

**NUCLEAR REGULATORY COMMISSION****PUBLIC MEETING**

ONE WHITE FLINT NORTH, 11555 ROCKVILLE PIKE

ROCKVILLE, MD

WEDNESDAY, AUGUST 21, 2013

9:00 a.m. – 11:25 a.m.

>> Jo Ann Simpson: Good morning, everyone, and welcome to the Nuclear Regulatory Commission's webinar on foreign ownership, control, or domination of nuclear power plants. This is the second public meeting that the NRC has had on foreign ownership, control, or domination or ethnicity as it's referred to of the power plants. This meeting is scheduled to end at approximately 12:00 p.m.

To begin, my name is Jo Ann Simpson, a financial analyst in the Financial Analysis and International Projects branch in the Division of Inspection & Regional Support in the Office of Nuclear Reactor Regulation. I have a few announcements before we begin.

This is a Category 3 public meeting. The public is invited to participate in this webinar by providing comments during the webinar. Since this is a webinar, I have a list of those who are registered and are also participating in the webinar, which will be part of the official agency record. We do have two breaks scheduled within the meeting to allow you to have a small break.

We do have many people signed up for the webinar. So if you do have comments, please be sure to limit your comments to five minutes to give those an opportunity who wish to comment to provide their comments.

Now, also, the NRC slides will be shown during the webinar and will also be available in ADAMS. There will be a meeting summary of this meeting which will also be available in ADAMS.

In addition to the webinar, this meeting is also attended by a toll-free audio teleconference. Now, if there are any attendees on the line who have not signed up for the webinar, can you please identify yourselves now which will be part of the agency record?

>> Roland Frye.

>> Jo Ann Simpson: Thank you, Rollie.

>> Roland Frye: Is that Jo Ann?

>> Jo Ann Simpson: For those people who may be open on the bridge line but have not signed up for the webinar --

>> Ok.

>> Roland Frye: I'm sorry. I did sign up.

>> JoAnn Simpson: Ok. Thank you, Rollie.

>> Roland Frye: Sometimes --

>> Jo Ann Simpson: Are there any others?

Ok. Now I would like to just have those in the conference room, which are the NRC employees, introduce themselves before I go over the basic logistics. Again, I am Jo Ann Simpson in the Office of Nuclear Reactor Regulation.

>> Anneliese Simmons: Anneliese Simmons, NRR.

>> Gene Dacus: Gene Dacus, Congressional Affairs.

>> Gene Carpenter: Gene Carpenter, NRC.

>> Doug Hase: Doug Hase, Nuclear Security Response.

- >> Ho Nieh: Ho Nieh, NRR.
- >> Andrea Kock: Andrea Kock, NRR.
- >> Richard Turtill: Richard Turtill, NRR.
- >> Jo Ann Simpson: Jo Ann Simpson, NRR.
- >> Shawn Harwell: Shawn Harwell, NRR.
- >> Kosmas Lois: Kos Lois, NRR.
- >> Jeremy Wachutka: Jeremy Wachutka, Office of the General Counsel.
- >> Beth Mizuno: Beth Mizuno, Office of General Counsel.
- >> Rich Harper: Rich Harper, Office of General Counsel.
- >> Jo Ann Simpson: Thank you, everyone.

The NRC will give a brief overview of the purpose of this meeting. The commission-issued Staff Requirements Memoranda, the existing regulatory framework, the current path forward, and an overview of the stakeholder input that has been received on foreign ownership, control, or domination from the public meeting we held on June 19 as well as the Federal Register Notice that closed on August 2. Next, the NRC will turn the webinar over to the public, and we will welcome any comments, both written comments and verbal comments, to the bridge line, that the stakeholders will have on issues related to FOCD.

For those who will be providing their comments on the bridge line, please make sure you identify yourselves and your affiliation and speak loudly enough for all to hear. If you are signed up through the GoToMeeting webinar, you can also provide your written comments through the chat function.

Lastly, we will have this meeting transcribed so that a record of our discussion will be available for future reference. With that I'm going to turn the meeting over to Ho

Nieh, Division Director of the Division of Inspection & Regional Support in NRR.

>> Ho Nieh: Thank you, Jo Ann. Appreciate the introduction. Again, my name is Ho Nieh. I'm the Director of NRR's Division of Inspection & Regional Support. And this is the division within NRR that is responsible for the staff review activities in the areas of foreign ownership, control, or domination, FOCD.

I am now on slide 2, for those following on the webinar.

The purpose of this meeting is -- as described by Jo Ann earlier, is to solicit input from industry and other interested parties on the NRC's FOCD requirements. This is in support of the NRC staff's effort to develop a commission-directed policy paper.

Next slide, please.

On slide 3, I have included the language in the commission Staff Requirements Memorandum from an earlier second paper this year. I'll just pause a minute to let you read it, but essentially the commission has asked us to provide a fresh assessment of foreign ownership, control, or domination requirements and asked us to obtain stakeholder inputs in developing a voting paper. And the commission has requested that we provide this paper no later than December 31 of this year.

So I'll pause just for a minute and let you all read that so you can get a sense of what the commission is asking for.

Ok. If we can go to the next slide, please.

The next slide provides further detail in the commission Staff Requirements Memorandum which considers the agency's interpretation of the statutory language with respect to foreign ownership, control, or domination that we look at limitations on foreign ownership, control, or domination in the Atomic Energy Act that could be used to satisfy the statutory

objectives up to and including 100% foreign ownership. The commission also asked us to consider criteria for assessing proposed plans or actions to negate direct or indirect foreign ownership or foreign financing of more than 50% but less than 100% and the adequacy of the staff's guidance on those criteria and, lastly, the availability of alternative methods such as licensed conditions for resolving foreign ownership issues as well.

Next slide.

Slide 4 just lays out the regulatory framework in the NRC's FOCD requirements. They are embedded or derived from the statutory language in the Atomic Energy Act of 1954, Section 103 and 104. They are also provided in the NRC's regulations under 10 CFR 50.38, 52.75 and 54.17. The staff's review guidance is provided in the Standard Review Plan on Foreign Ownership, Control, or Domination for applicants, for reactor licenses, published in June 1999. That was a Commission approved Standard Review Plan.

Next slide, please.

Ok. As I mentioned earlier, the staff is working on developing a commissioned paper by the end of this year for the commission to provide our fresh assessment of the NRC's FOCD requirements and potential options for making changes to the current framework. I just wanted to give you a sense of kind of what we've done so far in developing that paper.

On June 3, the NRC issued a Federal Register Notice to solicit written input and comment on the NRC's FOCD requirements in the context of what the commission asked us to do in that Staff Requirements Memorandum I mentioned earlier. The comment period closed -- I'm sorry, the comment period closed on August 2 of this year. We did receive a number of comments from industry, public interest groups and other members of the public. And I'll give a general description of the types of comments we received a little bit later on.

