the resources and ingenuity we have today  
25 lead us to believe that nuclear power is not the

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1 energy solution as it fails to meet a sustainable  
2 future to meet our energy needs and the growth of our  
3 energy demand. Thank you very much.

4 (Applause.)

5 MR. CAMERON: Okay. Thank you. Thank  
6 you, Geoffrey.

7 And we have Lara Cushing.

8 MS. CUSHING: Good afternoon, everyone.  
9 My name is Lara Cushing. I came here from San  
10 Antonio. I'm a rate payer of CPS Energy. I'm also an  
11 organizer with the Southwest Workers Union.

12 In trying to look through the thousands of  
13 pages of this permit application, I realize that the  
14 entire scope of the environmental review was based on,  
15 and this is a quote, "that the purpose of the project  
16 is to sell base-load power on the wholesale market."

17 And the only alternatives to this project  
18 that were looked at were alternatives for meeting that  
19 mission. But the fact is that that is not CPS  
20 Energy's mission. CPS Energy's mission, as a public  
21 utility, is to provide for the energy needs of San  
22 Antonio, and the other small areas that it covers and  
23 serves.

24 CPS has classified, and I'll reiterate  
25 we're -- at this point we're the 50 percent investor

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1 in the South Texas Project, so we have as big of a  
2 stake as NRG Energy. And CPS has classified  
3 efficiency and conservation measures as a source of  
4 generating power. And since it's done that, those  
5 need to be given over best analysis in the  
6 environmental report.

7 A CPS commissioned study, this was  
8 mentioned before, the CIMA report, concluded that 1200  
9 megawatts of energy could be saved through stronger  
10 building codes and retrofitting programs. That's 80  
11 percent of the half of STP reactors 3 and 4 energy  
12 that we are going to be supposedly getting.

13 And that report is nowhere mentioned in  
14 this environmental report. So this STP application  
15 needs to include a real analysis of alternatives, and  
16 all the alternatives for meeting San Antonio's energy  
17 needs.

18 It also needs to incorporate the true  
19 costs of nuclear power. And if it did, there's no way  
20 that nuclear power would come out on top. There's  
21 reasons why no nuclear reactors -- the construction of  
22 nuclear reactors has not been permitted in 29 years,  
23 despite that fact that it's the most government  
24 subsidized energy source of all.

25 And one of the reasons why the true costs

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1 of nuclear are never evaluated is because NRC only  
2 looks at a small piece. The fact is that the  
3 construction of new generators is -- and the  
4 speculation about the construction of new generators,  
5 is already driving up the price of uranium, which  
6 means communities are fighting tooth and nail right  
7 now to prevent new uranium mining permits from being  
8 issued in South Texas. That is an environmental  
9 impact of the South Texas Project.

10 The enrichment takes place at coal-fired  
11 facilities that pollute the air and contribute to  
12 global warming. This is an environmental impact of  
13 the South Texas Project.

14 The transportation of fuel, how is the  
15 fuel going to be transported into this community? How  
16 is waste -- if they ever find a place to put the  
17 waste, how is going to be transported out of this  
18 community?

19 What we found out in San Antonio after 21  
20 derailments, major derailments, occurred in 2004 is  
21 that you can't get any of that information. You can't  
22 find out the routes that they're taking. They won't  
23 tell you what's on those trains, and there's no way to  
24 know that. So how can we possibly evaluation the risk  
25 to our communities when we don't even know where this

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1 stuff is going to be transported through, and how to  
2 protect it?

3 Finally, in the 50 years of the nuclear  
4 industry we have yet to identify a safe way to dispose  
5 of the waste. And that is an environmental impact of  
6 the South Texas Project. High-level radioactive waste  
7 stays deadly for tens of thousands of years.

8 And it's a real engineering challenge to  
9 think of how to contain such a thing on such a  
10 geological time scale. So I think that the NRC needs  
11 to consider all of those impacts in the environmental  
12 scope of their review.

13 And I respect the desire for jobs here  
14 locally. I do respect that. As an organization that  
15 organizes and represents low-income families and low-  
16 income workers in San Antonio, we want the same thing  
17 for our community. That's why we're pushing for  
18 energy conservation programs, weatherization programs  
19 that will provide local jobs in our community.

20 And I do think that Bay City is being  
21 presented with a false choice, either two new nuclear  
22 reactors, or you're not going to have any jobs, when,  
23 in fact, there are alternatives to that, to those two  
24 options.

25 In the same way, San Antonio is being

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1 presented with a false choice. New nuclear reactors,  
2 or all your lights are going to be shut off, when we  
3 know that there are alternatives to that.

4 So while I'm not going to presume to tell  
5 you what's best for your community, I am going to talk  
6 in solidarity with the communities that are facing the  
7 impacts of uranium mining. Eighty percent comes from  
8 overseas. Most of those places don't even have  
9 environmental or worker protections.

10 I am going to talk in solidarity with the  
11 communities where it's transported through, and I am  
12 going to talk thinking of the hundreds of generations  
13 that are going to come after me that are going to be  
14 struggling with trying to contain the deadly  
15 radioactive waste that will be coming out of these  
16 plants, and struggling with trying to understand why  
17 we chose this path when other paths were available to  
18 us.

19 So we all know that the South Texas  
20 Project would not move forward without the captive  
21 rate pairs of San Antonio to serve as the financial  
22 risk insurance. The board of CPS has voted that they  
23 can pass on all unforeseen costs of the projects to us  
24 in the form of rate increases.

25 And I and my organization, the Southwest

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1 Workers Union, we came here to tell you that we don't  
2 want our rates to go towards nuclear energy here, or  
3 in any other community. So we deserve a full  
4 environmental impact statement that gives efficiency,  
5 combined heat and power, renewable energy sources like  
6 solar, wind, geothermal, just as much investment in  
7 terms of money, in terms of time, in terms of  
8 expertise that this nuclear proposal has gotten.

9 And though it was a little bit lost on me  
10 when I was looking through the materials presented  
11 by -- or offered up there by the Nuclear Regulatory  
12 Commission, your mission is not to actual champion the  
13 nuclear industry, and I'm glad that you put up on the  
14 slide that your mission is to champion public health,  
15 safety, and the environment.

16 And I think it's irresponsible to be  
17 considering permitting new reactors when we have yet  
18 to permit or identify a viable site to dispose of the  
19 waste. I think that's an irresponsible thing to do.

20 And I think that in your role as a  
21 champion of public health and the environment, we do  
22 deserve an environmental review that really looks at  
23 all the alternative options. Thank you.

24 MR. CAMERON: Okay. Thank you, Lara.  
25 Thank you very much.

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1 (Applause.)

2 MR. CAMERON: And this is Sandra Garcia.  
3 And next we're going to go to Susan Dancer, Cameron  
4 Payne, Charles Stillman and Venice Scheurich. I'm  
5 sure I didn't pronounce that correctly.