As Jo Ann mentioned, we conducted a Category 3 public meeting here at NRC headquarters on June 19. We provided the ADAMS reference number for the meeting summary for your information if you would like to see what was discussed at that meeting. And the NRC staff had also conducted multiple outreach activities with other federal agencies to look at what other government agencies use in their processes for considering FOCD matters. I've listed a number of entities that we talked with. And those include the Committee on Foreign Investment in the United States, also referred to as CFIUS, the Department of Homeland Security, the Department of State, the Defense Security Service -- that's part of the Department of Defense -- Federal Communications Commission, and we're also looking to speak with the Federal Aviation Administration as well.

The next slide.

Just to give you a sense of the public input we've received to date, my sense is there was a very high interest in the issue both from members of the public, certain non-governmental organizations and the industry more broadly. Many diverse viewpoints were received in response to the Federal Register Notice, as well as the June 19 Category 3 public meeting we held. These comments I think, again, were wide ranging. There were comments that supported increased levels of foreign ownership. There were comments that sought more restrictive requirements and levels of foreign ownership.

I guess without going into the specific detail of every comment, I think that it certainly has given the staff a number of things to consider on whether or not license may be feasible and to consider why the requirements are in place today and what the agency is trying to protect against, if you will, in this context of the NRC Safety Commission.

With that, I'd like to turn it back over to Jo Ann to cover any logistic

items to keep us moving through the webinar and get further comments and questions from the participants.

Thank you.

>> Jo Ann Simpson: Thank you, Ho.

Now, this is the time that we would welcome comments from our stakeholders. In order to get the most out of this webinar, we really want active participation from the stakeholders that are signed up for the webinar so that we can get more stakeholder input for consideration of our analysis for the paper. Again, if you can limit your questions or comments to five minutes, we will be sure if there's time left that if you have a second question, we can turn it back over to you for another comment.

With that, is there anyone that has a comment?

We will also be acknowledging questions that are typed in the webinar.

>> This is Ellen Ginsburg. Is it appropriate to offer a verbal comment at this point?

>> Jo Ann Simpson: Oh, yes, Ellen. Did you have any comments that you would like to provide to us?

>> Sure. I would like to start by thanking you and the rest of the staff for opening up this webinar and allowing further discussion on what we believe to be a very important issue. The industry has submitted comments that are extensive and they set forth our provision. But I thought it would be useful to mention to you sort of the bottom line outline of where we are and why we think this is such an important issue.

To start with, we think that this is a really important issue because FOCD determinations have the potential to limit or actually prevent new plant development. And we are concerned that the basis for doing so is not appropriate given that the way we read the Atomic

Energy Act, we believe that the Atomic Energy Act is expansive enough and can be read expansively enough to accommodate foreign participation in new plant development and new plant financing.

So the question, I think, before the agency is how to read the previous precedent that has guided not just the agency but the agency's development of the SRP and also how to accommodate and compensate for the fact that it is a global nuclear market and a global nuclear industry.

So just to reiterate quickly, our position is that the agency can, under the Atomic Energy Act, allow some measure of foreign ownership up to and including 100% indirect foreign ownership. I think there are others from the industry who may want to speak to that in greater detail. But to give you a sense of the fresh look that the commission has offered the staff to take and the public to participate in, we think you need to go back to the C4 decision and look at the words of that decision which is a policy established -- which was the policy established by the NRC early on after the Atomic Energy Act was developed.

We are suggesting that there be a graded approach to FOCD analysis. In our comments we explained how that graded approach would work. We tried to set forth with some measure of specificity what the criteria would be and what category various scenarios -- or what results various scenarios would yield. It's important to the industry that a graded approach be taken because this is not the sort of issue where one size should fit all. I think in looking at as it currently stands, it can be read to allow for that kind of approach.

So I just wanted to set forth the industry general view that this analysis should be based on the totality of the circumstances, negation action plans can be and are sufficient if developed appropriately to address the kinds of concerns that FOCD -- or FOCD limitations were intended to direct. And I would just like the agency to ensure that it looks at both previous precedence and also the industry as it currently stands as it goes forward with the fresh review.

With that, I'd like to thank you for the opportunity to speak.

>> Ho Nieh: Thank you very much, Ellen. I appreciate the comments.

>> Chuck McCune: I have a comment.

>> Jo Ann Simpson: Can you speak your name and affiliation?

>> Chuck McCune: My name is Chuck McCune, and I'm with Prizm Foundation.

>> Jo Ann Simpson: Ok.

>> Chuck McCune: First of all, thank you again for this opportunity. I'd like to address two things; one with Ellen's comment, and the other is the participation of the Department of Homeland Security and FEMA in developing your analysis.

First I'll address the FEMA issue and FEMA and DHS have already stated that we do not have the capacity to handle a nuclear radiological event such as the scale of Fukushima and in context that, I think, the economics should be addressed in terms of the accountability of this industry and our government's ability to deal with an issue such as this.

As to Ellen's comment, all I can say is -- and I submitted this in a written comment as well. This industry is broke. That wasn't much better than a really bad street corner hustle, from my point of view. And I think we need to see this industry for what it is, and that is an industry that has run out of money, cannot handle the decommissioning costs, waste, or the operations of these plants and now we're trying to hustle investors to come in and fuel up the revenue stream and then we're going to be stuck with waste. After 10 years there will be new nuclear waste administration, spending the money that they're going to get without application for the money. Once it's there, they won't have to apply for it anymore. That money will be gone. We will be stuck with the waste. Foreign owners will [Inaudible] because it's a bad investment, always has been a bad investment.

I think we should deal with the accounting from those terms. I want this industry to factor in the way it's handling for the next 50 to 100,000 years and see how that comes out on the balance sheet.

Thank you very much.

>> Jo Ann Simpson: Thank you, Mr. McClure.

>> Chuck McCune: M-c-C-u-n-e, P-r-i-z-m Foundation.

>> Jo Ann Simpson: Thank you very much.

>> Chuck McCune: Thank you.

>> Amy Roma: This is Amy Roma. Can I ask a question?

>> Jo Ann Simpson: Sure. I was reading your question about the federal comments.

>> Amy Roma: Yeah. That's the question I was going to ask. Perfect.

>> Jo Ann Simpson: Anneliese and I have received all of the comments that were issued on the FRN. We are working with those who are trying to have them all put up on to regulations.gov. I apologize for that delay. So hopefully they can -- regulation.gov can get all of the comments posted on the site.

>> Amy Roma: A quick follow-up question. Are all the comments that were submitted available on ADAMS at this point? I noticed a bunch went up on the 16<sup>th</sup>, and I want to make sure all the comments you received are available on ADAMS.

>> Jo Ann Simpson: Yes, they are.

>> Amy Roma: Great. Thank you.

>> Jo Ann Simpson: You're welcome, Amy.

>> Ho Nieh: Hi. This is Ho Nieh from the NRC. I'm going down the list of the written questions that were submitted on the webinar. There was a question submitted by a participant that says, "Will the

public be allowed to submit more comments and will it go on the record?" I'd like to address that by saying yes; of course you can submit written comments to us any time.

While we did have the Federal Register Notice comment period only open until August 2, we'll do our best to consider anything you provide after the August 2 date. Again, today is certainly an opportunity for you to provide some verbal comments to us and we'll consider that as we continue working on the paper that we're developing for the commission by the end of December.

There was also another question. I'll read it. "It was stated that this is the second public meeting, yet I was told it would be the last public meeting." I'm not sure who said this would be the last public meeting. I think in planning out the staff's activity to develop the paper, and we had the Category 3 meeting in June, we wanted to offer another opportunity to make sure we can get as many comments as we could on this topic and we took advantage of today to use the webinar technology and teleconference to have that opportunity. But we are now in the late August timeframe, and it just takes time to write the paper and get the right level of review and concurrence in NRC headquarters. At this point, I do not foresee another public meeting in this area.

>> We can no longer hear the NRC.

>> Ho Nieh: That's because we were not talking. I just continue to keep the phone lines open to see if there are any other questions or comments from the participants on the bridge line. And we're scrolling through the questions that are coming through the webinar that are being submitted in writing.

>> Will these comments be added to the record that was closed on August 2?

>> Jo Ann Simpson: They -- they're in ADAMS currently. And they will be available on regulations.gov. But all of the public comments that were received on the Federal Registry Notice will

be public and should be publicly available now in ADAMS.

>> Ho Nieh: Jo Ann, his question was related, I think, to these comments today. We are transcribing this meeting. So that will be on the record, sir.

>> Jo Ann Simpson: Yes.

>> Included with the comments from August 2, yes?

>> Anneliese Simmons: Correct.

>> Jo Ann Simpson: Yes.

>> Thank you very much.

>> Jo Ann Simpson: Mr. Lutz, Ray Lutz, I see that you had a question about asking a comment on the phone and if it that's possible. Are you on the phone right now?

>> Ray Lutz: Yes. Can you hear me?

>> Jo Ann Simpson: I can. Did you have a comment you would like to provide?

>> Ray Lutz: Yes. Well, I did have a question and comment. It sounds like a lot of the former rules, at least what I could tell from this presentation, were designed before September 11, 2001. It looks like 1999 was one of the dates. I was wondering what started this new project, if it was a request from the industry to loosen up the rules so that we could get more foreign ownership of the plants which I consider to be extremely dangerous and even more of a safety concern than we already have, to start adding more foreign investment, or was it a request from the safety agencies or other safety-related groups that are concerned about the loosey-goosey [Inaudible] that the NRC is currently taking with foreign ownership and the rest of the safety issues involved.

I will say that with my short interaction with the NRC, I've noticed that pretty much your entire culture is built around reducing safety and increasing profits for the operators of these plants. And the reason that occurs is because the only thing the public can do is [Inaudible]

changes that are being made and hopefully stop something being loosened up. And it looks like yet again here you're having a loosening of these rules. And the only ability – well, in this case it might be a good thing that you guys are maybe stepping forward and trying to tighten up the rules about foreign ownership. So I'd like to know which direction this is going, who started it, and how if it's loosening up with these rules instead of a tightening down on foreign ownership, how we can stop that loosening. Because I'm definitely absolutely concerned. I'm completely opposite of the first speaker who wants to pretty much -- that person wants the industry just to go wild and let anyone on earth own the plant in the United States and control the nuclear material.

Can someone answer that question?

[Indiscernible] by the way, I'd like to make a point, I guess, about the lack of video and scored audio on this call. And I'd like all of these things, in future webinars and webcasts, all of these things to be archived with all of the documents. When you're transcribing it, you better have the PowerPoint included with that transcription because the person that reads this page, it's very hard to do if you don't have the PowerPoint with it. So it better be all hooked together.

So those are my comments. If you can address each part of that, I would appreciate it.

>> Ho Nieh: Thank you, Ray. This is Ho Nieh from NRR. I'll address the several comments you had in there. Let me start with the administrative items of the webinar. We'll make the PowerPoint presentation available with the summary of the webinar. Hopefully the people that are participating on the webinar can see the PowerPoint. That will be part of the record, sir.

You asked a couple of other questions related to specifically the matter. I guess I'll start with the first one, who started this issue. The staff is responding to the commission's direction March 4, 2013, Staff Requirements Memorandum publicly available, and that's

the direction that I was quoting in the PowerPoint presentation earlier. That Staff Requirements Memorandum was developed based on the commission's review of an adjudicatory matter related to the [Indiscernible] proposed nuclear power plant. Which direction staff is heading, sir, I'm not in a position to communicate that at this point. We are in the process of writing a paper. We're exploring a number of different options that the commission can consider. So at this point we are not --

>> What?

>> Ho Nieh: This isn't a decision-making forum right now. We're trying to collect as much information as we can to help inform the options that we can include in the paper for the commission to consider.

>> Jo Ann Simpson: Also, for those on the line, if you can please mute your phone, that would be great. Thank you.

>> Amy Roma: This is Amy Roma. I have another question if now is a good opportunity to ask it.

>> Jo Ann Simpson: Sure, Amy.

>> Amy Roma: The NRC indicated it talked to a number of agencies. And I assume that the focus of those talks were on how the other agencies address any security concerns or safety concerns that arise out of foreign investment such as [Inaudible]. But have you also included in your discussions with, say, the Department of Energy or the State Department, for example, discussions on the extensive network of agreements and organizations in place to prevent nonproliferation?

>> Jo Ann Simpson: Well, we actually -- we had teleconferences with them. And the teleconference records are also in ADAMS, publicly available. And we really wanted to learn how it is that -- how did they review foreign ownership, what are some of the limitations, how do they define control, how do they mitigate foreign ownership, and really how they interact with other federal agencies; just so we can use those as consideration for the paper as well.

>> Ho Nieh: Amy -- let me -- Amy, to kind of maybe get at your question more directly, I would characterize at least the discussions we have had with other federal agencies that I've been involved with -- they were not focused directly on nonproliferation. But when you're talking about the United States' national security interests in this particular area of nuclear technology and the dissemination of that technology, nonproliferation underlies that bold area of nuclear security in my view. I hope that helps. I don't think -- again, it wasn't a specific nonproliferation discussion. But, again in the context of national security, that certainly is an underlining component of U.S. security in that matter.

>> Amy Roma: To offer a suggestion -- I assume maybe your conversations are over with. But when you're considering preparing your comments to the extent that you engage other agencies more, just a suggestion that in addition to the insight that they may have about national security interests that may arise during foreign investment and how they view control and mitigating control, there's also a huge wealth of knowledge with those other agencies about nonproliferation networks in Section 123 Agreements, export control regulations under Part [Indiscernible]. You're somewhat familiar with them as well because you have your own export control regulations in 110. But there's a vast network of other considerations, particularly from nonproliferation. They would also bring up national security standpoint that you may be able to tap into those other agencies just to get a broader view of the other networks that are available to protect national security and safety.

>> Ho Nieh: Thank you, Amy. And the staff is considering those mechanisms that you established like the 123 process and also the 810 list as well as nuclear suppliers group as well. We're thinking about those things. But, again, we weren't talking specifically with the details of measures to control for nonproliferation.

>> Amy Roma: Great. Thanks, Ho.