6 But, Sandra?

7 MS. GARCIA: Hi. My name is Sandra  
8 Garcia. I'm from San Antonio, Texas, and I'm a youth  
9 organizer at Southwest Workers Union. When the youth  
10 found out -- the youth that I work with are from  
11 middle school and high school age, when I told them  
12 about CPS and the nuclear power plants, and the  
13 decision making they've been from the start, they  
14 disagree with the nuclear power plants. They -- let's  
15 see -- they wanted -- they've gone to the open houses  
16 that CPS has provided. We went there, they wanted to  
17 get their input, and yet CPS didn't let us. The youth  
18 are concerned on how CPS is making their decisions.  
19 They believe that not -- they're thinking about their  
20 future, even though they won't be here in the future.

21 They would like to see CPS educating the  
22 communities on how to save energy, educating the  
23 communities with which light bulbs will save energy,  
24 to unplugging the cords of your house and other energy  
25 saving measures. CPS should invest their money in

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1 lower income families' homes which are probably the  
2 highest energy wasters because they're like not energy  
3 efficient.

4 I believe CPS should be smarter than  
5 nuclear power plants, and they believe that we should  
6 be the green generation that think about the future  
7 and our health, but also the future generations to  
8 come. That is why CPS should invest in solar and wind  
9 energy.

10 And so these alternatives should be  
11 like -- should be fully evaluated for the future of  
12 San Antonio and other communities.

13 MR. CAMERON: Okay. Thank you. Thank  
14 you, Sandra.

15 (Applause.)

16 MR. CAMERON: Is Susan -- Susan Dancer  
17 here? And then, Cameron, we'll go to you. And then  
18 Charles Stillman, if Charles is still here.

19 And this is Susan Dancer.

20 MS. DANCER: I'm Susan Dancer. I'm a life  
21 long resident of Matagorda County, a founding  
22 chairperson for the Matagorda County Coalition for  
23 Nuclear Industry Accountability. It's kind of a  
24 mouthful, MCCNIA we're known as.

25 And if you all will bear with me stumbling

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1 so much in my presentation, I will try to not bore you  
2 like watching drying paint with -- and by belittling  
3 and berating points that have already been made.

4 The MCCNIA is a grassroots organizations  
5 that formed in 2005 in an attempt to give voice to  
6 issues created by STP that had negative implications  
7 to our community, and to support the STP employee base  
8 as they struggle with an uncertain future and  
9 financial and emotional consequences of destruction of  
10 the career paths.

11 As I said earlier, I don't want to go into  
12 great detail about issues that have been raised over  
13 and over again. I know you all have heard enough of  
14 it, but I do want to go on record and say that I am  
15 concerned about increased cancer rates, and I am  
16 concerned about the waste issues, and I am concerned  
17 about Matagorda County being essentially set up as a  
18 permanent radioactive waste site because there doesn't  
19 seem to be a solution for that one. That's been, you  
20 know, a big problem I guess all along.

21 And I am concerned about the design of the  
22 new units, but there are certainly people here who can  
23 speak in much -- with much more intelligence and  
24 greater detail about those issues, so I'll just leave  
25 it said that I'm concerned.

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1           The issues that I want to address in a  
2 little detail are those relating to the security of  
3 the workforce and the implication to local business  
4 and economy in general. And let me preface the points  
5 that I have to make today with the assumption that the  
6 best way to judge what future behavior might be is to  
7 base it on what past behavior has been.

8           When I was high school -- I'll give my age  
9 away, but I can't claim 29 forever, I guess -- Units 1  
10 and 2 were under construction. And on a fairly  
11 regular basis, STP sent representatives into our  
12 classrooms with promises of jobs, good jobs, and jobs  
13 that if we would go into particular supportive fields  
14 for the industry, we would be assured that we could  
15 work and live and retire right here in our home  
16 community.

17           And as Owen and D.C. referred to earlier,  
18 that hadn't been an option for my generation. We  
19 didn't have really good jobs here. You were pretty  
20 much a farmer, or you left and went to school and  
21 didn't come back.

22           So we were encouraged by that. And many  
23 of my friends and classmates and family members did go  
24 into those paths, and many of them did find careers  
25 with STP, just as STP is recruiting in the high school

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1 classrooms today and promising jobs to my kids and  
2 their generation. The same thing, history is  
3 repeating itself very much.

4 Other than extreme reductions in work --  
5 reductions in force and some difficult work loads,  
6 tough jobs, and dedicated hard-working employees, many  
7 of our classmates, as I said, did find a career there.

8 But things have changed since 1978, 1980, 1982 in  
9 that the economy has become much, much more  
10 globalized.

11 So where initially you had a workforce  
12 that by default had to be based in the local economy,  
13 that paradigm has changed. So as the economy became  
14 more global, in part due to advances in the internet  
15 and electronics communication age, STP began to court  
16 workforces elsewhere, workforces without roots in  
17 Matagorda County. And suddenly, all of those jobs,  
18 all of those careers that we had been promised, and  
19 that had largely come to fruition, suddenly lost their  
20 stability.

21 If there is any doubt that STP's ownership  
22 didn't have loyalty to their workforce, or their  
23 location, pre-announcements of Units 3 and 4, Frank  
24 Mallen ended that with a comment spoken to a group --  
25 a senior manager, with a comment spoken to a group of

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1 recently outsourced employees when he said, It's all  
2 about the money. That's the most poignant and honest  
3 thing that STP management has presented to this  
4 community so far.

5 STP management talks a lot about safety.  
6 They regularly run credit checks on employees to be  
7 sure they're financially stable, I guess to lessen the  
8 risk of a pay-off type situation should a terrorist  
9 try to contact an employee to gain access to the  
10 plant, secure parts of the plant.

11 But when an employee has to worry not  
12 about just their financial -- their credit, and, you  
13 know, their finances up to that point, when their  
14 entire career is constantly hanging in the balance,  
15 when they're constantly having to train companies that  
16 might come in an outsource their jobs, or alliances  
17 that might combine their job with others, how secure  
18 can that workforce be?

19 I think it's ludicrous to expect a little  
20 community like ours with, I think, a \$3.3 billion tax  
21 base is equipped to deal with a multibillion dollar  
22 industry to protect itself from being totally hapless,  
23 and our destruction as new units are built and  
24 operated here.

25 It's ridiculous to think that we have the

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1 infrastructure to support such temporary growth. In  
2 2005, when I was much more versed in what the  
3 management team of STP was made up, who made it up and  
4 so forth, five of the six senior managers of STP, the  
5 top six guys out there, who had decades invested in  
6 their career working near Wadsworth, were still  
7 driving 90-plus miles round trip from Lake Jackson.  
8 They weren't living in Matagorda County, they weren't  
9 promoting jobs in Matagorda County on that level.