>> Ho Nieh: You bet.

>> Jo Ann Simpson: Thanks, Amy.

>> Chuck McCune: I have one quick question. This is Chuck McCune again.

>> Jo Ann Simpson: All right, Chuck.

>> Chuck McCune: I missed Ellen's introduction. Who is Ellen?

>> Jo Ann Simpson: She is the Vice President and General Counsel of NEI.

>> Ho Nieh: Nuclear Energy Institute.

>> Chuck McCune: Nuclear Energy -- say again.

>> Jo Ann Simpson: Nuclear Energy Institute.

>> Chuck McCune: Ok. Thank you very much.

>> David Repka: Hello. This is David Repka. I would like to make a comment.

>> Jo Ann Simpson: Hi. Go ahead.

>> David Repka: My name is David Repka, an attorney with Winston & Strawn in Washington, D.C. I have advised and represented clients over several years on foreign ownership, control, and domination matters. And I wanted to just speak briefly to the issue of the statutory interpretation that is somewhat central to this whole issue.

Certainly I understand that a number of commenters and the staff at times have taken the view that foreign ownership, control, or domination as referenced in the statute is a really three separate prohibitions connected by a [Inaudible] connector. It's important, I want to emphasize, I and others have articulated in their comments there is another way to read the statute, as an immigrated concept of foreign ownership, control, or domination that allows the agency to consider all of the circumstances of a case, including ownership, whether it's direct or indirect, whether the licensee would have operating authority or not, whether the licensee would have control over safety or security matters. And in that light, in light of an integrated reading of the statute, what's

prohibited are circumstances where all of the indicators suggest that the licensee would be subject to the will of the foreign entity on matters implicating national security.

The problem with a narrow read, the read that these are three separate requirements that somehow ownership itself is, per se, prohibited, is that it's not supported by the only commission and adjudicatory cases ever to address the issue, the C4 case referenced in many of the comments. That case actually, I think, articulates exactly the read of the statute as indicated by NEI. It's a decision that's in line with the legislative history of the Atomic Energy Act. Congress has never disapproved that viewpoint. And in fact, in the matter of the [Indiscernible] proposal, a Congress actually intervened to project a narrow approach to the statute that prohibited ownership, per se.

So I think all of this, the history of the interpretation of the requirement, has been carefully developed in NEI's comments. And I think -- I know the staff will look at that closely. And I urge you to do that.

Even the 1982 staff legal analysis referred to in those comments, the McDermott matter, appear to recognize that the C4 case would support a conclusion that ultimate foreign ownership of a licensee would not be barred by the statute as long as all the other circumstances, including mitigation and negation actions, assure that the licensee would not otherwise be subject to the will of the foreign parent on matters of national security.

So to respond to the commission's staff requirement memo, I think it's important that the options paper acknowledge that there are more than one way to read the statute. In reflecting that there are options here that will allow the commission to make an informed policy choice. NEI has certainly documented the basis for its reading and why that's consistent with C4 and the legislative history.

I think the approach advocated by the Nuclear Energy Institute is

consistent with the precedent, the agency's precedent, involving non-operating owners. It's consistent with sound policy, national policy, to encourage foreign investment and participation in the nuclear industry. And it's consistent with the approach of DOD, DOE, and the NRC in [Indiscernible] access to classified information.

So all things considered, I think what I want to emphasize here is the options paper needs to reflect that C4 and NEI are a valid and certainly viable way to read the Atomic Energy Act.

Thank you.

>> Jo Ann Simpson: Thank you, David.

>> Ho Nieh: Thanks, David. I appreciate that. The staff's efforts in developing the option papers will, indeed, consider interpretations of the statutory language.

Thank you.

>> Excuse me. Can I have a follow-up question? This is [Indiscernible]

>> Jo Ann Simpson: Sure. Thanks, Ray. Go ahead.

>> Ray Lutz: Yes. I should introduce myself. My name is Ray Lutz. We encourage a more public participation. I still would like to complain that the PowerPoint presentation is not easily available. I can't find it right now to look through it. You guys already scanned through it. I can't look back at any of the replies. It's very difficult for people to participate in these meetings.

Number two, I'd like to respond to the comments of the last individual who just spoke about how we're now going to be looking back at other cases to try to figure out if this is ok. This is a comment used by attorneys -- which means this is the judgment that's already occurred. And, therefore, it's something that we need to take as a fact of life and it's something that we need to now use as we look forward.

I like to say that's not the way it should be done. This should not -- you should not be trying to use the cover of prior cases to figure out what your decision should be.

The nuclear industry is very unique amongst pretty much all the nuclear industries. It's extremely dangerous. Even the people who are here can't handle it. This isn't [Inaudible] made you be public in an extreme way, including the possibility of complete annihilation of sections of the country.

We're just through the steam generator replacement project here in [Indiscernible] where decisions were made by the greedy and profiteering company went beyond safety. And the NRC, the rules have been twisted so far that they don't care anymore. And they allow this multibillion dollar mistake to be made. This is not just about safety. It is about money. But safety is something that is commonly disregarded and said we look to the law and say that it was ok to let the foreign ownership owners come in.

So my comment is, no, you should not do what the attorneys want to do and turn to these other cases and use those as a rationale for why safety can be thrown out and profiteering can take its place. Every time you make that replacement of saying safety is not a concern here or even allow more foreign ownership, reduces safety. So you're balancing profit and safety at every turn. Safety is supposed to be your top, you know, role from the NRC. That's your goal, to make sure that this industry is safe. And that also means that sometimes profits will not be possible for an industry like you want.

So in this case I really want to push against what the attorneys have said and push for you just taking an independent look at all the facts and say what is best for improving the safety of the nuclear industry better than what can we get away with by looking at these other cases.

Thank you very much.

>> Ho Nieh: Thank you, Ray. This is Ho Nieh from the NRC. I appreciate those comments. Maybe if I can seek some clarification from you and do that first to make a couple of statements here.

Sir, I assure you, for everybody in in this room, safety is our top focus. That's our statutory mission. And the activities that we embark on, the policy issues that we enforce at the commission, again, we are really aiming at safety as our mission.

Furthermore, I do believe we are approaching this in an objective and independent manner. We're trying to get comments, information, from a wide set of stakeholders.

Let me explore a little bit of what you said. You made me think about a few things. You brought up the context of foreign ownership, profits and safety. Let me ask you, sir, if I may, with foreign ownership, can you, please, perhaps, provide your view of how that impacts safety or how the ownership could impact safety in a negative way?

>> Ray Lutz: Well, sure. We hardly have our ability to control these companies that exist here. What has been a trend in the Nuclear Regulatory Commission over the last several decades is a removal of specific information from the technical specification in the licenses of these plants. They take details out of the technical specs and move those over into licensed control documents which are then proprietary in nature. So the public can no longer review what they're doing. And even the NRC does not know -- is not informed if they're making changes to those licensee control documents and they don't have to approve anything anymore.

So it's kind of like telling people on the freeway: go out and set your own, say, speed limit, make sure it's safe and if you ever go over the limit that you set for yourself, then tell us and we might give you a ticket. But actually NRC almost never gives out tickets anyway so what you've done is completely unleashed these firms over the years.

Your entire structure of how you handle interaction with the public has

degraded ever since the 1980's such that it's almost impossible even to get a hearing on any matter. And even when the hearings are held, sometimes everything is vacated and thrown out. Those hearings can only be objections to things that the industry wants to do.

As the public objects directly, the industry gets more and more and more of what they want. And safety goes down and down and down. So even though you may say that safety is your number one concern, what you've actually had done, because of the way you structure public interaction, is to prioritize profiteering, what will eventually be given the highest priority and indeed it has.

Now, with regard to letting foreign owner control these things, depending upon what level you decide to go at, if you say that everything is open right now and you have no sense for what the NRC staff is intending to do, which is what I heard you say, you could be opening it up or closing down. Well, this is an opportunity, I think, that's sort of rare for the public to have an influence on NRC to actually look at safety as a number one concern and not view what the last attorney said which was to take a look and try to loosen this up as much as possible because of something like foreign ownership only happens, you know, if the plant is completely owned by another entity that may be stationed in North Korea.

We had this thing happen recently under the Bush Administration who was saying that they didn't like foreign ownership and everyone from the Middle East was something we should fear. Then they let us know that the ports were being controlled by foreign organizations in this country. And I think it's still a concern for me that that went through without any much of a concern.

So how can it happen? Well, every little step that's done in these plants there's balance between safety and profit. Do you require two systems or three? Well, the

industry comes in and says only two -- if you have a foreign entity that's doing this, what do they care if this thing blows up here in the country?

Any level of foreign ownership is based on just absolute profiteering and no regard for what could possibly happen. I think that's why we should just look at the big picture in foreign ownership, where people are not necessarily working -- well, they don't do it here, but the companies here at least, you hope, their workers are here and they have some sense for maybe preserving, you know, the area where they are and not having -- figuring the taxpayer will handle it here and then we're going to export the money to the foreign corporations.

I would ask, why do we need foreign ownership of any nuclear facility? Why not just say no? I know there's people can be a stockholder somewhere. And, of course, if you have just a stockholder of a company in a small degree, you have to allow that. But at some point you do have to say, no, we're not going to allow foreign ownership. And I hope that you guys will review this with an eye toward the fact that it is dangerous to allow much of any foreign ownership.

So, the details that I've seen that even domestic ownership is scary. These companies -- and I've just been through a license amendment intervention that was thrown out I think wrongly and now vacated probably wrongly and that we're objecting to. The whole thing is being, as I said, that the public is getting less and less ability to review these things. And if you have the plants owned by foreign entities, it's going to be even harder.

I see the difficulty with which we can control this whole thing. Do the foreign owners have to comply with laws? Do they have to answer to the public any more than they do now?

We're having trouble now. We have Mitsubishi Heavy Industries who's designed these steam generators blew it and designed the wrong ones. Well, they're a foreign

company. I would have liked to have seen those steam generators built here so that the money goes to workers that live here.

And all of this money that goes into these nuclear reactors helps our economy. I'm not that concerned with Mitsubishi Heavy Industries. I'd rather it be a U.S. company. So there's many different reasons why it's beneficial for this country to have -- and from a safety standpoint, I am concerned. I think this is an opportunity. It's an opportunity because the staff is actually taking a look at something, and they turn back the clock on changes that have probably been made and put into place by attorneys like the guy who just spoke who wants to turn the clock back more. And they always use this notion that you can look back at other cases and then use those as cover for what you're doing.

My point is, you know, I'm glad to see that you're looking at this. And I think the staff is -- the people that are working there have no doubt that safety is your top concern. But the point is, though, that you are always having to balance it with industry players that come in and ask you things. And they're going to be asking for it for one reason, because they can make more money with those things loosened up. They're not going to ask you for stuff that makes them less money.

So you need to be careful about when you get asked for things from the industry that you realize that every little bit of money that you give these guys additional is going to give safety concern on the other side. You don't get things safer and make more money at the same time. Those things counteract.

So you guys have to be really strong and fight against those attorneys that are going to come in from the nuclear industry associations and the lobbying groups and make sure that you stand tough for the public. Because you're our representatives. And after this we don't

really have much say in the matter. We can't really stop things here. Your hearing process is absurd. You can't get a hearing -- I mean, it's an act of God to get anything into a hearing over there.

So to actually get that to happen and actually stop something that's going toward no profits, that doesn't turn the clock back ever. You never get anything more safe through your system. This is our only chance to make it more safe. So I'm imploring you guys to take a careful look and make sure to turn the clock back, turn it towards safety rather than the profit that the industry wants to squeeze out of this.

Is that enough of an answer for you?

>> Ho Nieh: Yes. Thank you very much. Appreciate your comments.

>> Anneliese Simmons: Mr. Lutz, this is Anneliese Simmons from NRR. Did your organization provide written comments to the FRN? I was just curious.

>> Ray Lutz: Is that a question for me, Ray Lutz?

>> Anneliese Simmons: I'm just curious if your organization provided written comments to the Federal Register Notice?

>> Ray Lutz: I just received notice that this whole thing was happening, which is my problem because I don't have scores of attorneys to help work on things. But I will provide written comments, including the write-up that I have about how your organization is structured around -- just by its structural -- you know, how it's structured itself. It's systemic. It's structured so that things move towards less safety and more profits for the industry and being able to work this in there for years. So, yeah, I will definitely make the same type of comments including my write-up about that. Ok?

>> Anneliese Simmons: Thank you very much.

>> Chuck McCune: This is Chuck McCune. Ray Lutz just brought up a question that I think really should be addressed by your organization; and that is, why do they need the money? I think that

goes directly to the safety issue.

This industry is out of money. I think that it really is important that you all look at that. It's just like if it's an airline out of money for maintenance on an aircraft, would you want to fly on it? I think this industry is like the Titanic. It's going down. And why should we throw more good money after bad money and bad money after bad money and just continue this legacy that we're going to live with for hundreds of thousands of years. [Indiscernible] this industry because the fact is that question needs to be asked. Why do they need the money?

Thank you.

>> Jo Ann Simpson: Thank you, Chuck.

>> Ho Nieh: I'll take that as a rhetorical question.

>> Chuck McCune: That's fine as long as it's in the record.

>> David Codevilla: This is David Codevilla. I'm an attorney at the Office of General Counsel at the Tennessee Valley Authority. Obviously I don't have a particular direct stake in this. I also didn't expect to listen to a lecture about how profit is bad in the nuclear industry -- and the nuclear industry is bad and the NRC is a horribly corrupt organization, none of which are true or relevant to FOCD considerations. I have a more specific question and then an observation.

First of all, not all foreign ownership is equal. I assume the staff knows that and is taking that into consideration. As most of the people on this call know, we've been sharing special nuclear material with, for example, England and Canada for many decades prior to 9/11 and the cooperation with certain countries is obviously much more extensive than it is with some others. So the idea that somehow we're going to be having -- allowing, you know, North Korea to buy a nuclear reactor in this country is ludicrous and I think a distraction from what you all are really considering.