10 When they started bringing executives in  
11 to prepare for 3 and 4, guess where they relocated  
12 those executives to? Lake Jackson. All the -- and  
13 these are the same people who tell you they have great  
14 love and loyalty for Matagorda County and that we have  
15 the infrastructure to support the plant growth and to  
16 support all the new employees here.

17 None of us can know what changes the  
18 worldwide economy will hold in the next 50 years or  
19 so. No one building Units 1 and 2 30 years ago could  
20 have predicted things like deregulation and the birth  
21 of the information age, and the worldwide economy that  
22 followed. And more certainly, no one, not me, and  
23 not any of you, know what changes we're headed for as  
24 a county, as a country, or worldwide during the time  
25 frame we're discussing for construction and operation.

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1           No one knows the future. If we did, those  
2 who sat without protection at Compania Hill and  
3 watched behind sun glasses while atomic bombs were  
4 exploded wouldn't have done so. They would have known  
5 it was unsafe. But unfortunately hindsight is the  
6 only thing that's 20/20.

7           Fortunately for us, we have hindsight and  
8 we can see what building two new nuclear reactors  
9 could bring us. We can see now because we're 30 years  
10 later from the same thing happening before. Our  
11 unemployment rate is still well above the state  
12 average, our school districts are still extremely  
13 poor, and the owners and operators of the plants still  
14 don't live here or show loyalty to our community.

15           An NRG representative told me in 2005 that  
16 his -- their loyalty is to their shareholders, which  
17 is business. But basically if Matagorda County's  
18 demise makes their stocks more valuable, so be it.

19           I don't claim to have all the answers, and  
20 I don't know how much of the workforce should be  
21 required to live locally, or what tax abatement should  
22 or shouldn't be given, or what financial benefit we  
23 should offer NRG and STP as they seek to expand here.

24           But I do believe, if we all sit down at  
25 the same table, and if all sides to the issue are

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1 allowed equal time to air their concerns, that we will  
2 find that we have much more common ground than we have  
3 things that we disagree on. We can argue many of the  
4 aspects of pro- or anti-nuclear until we're all blue  
5 in the face and not have answers.

6 What we can do as a community is sit down  
7 at the table with the builders, and ensure that there  
8 is some kind of an agreement in writing, set in stone,  
9 guaranteeing this community will develop. Just  
10 because you're handed a glossy magazine saying, This  
11 is going to be wonderful, jobs are going to be here,  
12 blah, blah, blah, whatever, if you don't have a  
13 legally binding written agreement that will transfer  
14 ownership when and if NRG sells their portion of the  
15 plant out to another investment company, there's no  
16 guarantee that any of the jobs will be here. We hope  
17 they will, we think they will, but what's set in stone  
18 for this community?

19 So in closing, I'd like to say to my  
20 elected officials, I'm greatly concerned by your  
21 apparent willingness to turn a blind eye to all sides  
22 of this issue, except those sides that are spun by  
23 STP's massive public relations machine. Before you  
24 grant tax abatements and surrender the key to the  
25 city, remember back to what kind of neighbor they were

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1 immediately before these expansion plans came about.  
2 Remember how far they were willing to stray from the  
3 original promises made when Units 1 and 2 were built,  
4 when it benefitted their bottom line.

5 Too much is at stake here to refuse to  
6 look beyond the rhetoric. Way too much. Have an open  
7 mind, educate yourself, use your conscience to make  
8 decisions that are well-thought out and that benefit  
9 your constituents.

10 To STP owners and managers I'd like to  
11 say, no matter what kind of retain -- attract and  
12 retain policy you adopt, nothing quite says, Job well  
13 done, and creates a loyal, safe, dedicated workforce  
14 like job stability, which none of your employees  
15 currently have, with the possible exception of your  
16 upper management.

17 And to the NRC I'd like to say, I don't  
18 believe our time spent here today is a whole lot more  
19 than free therapy. Your public has lost faith in your  
20 ability and desire to control the nuclear industry and  
21 the safety and sanctity for our community.

22 And so with the information presented to  
23 you here today, you can accomplish two things. You  
24 can not only provide a vent for the community to feel  
25 as if they've had some say about their community and

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1 environment before they're steam rolled over by big  
2 business, you can show the citizenry that you are an  
3 agency with integrity and the desire and ability to do  
4 what's right by thoroughly and fairly considering all  
5 the information presented to you. Thank you.

6 MR. CAMERON: Thank you very much.

7 (Applause.)

8 MR. CAMERON: Cameron? Cameron Payne, and  
9 then Charles Stillman.

10 Cameron Payne.

11 MR. PAYNE: Thank you.

12 Can you hear me in the back, back there  
13 all right?

14 MALE VOICE: Get closer.

15 MR. PAYNE: Raise your hand if you can  
16 hear me.

17 MALE VOICE: Get closer to the --

18 MR. PAYNE: Okay.

19 MALE VOICE: -- mike.

20 MR. PAYNE: Thank you. I beg your pardon?

21 MALE VOICE: Get closer to the mike.

22 MR. PAYNE: Okay. My name is Cameron  
23 Payne, and I don't belong to any organization. I'm  
24 just a private citizen. I live 65 miles from here.  
25 I've been here in Texas for 35 years, and I -- my

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1 first job when I got out of college was working as a  
2 designer for nuclear fallout shelters, calculating the  
3 contaminated plains.

4 I did that for six months full-time, and  
5 then later in my career, when I was working for Gulf  
6 Oil, I worked for a small group that monitored our  
7 subsidiary, General Atomics, which designed and  
8 manufactured about -- more than 50 nuclear reactors.  
9 These were research reactors, not power reactors.

10 I just wanted to let you know I had a  
11 little experience in this, but not anything aside from  
12 that and my personal interest in this field. I'm not  
13 an expert in nuclear power.

14 But there's several things that concern  
15 me. One, I read a story on the front page of the *New*  
16 *York Times* two days ago, and it was about a man in  
17 Illinois, and he discovered, I'm not quite sure how,  
18 that when he went to his drinking water well, he  
19 discovered that his drinking water was contaminated  
20 with radioactive tritium. That's ionizing radiation,  
21 not the kind of radiation you get from the sun.

22 And he was naturally upset about that, and  
23 went to Exelon, the largest nuclear reactor  
24 manufacturer in the country, and he asked them about  
25 it, and to make a long story short, they confessed

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1 that they knew about this.

2 In fact, just to make sure there was no  
3 misunderstanding, I'm going to read you just the one  
4 sentence in the paper two days ago. Exelon believed  
5 that the tritium found in the drinking water well near  
6 the plant in Braidwood, Illinois came from millions of  
7 gallons of water that had leaked from the plant years  
8 earlier, but went unreported at the time.

9 That could be happening right here. That  
10 concerns me. That bothers me.

11 Now talking about another issue is the  
12 fact that NRC has approved over 100 nuclear reactors  
13 in this country that are now operating, but we don't  
14 have any so-called advanced boiling water reactors,  
15 ABWR, which are proposed. These are, you might say,  
16 since we don't have any, that they're somewhat  
17 experimental, they're coming in -- that's the possible  
18 reactors 3 and 4.