What interests me is the question of financing. Financing and ownership are different, but obviously financing, depending on what kind of financing you're talking about, can rise to the level where it is functional ownership. And depending on the terms of the financing, of course, the lender or the syndicate of lenders can have a great deal of control over what happens even though they may not have nominal ownership. So I wanted to ask specifically, you know, what the NRC is looking at in terms of types of financing, levels of financing, and will the NRC be thinking about a more -- and this is using a term a little bit loosely, but a more CFIUS type process to look into the contractual arrangements behind a potential financing.

I don't know to what extent that was done in the Constellation situation recently. I think that right now the regulations do, in fact, constrain what a foreign financier can do even when it's a country such as France which has more than 50 years of a very good record. And, by the way, a very good safety record of operating nuclear plants.

But back to the basic question, I wanted to hear some discussion among the staff of what you're looking at in terms of financing versus ownership and if there are particular types of financing that you think are not going to work within the statutory discretion that you have.

Thanks for the opportunity to comment.

>> Ho Nieh: Sure. Thank you, David. This is Ho Nieh from the NRC. I'll take a shot at your question there.

You know, from my perspective right now in what I've seen in assessing this issue and looking at matters that related to finances of nuclear power plant and ownership matters, clearly there's some connective tissue between those issues. With respect to kind of what we're looking at in this paper right now, you know, we're focused on answering the

commission Staff Requirements Memorandum that asks us to look at the statutory aspects of the foreign ownership provisions, you know, whether or not changes could be made to our guidance, the possibility of ownership from 50% to 100%. And I think, you know, at this point, David, I can't offer you any precision on how the finances will be included in that consideration.

I will point out that there are requirements for applicants in Part 50.33 that you're probably familiar with in the Code of Federal Regulation that established the financial qualifications for an entity to receive a license from the NRC. But, yeah, there's a connection between finances and ownership. Again, I think that is an issue that's probably not simply addressed in the question at this point in time.

In looking at the paper and the option that the staff is thinking about at this time, we're really focused in on answering the mail from the commission. They asked us to consider a number of issues. Obviously there is a tie, like you said, with financing and ownership and there's a point where the financing can become functional with respect to an ownership perspective. I think we're thinking about those things, David. But I don't have a precise answer for you to what level of detail that will be.

>> David Repka: I appreciate the answer. I know there's only so far you can go in a call like this, but I wanted to raise these issues. I'm sure that the NEI folks and the folks at Winston-Strawn and other firms in DC that do a lot of nuclear are thinking about this, too. I think it's important to take it seriously. Again, I don't think -- I don't know if you're going towards a more CFIUS process, I don't know if that would be authorized or smart. Then again, a mini process might work. I'm not suggesting any particular outcome. But I appreciate the fact that you're thinking about it and I wanted to raise that issue to hopefully sort of get this back on track to the actual statute and regulation that we're looking at.

>> Ho Nieh: Thank you, David. I know you asked the part about the CFIUS aspect. I will say in carrying out the commission's SRM direction, we are looking at what other entities do within federal government, including the CFIUS establishment. So again, it's a number of different approaches to addressing foreign ownership in the United States. And we're certainly considering what other entities such as CFIUS -- that other agencies are doing within the federal government.

At the end of the day, it will help the staff write down in paper the full picture of what's occurring in the United States in this area, along with a range of options so the commission can make the best informed decision. That's the primary objective of the staff at this point, is to give the commission the best information available so that it can make the most informed decision on this matter.

>> This is Christopher at [Indiscernible]. We are counsel to NEI. And we're brought in to look at some of the issues -- touching upon principally the lessons that are available from the national [Indiscernible] security program operating manual. And this is addressed in the comments that were filed on behalf of NEI.

Briefly stated, I think that one of the things that is notable is that across the government agencies that deal with classified information, the defense agency, security agencies, the Department of Energy, the National Nuclear Security Administration, there is a public policy that supports and favors foreign investments in the U.S. defense industrial and national security phase because of the opportunities that [Indiscernible] provide both to enhance technology, to increase safety, and also to strengthen company and make them more competitive recognizing that competition in government contracting allows for more efficient and effective systems being offered to the United States government.

So the program as administered across the defense and national

security sectors seeks to strike a balance. It does not allow unbridled foreign investments in companies that hold [Indiscernible] security but instead has -- as the industry argued for, favors a graded approach which allows for a range of options and mitigation of foreign ownership. These range from border resolution that recognize the foreign investment and resolve to protect classified, controlled and classified, information at unauthorized disclosure, on through to much more elaborate corporate governance programs that ensure outside presence on the board of directors, the appointment of outside directors, who have independent responsibility to the defense security service, the Department of Energy, [Indiscernible], to ensure that classified programs are protected.

We talked a moment ago about CFIUS and that process. The enactment of the Foreign Investment and National Security Act -- CFIUS has been involved more in creating mitigation programs connection with foreign investments, separate and apart, from the programs that are provided under the [Indiscernible].

You know, it's a matter of national policy. What I think the United States has been trying to do and has been doing for a very long time is seeking to strike an appropriate balance between the interests that they are looking to protect national security, nuclear safety being one of them as well, and at the same time encouraging foreign investment. The program has worked successfully. The security service has oversight for about 300 such arrangements across the defense sector.

It's a valuable lesson. I know that the agency, the NRC, is talking with these other agencies. But the clear message is this can be done, it is being done, and it's being done successfully including by some of the largest and most trusted defense contractors.

>> Ho Nieh: Yes. Thank you, Chris. This is Ho from the NRC. Appreciate those comments. And certainly we are familiar with [Indiscernible] and we talked to folks with the objectives of that in the

process and policy there with respect to the NISPOM and the foreign ownership control. They're primarily focused on the protection of classified information. From my perspective, I do see some -- some overlap between the skills and perspectives that are offered through NISPOM reviews, with respect to national security and kind of what we're looking at in foreign ownership.

So, again, it's been very beneficial for the NRC staff to talk to the defense sector and kind of what they do. Again, I do see some overlap, at least what the interest is in protecting national security. I think the staff here is, you know, aware that it is the broader policy of the United States government to allow foreign investment in the United States. So really we've got the task here to kind of just acknowledge that what broader U.S. government policies exist with respect to foreign investment, we're recognizing that nuclear energy is a multi-national business today. We recognize that. And we're trying to balance that with our safety mission and what's in the statute and provide the commission with a range of options and considerations that they ask for in their SRM.

Thank you for the comment.

>> Amy Roma: This is Amy Roma. I have another comment if now is a good opportunity.

>> Ho Nieh: It sure is.

>> Amy Roma: One of the things I'm hearing from various comments is concern expressed that the NRC's FOCD review is kind of the last line of defense between, you know, current safety situations and certain impending doom. And one of the things that I wanted to just urge the NRC when it's performing its evaluation is to not lose the forest through the trees and understand that the FOCD review is, one, part of a much broader, comprehensive set of regulations designed to ensure the safety and security of nuclear power plants and their operations. And that the FOCD review is not conducted in a vacuum. The NRC still has its enforcement; it still has its inspections, reactor

oversight process, its construction inspections and any number of other quality assurance, any number of other regulations that ensure that FOCD is not becoming problematic at any plant that has foreign ownership.

I think this dovetails into my previous comment where I urged the NRC to consider vast networks, other agencies and organizations, that oversee corporation concerns and national security concerns such as CFIUS and to review how the NRC's role has developed or what it should be in light of those other mechanisms that exist, but also in light of the other regulations that exist including the 50.80 license transfer review that in the event of the NRC's permits a foreign investment because the company that is applying for a license is not subject to FOCD, that that subsequently can't change without a 50.80 review. Because if there's a change in control, then it requires NRC license transfer review where the NRC will evaluate foreign ownership, again, as part of its license transfer review.

So there's a vast network of regulations besides the initial FOCD review that are under constructs -- NRC review that the -- conducts upon license transfer and that shows the agency continues to be able to monitor this in the context of both FOCD and its other regulations.

>> Ho Nieh: Thank you, Amy, for the comment. My personal view here, I believe -- I talked with my staff about this as well. We recognize fully that FOCD is not the last line of defense. It is part of a bigger tapestry of safety programs that exist in the U.S. nuclear power plants today. We need to, again -- again, my view is that the NRC staff needs to take into consideration all the mechanisms that are in place, all the oversight programs that are in place, the body of regulations and the books, technical specifications, of the site which really present the safety proposition and the things that the NRC expects licensees to do to ensure the plants operate safely. So we're not looking at FOCD in a

vacuum.

I appreciate the comment.

>> Amy Romas: Thanks, Ho.

>> Ho Nieh: You bet.

>> Jo Ann Simpson: With that, I think it would be a good place to take a small break. I know we had 15 minutes set up on the schedule. So we will come back in 15 minutes.

>> Ho Nieh: We'll come back at 10:30.

>> Jo Ann Simpson: Thank you.

[A break was taken at 10:13 a.m.]

[The meeting resumed at 10:30 a.m.]

>> Ho Nieh: We're at the portion of the staff related to the developing of the policy options paper for the commission of the NRC's foreign ownership, control, or domination requirements. We're back on the line to see if there are any other remaining questions or comments that participants would like to offer.

>> Chuck McCune: I have a question. This is Chuck McCune again. Are you analyzing the financial condition of the industry proponents or -- in analyzing the money -- again, this is not a rhetorical question. Why do they need the foreign investment? How bad is the financial condition of this industry considering all the decommissioning waste and operations? We as citizens are invested here. We subsidize this industry in a big way to a number of other significant ways and we want to know the financial condition of this industry particularly with regard to the waste handling and the waste fee that have been collected so far. We think we're out of money. [Inaudible] it's a drop in the bucket as to what needs to be spent on this issue. And we think that the recommendations that you make to your efforts here should be addressed, the financial condition of this industry.

Thank you.

>> Ho Nieh: Thank you, Chuck. Let me try to answer your question here and then I'll have my staff supplement anything I leave out or say incorrectly.

With respect to your question are we analyzing financial conditions, we do that during either an initial license or a license transfer. We look at the financial qualifications of the entity. We follow the staff standard review plan, new regular 1577.

After the license is issued, the staff does not have a systematic process that it has employed to look at the financial qualifications of the licensee after the license is issued. However, if we do see indications of financial discretion or an issue that may cause us to perhaps have some questions on whether or not they have sufficient funding to safely operate their facilities, we will determine what the appropriate engagement ought to be with the licensee. That's essentially our framework for financial conditions.

>> Chuck McCune: Do you have a mechanism for analyzing the financial conditions with respect to waste handling and sequestration for 50,000 years? Do you have a handle on that?

>> Ho Nieh: We have a decommissioning body set of requirements under 10 CFR 50.75 that specify the minimum amounts for decommissioning funding assurance.

>> Chuck McCune: And waste handling, 50,000?

>> Ho Nieh: I -- sir, I think that may be outside of the scope of the NRC's regulations.

>> Chuck McCune: Uh-huh. Ok. That's an unanswered question from my point of view as the populous. What is it going to cost? It's like buying a used car and you never know what it's going to cost. You're going to pay forever on this waste handling. I think that should be factored into the financial condition of this industry. We don't have a way of knowing what it's going to cost to do that.

>> Rich: Hi. This is Rich with the Texas Public Utility Commission.

>> Ho Nieh: Yes, hi. Rich, you said?

>> Yes.

>> Rich: Ho, from my perspective, in just talking about the final report that you are working on and ultimately going to generate here, what I would be most interested in being able to see in the final report would be the identification by you guys of what the 1954 act was trying to prevent when the provisions were written in regarding foreign ownership. So I would like to go in -- to see in your report an evaluation of, so, what was the basis of 1954 when foreign ownership was restricted?

And then I would also -- one of the other things I would like to see is, so, what would we be trying to prevent today? Because it's been almost 60 years now since the 1954 act, and obviously there have been changes in technology, developments in other countries, and the development of technology in other countries that have changed this profile from what was the basis of that restriction of 1954 to today. So I would like to be able to see that, to try to get a grip on exactly what was the basis for the restriction in 1954.

And then the other thing that I guess I would like to see is then follow on to that type of information, I'd like to see the determination of some policy that incorporates those concepts. What was it in 1954, what is it today, and in the generation of the policy regarding foreign ownership in the domestic -- to today?

Once that policy is determined or laid out for the options of different policies, perhaps, ok, then to me it seems to be a relatively simple step to go in to say, ok, what foreign countries or entities represent an interest that would be against such a policy that we incorporate? And what foreign countries would not be against such policy that we incorporate? To some extent I guess that goes into some earlier comments that where all foreign countries are not created equal.

>> Ho Nieh: Right.

>> Rich: And as part of that evaluation, I assume an evaluation of the technology employed by country and/or entity. I would just say that in order to be able to evaluate this and to look upon this and say, ok, this has been a good, fair determination and approach to policy and incorporation and recommendation to your NRC, right, to the commission itself for employment, to me that's what I, as a member of the public and as in this particular case an interested party into the [Indiscernible], being a member of the Public Utility Commission of Texas, that's what I would want to see.

I think that whatever the determination is, if you go through those steps -- and obviously this is one of them, this actual public hearing that you're having right now is part of that process, then I think you will satisfy just about everybody's concerns. But, again, I think that it's really, really important to look back to see what was the basis of 1954 and compare that to today to see whether or not there's any overlap at all. And to the extent that there is overlap, how does that apply regarding limiting foreign ownership?

>> Ho Nieh: Rich, thank you for the comment. I will say that's exactly what we intend to do. Those questions that you asked up front, what's the basis for the statutory language in the 1954 act, what are we trying to prevent today, those are the same things we're asking ourselves here. And I think that absolutely has to be an essential part of the paper. The commission needs to understand that.

One thing I will mention that I think you made a comment with respect to what countries would represent a policy decision in that interest or perhaps against that interest, I don't envision our paper talking to the level of detail of what countries would be in or out in spite of that policy consideration.