19 And the ones that had been built were  
20 designed by Hitachi and General Electric, and they're  
21 mostly in other countries, they're mostly in Japan.  
22 And there are two -- two of the biggest nuclear  
23 reactors in Japan are these ABWR reactors. And  
24 they've had to have been operating for a number of  
25 years now, and they've had to be shut down several

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1 times for safety problems, and started back up again.

2 And when they did the environmental impact  
3 statement over there, they said that there's no -- you  
4 know, there are lots of earthquakes in Japan, but they  
5 picked an area that they said is pretty earthquake-  
6 proof. I'd say this area is probably pretty  
7 earthquake-proof.

8 Well, they were wrong. An earthquake, a  
9 6.8 magnitude earthquake hit last year. All of the  
10 reactors at that location are shut down. Both of the  
11 ABWR reactors were damaged, two of them, I think, and  
12 I'm getting this from -- the operator is Tokyo Power,  
13 and you can go to their website, and they specify what  
14 the problems are.

15 The control rods that -- the primary  
16 safety feature in a reactor is the control rods that  
17 moderate the reaction, lifting them up and out, in  
18 both of these ABWR reactors there were control rods  
19 that were stuck. If I'm wrong about that, I'd like  
20 somebody here to correct me.

21 There were at least two rods that were  
22 stuck, and maybe many more. The liner, the metal  
23 liner was damaged and leaked radioactive water into  
24 the -- leaked it out of the core. I'm not quite sure  
25 where it went. That concerns me.

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1 Another thing that concerns me is that  
2 this so-called GE design was -- that was certified by  
3 the NRC 10 years ago, and that's the one that they're  
4 using now. And yet South Texas nuclear operating has  
5 recently filed with the NRC more than 100 pages of  
6 detailed changes that they're making, exclusions,  
7 exemptions, modifications.

8 I'm not sure that we're talking about a design now,  
9 that they're planning on building now that was really  
10 actually approved 10 years ago. This bothers me.

11 And then I learned today that this -- you  
12 know, I'm just going to say that Hitachi and General  
13 Electric have decided to form a strategic alliance.  
14 They announced this and joined together in building  
15 nuclear power plants around the world.

16 It's 80 percent in Japan, it's 80 percent  
17 owned by Hitachi, 20 percent by General Electric, and  
18 it's the reverse here in the United States. So how  
19 come we learned today that the design of record is by  
20 Toshiba? I think there's a big mess going on here  
21 that we don't know about.

22 And then I read in the *Houston Chronicle*  
23 this morning that five days ago the regulators said  
24 that they have suspended the review of parts of the  
25 application, the final safety analysis report and the

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1 security plan, until the plant management resolves  
2 "vendor support issues".

3 I suspect that there are a lot of these  
4 executives sitting right here that are being left in  
5 the dark as to what's going on at the higher levels.  
6 Thank you.

7 MR. CAMERON: Thank you. Thank you,  
8 Cameron.

9 (Applause.)

10 MR. CAMERON: Is Charles Stillman here? I  
11 just want to say that we do -- I'm going to enter  
12 another statement in the record from Venice Scheurich.

13 And I don't know if Venice is still here  
14 to address us, but this is going into the record, her  
15 statement. And I also have another statement from the  
16 Sierra Club Coastal Bend group signed by Mina Williams  
17 that I'm also going to enter into the record. And  
18 these will also be considered as formal written  
19 comments by the NRC.

20 Dr. Hefner? This is Dr. James Hefner  
21 who's going to speak to us. And then we're going to  
22 go to Robert Singleton, I guess it's Pat Suger, I'm  
23 not sure I have that correct. But this is Dr. Hefner.

24 DR. HEFNER: Thank you. I'm the site  
25 doctor out at STP. I've been coming out here for 16

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1 years. It's been a great experience, and I've enjoyed  
2 working with the folks out there. Their safety and  
3 welfare, of course, is my focus.

4           There was a comment earlier regarding  
5 cancer and radiation in the populations living near  
6 nuclear facilities. It's interesting because that  
7 question's been around a long time. In the 16 years  
8 I've been at STP, the evolution of the answer has been  
9 ongoing. And I think it's time, finally, to put that  
10 question to bed, because it's been studied massively,  
11 and internationally.

12           Ed has put together this handout that I  
13 wish you'd grab on the way out. It's a fact sheet by  
14 the NEI, and these are multiple studies, many studies.

15           National Academy of Sciences, National Cancer  
16 Institute, long-term big-time studies, quality  
17 research that have concluded, unequivocally, that  
18 living in the shadow of a nuclear plant will not give  
19 you cancer.

20           So we need to put this to bed. These are  
21 American studies, British studies, Canadian studies,  
22 and, again, it's good reading. So take it home.  
23 There's some real issues to deal with here. This is a  
24 non-issue. It's been studied exhaustively. I'm  
25 convinced in my heart and soul that we can relax on

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1 this point.

2 As far as locally, less than a year ago,  
3 right here in Matagorda County, two Rice professors  
4 wanted to address his particular question, germane  
5 specifically to the county. Can the folks here in  
6 Matagorda County -- is there more cancer death rate  
7 right here than other counties in Texas?

8 The answer is no. Two Rice professors,  
9 eminently qualified, studied this question and  
10 concluded that out of 230 counties studied, Matagorda  
11 County ranked 108 out of 230 counties as far as cancer  
12 death rates. And for sure 206 of those counties don't  
13 have a nuclear facility. So we can't connect the dots  
14 on this. I just hope I contributed to finally putting  
15 this to bed.

16 You can ask me questions later if you  
17 wish. Thank you. These two handouts are available to  
18 you on the way out. Thanks.

19 (Applause.)

20 MR. CAMERON: Okay. Thank you, Dr.  
21 Hefner.

22 And this is Mr. Singleton?

23 MR. SINGLETON: Yes, sir.

24 Hello. My name is Robert Singleton. And  
25 I just want to give you a website to start out with,

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1 to counter what the doctor just said. If you go to  
2 www.radiation.org, that's the website of the radiation  
3 and public health project, you'll find some statistics  
4 that are directly, directly in conflict with what he  
5 told you.

6 I live in Austin now, but I'm not  
7 unfamiliar with this part of Texas. My mother's  
8 family is all from Edna, and I spent many summers and  
9 Christmas vacations in Southeast Texas, and spent a  
10 lot of time fishing. So I know how to bait a hook,  
11 and more important, I know why to bait the -- why you  
12 bait a hook.

13 And I just imagine somewhere under the sea  
14 right now there's a meeting going on discussing a new  
15 fishing project where little fish in three-piece suits  
16 are flapping their fins and say, We'll bring hundreds  
17 of new worms to the area. It's the same above as  
18 below I guess.

19 There's a reason why there haven't been  
20 any new nuclear licenses approved for 29 years. What  
21 changed is not the nuclear plants, not their  
22 reliability, not their safety record. What's changed,  
23 this is 2005 Energy Policy Act, threw a whole boat  
24 load of money buying the nukes.

25 So we're seeing applications that didn't

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1 happen, and there is all of a sudden a spate of them.

2 So we're in a unique spot here. If we can stop this  
3 first one, maybe we can keep other people from jumping  
4 onboard the boat and putting in new applications.

5 I just want to introduce myself so the NRC  
6 people -- I'm the guy who visits your event report  
7 site every day. That's me.

8 I heard a comment from behind me when we  
9 first came in saying, These protesters against nukes,  
10 they're never in favor of anything. What are they in  
11 favor of? Well, let me just say it once again, so  
12 it's absolutely clear what we're in favor of.  
13 Conservation, renewables and energy efficiency. Let  
14 me say it again, conservation, renewables and energy  
15 efficiency.

16 You can argue about whether or not these  
17 work, but you can't say that the anti-nuke people  
18 don't have answers. This is our answer. We're not  
19 just saying, No nukes. We're saying, Conservation,  
20 renewables and efficiency.

21 We feel there are cleaner, safer and  
22 quicker ways of achieving global warming goals. For  
23 example, nuclear power plants take a long time to  
24 build, and they're not going to really do anything in  
25 terms of the carbon footprint. When you look at the

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1 carbon footprint for a nuclear power plant, you also  
2 have to consider the fact that mining and  
3 manufacturing -- mining of uranium and enrichment of  
4 uranium add carbon to the air, and the lower grade  
5 that uranium is, the harder it is to mine, the further  
6 you have to go to get it, all of those things add to  
7 the footprint.

8 Also, transportation and storing of  
9 nuclear waste have to be added to that. This is not a  
10 zero carbon footprint industry. It's only a zero  
11 carbon footprint industry is you look just at plant  
12 operation. And I'm not even sure that's true. But if  
13 you look beyond plant operation to how they get the  
14 uranium, and what they do with the waste, it's to a  
15 zero carbon footprint industry.

16 The main focus of this is supposed to be  
17 the environmental report, the environmental review.  
18 And what I noticed in looking at it, in my first  
19 cursory pass through it, is it's dealing with the  
20 nuclear industry at its best, which is not surprising  
21 since this section is probably the result of work by  
22 the STNP.

23 Incidentally, I insist on calling it the  
24 STNP instead of the STP. It was originally the STNP,  
25 and then they took the N out of the name to make it

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1 sound a little more benign. I insist on putting it  
2 back in and calling it the South Texas Nuclear Project  
3 so no one confuses it with, for example, the Allan  
4 Parsons Project. It's the South Texas Nuclear  
5 Project. This is a nuclear plant and taking the word  
6 nuclear out of the title doesn't change that.

7 The things I want to see more concern with  
8 in the environmental review, in the -- and since this  
9 is a scoping hearing, let me say this, you have to  
10 consider the worst case scenario. What if something  
11 like Three Mile Island happens? What will the effects  
12 on this area of Texas be?

13 And that's not even the worst accident  
14 that's been known to happen. What if something like  
15 Chernobyl happens? I want to see the environmental  
16 review include the worst case scenario, the absolute  
17 worst that could happen. You'll not find one word  
18 about that in the current environmental report.

19 There is something that is -- I think it's  
20 in direct contradiction with what the plant physician  
21 said -- the Nuclear Regulatory Commission is required  
22 by an act of Congress, the public law 107.188, the  
23 Public Health Security in Bioterrorism Preparedness  
24 and Response Act of 2002, to stockpile and provide  
25 potassium iodide to keep you from getting thyroid

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1 cancer in the event of a nuclear leak.

2 It's there, the government acknowledges  
3 it. They don't want you to think about this. Has  
4 anybody been offered potassium iodide? It's supposed  
5 to be available in a 10 or 20 mile radius around the  
6 plant. Anybody had anybody from the government come  
7 up to them and say, Here's your potassium iodide?  
8 It's required by law, the law is there because the  
9 plants are dangerous.

10 And I insist on seeing in the  
11 environmental review the worst case, because this also  
12 has to include terrorism. There is a very real chance  
13 that one nut with a rocket launcher could change the  
14 fate of Texas, could change this area for thousands of  
15 years to come.

16 Even assuming that that worst case doesn't  
17 happen, you still have one non -- one problem that  
18 there is no good solution for. And that is what  
19 you're going to do with nuclear waste. I don't  
20 believe the time frame. I think it should be longer.

21 But the federal government says we're going to have  
22 to store high-level waste for 10,000 years, that we're  
23 going to have to protect for 10,000 years.

24 Think about what happens in 10,000 years.  
25 There's no government, no culture, no language

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1 currently spoken on earth that's lasted 10,000 years.

2 And yet we're supposed to believe that the Department  
3 of Energy is going to last that long, that they're  
4 going to be able to take the nuclear waste that we've  
5 already produced and keep it safe for 10,000 years.

6 Agriculture and the domestication of  
7 livestock hasn't been around for 10,000 years. And  
8 yet the government has the hubris to say, We can keep  
9 you and your grandchildren and your great-  
10 grandchildren safe for the next 10,000 years from the  
11 waste that we produce, in what is, after all, only a  
12 stop gap measure.

13 The most radical nuclear people will admit  
14 that something is going to come along that's going to  
15 be cleaner and safer and better, and that  
16 eventually -- well, we're still going to be storing  
17 the waste from this 50 years or 100 years of nuclear  
18 power and have to safeguard it.

19 What language are we going to put on the  
20 warnings to people from the nuclear waste and have any  
21 guarantee that it's going to be spoken 10,000 years  
22 from now?

23 MR. CAMERON: Mr. Singleton, can I ask you  
24 to --

25 MR. SINGLETON: All right.

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1 MR. CAMERON: -- wrap up?

2 MR. SINGLETON: I'll wrap up here then.

3 MR. CAMERON: Thank you very much for  
4 those comments.

5 (Applause.)

6 MR. CAMERON: Mr. Sooger?

7 (No response.)

8 MR. CAMERON: Mina Williams?

9 (No response.)

10 MR. CAMERON: A.C. Conrad? Mr. Conrad.

11 MR. CONRAD: All right. Today my bona  
12 fides are I was born in Uvalde, I grew up in San  
13 Antonio, I live in Houston, I have a place in Marfa,  
14 my wife has a place in Egypt, Texas, and that's  
15 probably why I'm here today. She couldn't come today.  
16 I'll talk a little bit on her behalf.

17 She's a direct competitor for the water  
18 that's already allocated to the make up water I guess  
19 for that cooling lake. And so she's concerned on a --  
20 just a on a practical matter. She's a rice farmer,  
21 cattle rancher and a low crop farmer in Egypt, Texas.

22 If you look at this map, it's an  
23 interesting map. I've been through a lot of maps in  
24 the last few days. This is Matagorda County here,  
25 there's the Colorado, and she's right up here

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1 someplace. So we're upstream of the water -- of your  
2 water, and we're downwind of any kind of problems.

3 And Wharton County does have a lot of  
4 cancer. Now is it because of you all? Probably not.

5 But it has a lot of cancer. People from M.D.  
6 Anderson say, You got cancer. I'm from Wharton. Oh,  
7 you know, okay, we know why, yes, all right. But they  
8 don't say why, but they just say that.

9 So I think it's a bad idea. We're talking  
10 about the design of this plant going back maybe to  
11 '85, '98, somewhere in there, and the plants that in  
12 Japan maybe the only examples of these operating.

13 If you're against this -- I think it's  
14 idea, so if you're against it and think about it, you  
15 can win, because 10 years ago, in Sierra Blanca,  
16 Texas, there was a fight that culminated in some state  
17 administrative law hearings where people worked for  
18 probably 10 or 15 years to not have a nuclear low-  
19 level radiation waste depository in Sierra Blanca,  
20 Texas.

21 So you can win if you think it's a bad  
22 idea. That was a bad idea, so it was pretty easy to  
23 beat it. All -- it took them 15 years, took them half  
24 a million dollars, the state spent \$5 million, they  
25 won. So if you think this is a bad idea, don't be

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1 shy, don't be embarrassed. I mean, if it's a bad  
2 idea, it's a bad idea. Just go after it. I guess  
3 don't give up.

4 And also, I heard earlier today all this  
5 enthusiasm for the STPS -- STNP -- when I was in  
6 Houston growing up in graduate school 20 years ago, it  
7 was STNP then. If you look at maps, very few maps  
8 actually have the cooling lake on it. You should ask  
9 that -- it's a little hard to find the cooling lake.

10 I mean everybody knows where it is, you  
11 can look on Google, so ask why all the maps that you  
12 buy, except for really expensive, fancy maps, don't  
13 have your pride and joy on it? Because it ought to be  
14 there because it's a big deal. So thanks.

15 MR. CAMERON: Thank you very much, Mr.  
16 Conrad.

17 (Applause.)

18 MR. CAMERON: Is Zu Duc here?

19 (No response.)

20 MR. CAMERON: How about Georgia Rice-  
21 Herreth? Georgia? And then we're going to go to Ron  
22 Paris, Eleanor Schwank, and Maria Hamilton. And this  
23 is Georgia Rice-Harris coming up to join us.

24 You okay?

25 MS. RICE-HERRETH: Got it.

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1 MR. CAMERON: All right.

2 MS. RICE-HERRETH: Thank you.

3 MR. CAMERON: There you are. Let's just  
4 make sure people can hear you.

5 MS. RICE-HERRETH: Okay. Can you hear  
6 me? Okay.

7 I want to thank all of you that came here  
8 today to help inform us. I'll try to be real brief,  
9 but I think that Matagorda County and Bay City are so  
10 much better prepared for two more units than we were  
11 for the first two units.

12 I happen to have been on the city council  
13 at that time, and let me tell you, I believe at that  
14 time there were 13,000-plus construction workers here,  
15 which at that time it was the largest construction  
16 project in the United States at that time, or up to  
17 that time, or going on then.

18 And we came through it, there was lots of  
19 controversy then, as there is now. And I think that's  
20 good because it does bring out things that may not  
21 have been addressed at that time.

22 In the *Tribune* December 30, last month,  
23 there was -- they have a little history thing in the  
24 Sunday paper, and it showed a picture of the Colorado  
25 River and some people -- some peers had been washed

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1 out.

2 And what happened was in March of '54 -- I  
3 have it my purse but I think that's right -- there was  
4 an earthquake, and eight point something, in Alaska,  
5 and it came all the way down to Matagorda. And this  
6 was brought to the attention of the NRC at that time  
7 before that project we have now was built, and that  
8 there is a fault line that goes all the way through  
9 Matagorda.

10 And one of you a while ago, I don't  
11 remember which one, mentioned seismic impact. And  
12 from what we were told, that there were extra  
13 reinforcements, the gentleman a while ago that was  
14 talking about the rods coming up and down, that there  
15 was extra attention given to the plant we have now  
16 because of that instability.

17 We're also -- like I said, Matagorda  
18 County and Bay City are much better prepared and I  
19 think we can handle it. I have confidence that  
20 they're going to do the best job. I don't know any  
21 industry that is absolutely safe. How many people  
22 have been killed in refineries blowing up? I mean,  
23 something happens somewhere all the time. Thank you.

24 MR. CAMERON: Okay. Thank you, Georgia.  
25 Thank you very much.

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1 (Applause.)

2 MR. CAMERON: Is Ron Paris here?

3 MALE VOICE: No.

4 FEMALE VOICE: He left.

5 MR. CAMERON: Okay. How about Eleanor --  
6 Eleanor Schwank? Oh, great. Hi, Eleanor. And then  
7 we have Maria Hamilton.

8 MS. SCHWANK: Good afternoon. My name is  
9 Eleanor Schwank, and I am a private citizen. I am a  
10 registered nurse with a baccalaureate degree. I  
11 graduated in 1978, and I've been practicing emergency  
12 medicine ever since.

13 I moved to Matagorda County in 1997 and I  
14 have lived very peacefully with STP down the road, and  
15 I have felt very safe. But my problem is, is that I  
16 do have a concern about building more nuclear power  
17 plants, as opposed to looking for alternative choices,  
18 other green choices. Of course, we have this huge  
19 yellow ball in the sky that burns us to death every  
20 summer, actually from March until like November, which  
21 is an endless source of power.

22 I have a concern that our monies are being  
23 directed into something that is seducing our  
24 citizenry. I don't know if any of you know anything  
25 about Maslow's hierarchy of needs, but for humans to

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1 survive, Maslow developed a hierarchy of needs, which  
2 is a pyramid.

3 The base of the pyramid is our most basic  
4 need, and that is water, air, warmth, and sex. Sex is  
5 one of our most basic needs. If we can't breathe,  
6 obviously we're not going to live. If we can't  
7 maintain our body temperature we'll die. If we don't  
8 have water we're not going to live. And sex because  
9 it ensures the propagation of the species.

10 My issue here today is water. If we're  
11 going to be taking water from the Colorado River, and  
12 giving 3,935 gallons per minute to cool a new nuclear  
13 reactor, we're also going to be compromising our need  
14 for water to San Antonio where humans need water to  
15 drink, because San Antonio, with the SAWS project,  
16 which is San Antonio Water System, the LCRA is going  
17 to be draining water off the Colorado River to provide  
18 for San Antonio.

19 We have our rice farmers who absolutely  
20 need our water. We have our cattlemen who absolutely  
21 need our water. And let's not forget our aquaculture,  
22 or bays and our estuaries. Everybody's coming to  
23 Matagorda because they all love our fishing, but we're  
24 not going to have fish, we're not going to have  
25 oysters, we're not going to have shrimp, we're not

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1 going to have anything if we're not protecting our  
2 water.

3 So I think that it's important for all of  
4 us to consider the environmental impact of building  
5 and constructing new nuclear power plants. As I said,  
6 I live very peacefully with our existing -- my  
7 existing neighbor. I think it's time for our  
8 direction to change, and to make kind of like a 180  
9 because we have to develop alternative sources of  
10 energy. Thank you.

11 (Applause.)

12 MR. CAMERON: Okay. Thank you, Eleanor.

13 We have Maria Hamilton and Mark McBurnett,  
14 and Joe Shepherd as our last speakers. Is --

15 Thank you very much, Eleanor.

16 MS. SCHWANK: You're welcome.

17 MR. CAMERON: Maria?

18 (No response.)

19 MR. CAMERON: Let's go to Mark, Mark  
20 McBurnett and then to Joe Sheppard.

21 MR. McBurnett: All right. Thank you.  
22 It's a pleasure to be here this afternoon and have a  
23 chance to talk about the new units at the South Texas  
24 Project.

25 I'm Mark McBurnett. I'm Vice President of

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1 Oversight and Regulatory Affairs at the South Texas  
2 Project. And I'm directly responsible for submittal  
3 of the application to the NRC, as well as oversight of  
4 the project, ensuring that things are done absolutely  
5 correctly.

6 There's a couple of things I'd like to  
7 talk about this afternoon. There were many, many  
8 topics brought up, more than what we have time here to  
9 go through the rest of the afternoon. I'd like to go  
10 through every one of them point by point extensively,  
11 however, in the interest of where we're at in time,  
12 I'll stop with that.

13 I do want to tell the ABWR story. There's  
14 been a lot of questions about the  
15 Toshiba/GE/Hitachi/Japanese. The advance boiling  
16 water reactor in Japan, there's four of them in  
17 operation in Japan, was developed as a joint venture  
18 between General Electric, Hitachi and Toshiba. They  
19 all jointly own that design in Japan.

20 GE took that design and got it certified  
21 in the United States. Where did that design come  
22 from, you asked about the safety, what is this, what  
23 is the safety record. We've been operating boiling  
24 water reactors in the United States since 1960. The  
25 boil water reactors, through each generation, have

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1 evolved into -- further and further involved into a  
2 more advanced design.

3           When GE and Hitachi and Toshiba went to  
4 develop the advanced boiling water reactors, they  
5 started with the BWR-6, the latest design that's  
6 currently in operation in the United States.

7           They took that design and they looked at  
8 the rules under Part 52, what they needed to address,  
9 and they looked at the things that were bothering them  
10 about the BWR-6 that didn't work as well as they  
11 wanted it to, things they could make it safer, things  
12 that make it more reliable, they addressed those  
13 issues and developed the advanced boiling water  
14 reactor.

15           It's very similar in operation and design  
16 to the BWR-6. We have many, many, many years of  
17 experience operating those plants.

18           The plants in Japan -- now there were two  
19 of those units, advanced boiling water reactor units  
20 that are currently shut down because of the earthquake  
21 that was mentioned earlier. The plants are certified,  
22 it's actually to a .3 RG earthquake. That's a  
23 significant earthquake and basically it's very far  
24 beyond what's going to be -- or could ever be  
25 experienced at South Texas.

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1           But the really important thing about the  
2 Japanese experience that it told us, is those plants  
3 felt that earthquake, felt an earthquake actually  
4 bigger than that, no safety issues. Yes, they've got  
5 some stuck control rods -- by the way, they're stuck  
6 in, which is where they're supposed to be, they went  
7 in and then stuck as it should.

8           They had some sloshing of water out of the  
9 spent fuel pool that got off into the sea and very,  
10 very small quantities of radioactive material got  
11 loose, well, within their regulatory limits. Safety-  
12 wise there was no issue from those plants. They  
13 survived it.

14           Now, yes, Japan is in the process and  
15 Tokyo Electric Power is in the process of addressing  
16 those units in great detail to make sure they're safe  
17 to put back in operation. That's a whole another  
18 story. But the point of the matter is, those plants  
19 safely responded to the earthquake as designed.

20           I do want to talk a little about need to  
21 power. We've had a lot of discussion on need for  
22 power. And by the way, I'm an engineer, my training  
23 is engineering, I'm a professional engineer, I've been  
24 in the electric power business for 30-plus years now.

25           Our assessment, and along with the Energy

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1 Reliability Council of Texas basically says we need  
2 power, we need generation, we need new generation on  
3 line and we need to retire old units that are in  
4 operation, we need new power generation in Texas, we  
5 need new base load generation in Texas.

6 As a matter of fact, yes, we need solar,  
7 we need wind, we need conservation, we need nuclear,  
8 and we need clean coal. We need all of those to meet  
9 our energy demands. Energy is what drives the economy  
10 of Texas, it's what drives the economy of the world.  
11 It's important, we need to plan for that energy. If  
12 we don't, we'll go, as an economy, down the hill.

13 There is -- let's see, just a couple of  
14 things -- waste, nuclear waste, I assure you we have  
15 the capability at South Texas to store nuclear waste.

16 We have the capability to store all the waste, the  
17 high-level waste out of Units 1 and 2 through 2028.

18 We have the capability for 10 years of  
19 storage in the new advanced boiling water reactor  
20 design, and there are technologies to allow us to  
21 develop storage that goes much beyond that, and  
22 basically we can store it as long as we need to, until  
23 the federal government fulfills their contract and  
24 takes possession of that spent fuel and ultimately  
25 disposes of it.

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1           Ten thousand years? Not 10,000 years.  
2 That fuel becomes less radioactive than what we dug  
3 out of the ground originally in a few hundred years.  
4 But, yes.

5           And I think -- oh, yes, water, I want to  
6 talk about water real quick. And this is just to  
7 explain cooling reservoirs. Our cooling reservoir's a  
8 closed cycle system. We do take make-up water out of  
9 the river to keep that reservoir filled. We take  
10 make-up water out of the river most of the times  
11 during high-flow conditions when it's, you know, a lot  
12 of water flowing through it, to keep it filled.

13           The water actually cools in the reservoir,  
14 it goes around its little loop and cools to the air,  
15 it doesn't -- the hot water does not go back to the  
16 river. So it's closed cycle. We use it for make-up,  
17 and just to clarify the operating points, because I  
18 think that was confused earlier.

19           That's all the statements I have. I  
20 wanted to introduce Mr. Sheppard.

21           (Applause.)

22           MR. SHEPPARD: I want to thank those of  
23 you who've made it to this point. I appreciate you  
24 being here.

25           I'm Joe Sheppard. I'm the President and

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1 Chief Executive Officer of STP, Nuclear Operating  
2 Company. I'm not afraid to say that word. That's the  
3 name of our company.

4 I would like first thank the NRC for  
5 conducting this meeting. I'd like to also thank all  
6 the other speakers, our neighbors, or local officials,  
7 and our visitors for their comments. We welcome the  
8 dialogue. We think that that's important in this  
9 whole process.

10 We really are not looking for secrets.  
11 Our letter of intent in June was published on the NRC  
12 website, was available in the public document room.  
13 There were no secrets about our announcement of the  
14 new units.

15 I am a native Texan. I grew up within  
16 spitting distance of the chemical plants in Texas  
17 City, Texas. I think that has given me a unique  
18 perspective on the environment, and what I feel is  
19 important in protecting the environment.

20 You know, we're granted a license to  
21 operate the two units that we have in operation now by  
22 the laws that are passed by Congress, and the licenses  
23 that are granted by the NRC. But we understand that  
24 the granting of those licenses brings a special trust,  
25 and that we're responsible to the citizens of Texas

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1 and of Matagorda County.

2 And our first responsibility is the safe  
3 operation of those units. I think our record  
4 demonstrates that our commitment is to safety. And  
5 when I say our, I mean the management and the  
6 employees of South Texas Project, who also are your  
7 friends and neighbors who live in this community.

8 Units 1 and 2 provide safe, reliable power  
9 to millions of Texans. As Mark said, that drives that  
10 economy of Texas. And it brings millions of dollars  
11 of benefits to Matagorda County and the surrounding  
12 area. And we understand implicitly that safe,  
13 reliable operation of Units 1 and 2 are the enablers  
14 for any new plant construction. And that redoubles  
15 our focus on safety.

16 I'd just like to amplify one thing that Mark  
17 said. We are not against renewables, solar, wind,  
18 conservation, efficiency. We teach our people to look  
19 carefully at decisions, and to make a decision that is  
20 either this or that is often what we call a sucker's  
21 choice.

22 I think that the studies that you look at  
23 on global warming, on greenhouse gases all tell you  
24 that you need all of that, including nuclear power, to  
25 be able to make any kind impact on reducing the

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1 emission of greenhouse gases and reversing the trends  
2 that we see in our global climate.

3           There's been a lot of talk about  
4 efficiency. We believe in efficiency as well. In  
5 19 -- well, in 2006 and -7, we replaced our low  
6 pressure turbines in Units 1 and 2. Without changing  
7 the reactor power, we added 140 megawatts onto the  
8 grid. That's the equivalent of a combined cycle  
9 plant. So we believe in all this. We think that it's  
10 all necessary to be able to have an impact going  
11 forward.

12           Mark talked about the ABWRs. Their  
13 lineage is over 60 years of operation in the United  
14 States and around the world. And the plans that we're  
15 looking at are an evolutionary design that's based  
16 upon the best that was in the United States. The  
17 design's certified by the NRC, and meets all U.S.  
18 standards.

19           There were some concerns about the seismic  
20 event that occurred in Japan. I have personally  
21 toured those plants after the earthquake. I've  
22 crawled under the reactor vessel, I've been through  
23 the spent fuel pool, et cetera. I'll be glad to talk  
24 to anybody about how those plants did in the seismic  
25 events that occurred in Japan.

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1           Besides the good operating record that we  
2 saw with the advanced boiling water reactors in Japan,  
3 we choose them also because of their record associated  
4 with on-time construction, on-budget cost, and on  
5 schedule. And that performance, we believe we can  
6 replicate in the United States.

7           There were a lot of discussions previously  
8 about STP and the community. We strive to be a good  
9 corporate citizen in Matagorda County, and we're  
10 pleased with the support and the partnership that we  
11 have with the county and the surrounding areas. We  
12 believe that the benefits to Matagorda County will be  
13 significant, not only just the jobs that will be  
14 created, we've talked about the 800 permanent jobs,  
15 the 4,000 construction jobs, but we believe it'll have  
16 a significant positive affect on the quality of life  
17 in Matagorda County.

18           Already, as D.C. Dunham talked about,  
19 advanced education has come to the city due to our  
20 partnership with the local community colleges and with  
21 Texas A&M. There's now a satellite campus at Wharton  
22 Junior College in Bay City, we're teaching courses and  
23 there are students there today, and that did not exist  
24 a year ago. And that's all because of Units 3 and 4.

25           Ms. Dancer talked about the security of

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1 the workforce. I'm sorry if, as we went through our  
2 deliberations on how we should best manager our costs,  
3 that that caused anxiety within any of employees. But  
4 the truth is, we outsourced not one job. Not one.  
5 And we have changed our outlook. We've gone from an  
6 outlook of constriction to one of expansion, and  
7 that's the bright future for STP Nuclear Operating  
8 Company, and that's the bright future for Matagorda  
9 County.

10 We prefer local talent, and the onsite  
11 campus in Bay City is part of our commitment to try  
12 and attract and retain that local talent. And we have  
13 many other activities that'll go forth in the future  
14 to bring that workforce to Matagorda County.

15 Kind of in summary, our vision at South  
16 Texas is that we improve lives through excellence and  
17 energy generation. We feel that we improve the lives  
18 of Texans by providing safe, reliable, efficient  
19 electricity to power the Texas economy.

20 We believe we improve the lives of the  
21 local community through our involvement with the  
22 community, through the tax base we provide, through  
23 the investment we provide in the community. And we  
24 feel that we improve the lives of our employees by  
25 providing an outstanding place to work with good wages

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1 and good benefits.

2 We intend to be here for the next 60  
3 years, and we look forward to the construction of  
4 Units 3 and 4. Thank your for this opportunity.

5 (Applause.)

6 MR. CAMERON: Okay. Thank you very much.

7 Someone gave us a card late to speak,  
8 Stephen Kale, or Kall? I can give you a couple of  
9 minutes, Stephen.

10 MR. KALE: I can wait till tonight if you  
11 prefer.

12 MR. CAMERON: Oh, you're coming tonight?

13 MR. KALE: Yes.

14 MR. CAMERON: Oh, good. Well, then let's  
15 hear you tonight. We heard -- you had a great  
16 question earlier today. So we'll hear you tonight.  
17 Thank you, Stephen.

18 I just would like to thank you for many  
19 great comments, for following the ground rules. And  
20 I'm going to turn it over to Nilesh to just close the  
21 meeting out for us.

22 MR. CHOKSHI: Well, I think we started  
23 this meeting in asking for you input, and I'd really  
24 like to say that we heard a number of topics on those  
25 issues, and we have written comments as well as your

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1 verbal comments, and we will do our best to consider  
2 all of these comments. And thanks once again. And I  
3 anticipate that the evening we'll have similar  
4 participation. Thank you.

5 (Whereupon, at 4:51 p.m., the meeting was  
6 concluded.)

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