>> Rich: Yes. I understand that as well. I just offered that up as that's basically how it would then be employed. Whatever the policy is that's adopted, it would then be employed by saying, ok, well, you

guys are qualified vendors and you're not. I mean, we do that -- companies do that today all the time to see who are we going to buy things from. And you're either a qualified vendor or not if you provide us what we need at whatever particular quality you require. So it's no different than a qualified vendor's list.

>> Ho Nieh: Yeah. I think the comment is very insightful, rich. I appreciate it. It recognizes that the world has evolved since 1954. You know, that is essentially 57 years later and many countries today have nuclear technology. And I guess from a layman's perspective, you know, it's my understanding that a big part of the act when it was written in 1954 with respect to this provision was, again, to provide some limitations to the extent to which this technology is employed in other countries.

>> Rich: Was shared. Right. But, again, I don't know. I'm just supposing that. That's why I think -- and what you guys do, what the staff is doing here, you're going to be looking into all of that history and figuring all of that stuff out as long as it's incorporated into the report and that type of phase, from my perspective, a super clear report. And whatever policy flows from the commission is going to be well thought out and decided on the decision.

>> Ho Nieh: Thank you.

>> John Matthews: This is John Matthews from Morgan Lewis. I had a few thoughts I wanted to share that might be relevant to this discussion.

>> Ho Nieh: Hi, John.

>> Jo Ann Simpson: Hi, John.

>> John Matthews: If I could jump into this then. I think actually the C4 decision which was the commission's decision in evaluating the anticipation of some German entities in the [Indiscernible] project in the U.S., Southwest [Indiscernible] reactor with GE is kind of a real time within the first decade of the Atomic Energy Act assessment of what was the purpose of the restriction. I think as

the commission clearly viewed the history, the legislative history, and there were a few points that came out of that; number one was that an absolute prohibition on foreign ownership was impossible, that's why the 5% limitation was removed because companies said, look, we have public shareholders and they could be foreign entities and we can't control who buys our stock.

But more importantly, the two other principles that came out of that is, what is the purpose of those restrictions? And I would say, one, the primary purpose was national security not proliferation purpose, that is sharing information. That's clearly articulated in the C4 decision; and secondly, a jurisdictional issue. And I wanted to talk about jurisdictional being the NRC's ability to exercise jurisdiction over its licensee and assure that –

>> [Inaudible]

>> John Matthews: I'm sorry? And assure that there were U.S. citizens that were accountable and answerable to the NRC that would comply with the NRC requirement.

So let me talk about those two just a little bit. On the nonproliferation stand, if you look at this over time, what has happened is Congress has moved increasingly in the direction of authorizing increased foreign involvement when that foreign involvement is from companies from the countries that are U.S. allies that have a good nonproliferation records. And one is to look at the [Indiscernible] group. But I think the examples to look at is in addition to the C4 decision which was basically the commission saying, you know, our ally Germany now is willing to participate in this research project with us and we're going to allow that foreign participation and significant involvement. And then the [Indiscernible] case where the NRC itself couldn't get its arms around authorizing 100% foreign ownership because of the restriction and Congress stepped in and authorized it, legislation to allow for it.

And then more recently, with respect to enrichment facilities -- that

allows foreign companies to build and operate enrichment facilities within the borders of the United States, essentially exempting those facilities from the FOCD restrictions. So all of the direction from the national policy perspective from Congress is in the direction of being less concerned with -- getting somebody's muzak here. I don't suppose there's anything we can do about that.

>> Anneliese Simmons: Unfortunately -- if folks could just mute their telephones and their cell phones, that would be helpful. Thank you.

>> John Matthews: I think somebody put us on hold so they're not available to do something in response.

Anyway, I think so then going on and looking at the jurisdictional issue, and that is, if you look at all of the negation plans and the types of action that have been implemented in the recent examples over the last 15 years where we've had foreign ownership or in any proposal that NEI has made or certainly that I've been involved in, one of the core principles is that there will be a U.S. entity that the NRC has jurisdiction over. And within that U.S. entity, there will be corporate governance that will provide that U.S. citizens, you know, can afford the foreign involvement, they have the legal authority to obey a foreign objection that would be contrary to the national security interest of the United States or that would restrict the ability of the company to comply with NRC requirements.

Ironically, in some of the negation measures that were adopted, for example, in the New England Power example and [Indiscernible], among the provisions -- certainly New England Power. Not absolutely certain with [Indiscernible]. But most of the powers that the foreign entity retained, was the ability to comply. That is, that we as foreigners will have the authority to comply with an NRC requirement or an NRC order it almost turns this whole thing on its head.

In any event, I think the clear point is, even if you have had an entity

that was 100% foreign-owned, you, the NRC as a regulator, are looking at a U.S. entity that you have jurisdiction over. And within that entity there are U.S. citizens that are clearly answerable to have -- that have the governance and the authority to comply with NRC requirements, then, you know, you can satisfy the requirements of the Atomic Energy Act here.

And I would point out that in many cases, because -- particularly if you're dealing with an operating licensee, because the NRC encourages those operating licensees to retain security clearances, the very U.S. citizens that have this authority in the corporate governance are going to end up in many cases, holding national security clearances. So by definition, it is viewed as trustworthy and reliable. So I think those are two key principles.

>> Ho Nieh: Ok. Thank you.

>> John Matthews: Two other points I wanted to make. Third, the foreign involvement in the U.S. nuclear safety, in U.S. nuclear safety decisions, is a current and unavoidable reality. We had the comment made earlier that it would have been much better if rather than Mitsubishi Heavy Industry we had a U.S. entity supplying steam generators. Well, unfortunately, there is no U.S. supplier. The only other options are other foreign suppliers. And the same is true with certain reactor pressure vessels. So we're talking about safety system, structure and components, the reactor vessel itself, primary containment is being constructed, needs to be constructed, by foreign entities. Those foreign entities have to make nuclear safety decisions.

So we have foreign involvement. It's a current reality. The only alternative is to shut the industry down. And I would say when we look at the types of things that are being safety structures and components that are being manufactured abroad and brought into the United States and installed in the current operating fleet, setting aside the unfortunate Mitsubishi experience, by and large, those are activities that the NRC I think would encourage because they are

safety enhancement. Those are capital investments that are improvements to these safety systems that are intended to enhance performance and enhance safety. So to somehow suggest that we shouldn't be going out there in the global marketplace and making those capital investments and improving our facilities is actually a negative drag on safety.

And finally, I just wanted to make the comment on financing.

Financing in the nuclear industry is unique because it is clearly subject to a statutory authorization that was made to the NRC to adopt regulations to allow a security interest and liens on nuclear facilities. NRC exercised that authority in the [Indiscernible] and adopted the creditor regulations. Those regulations make clear that no matter what the financing terms are, no matter what the security interests, the lenders may take, that they cannot exercise control over licensed activity without first getting a specific approval from the NRC.

So in typical financings, lenders come in and they expect a borrower to give a rep that says, you know, we have all of these security interests, all of these creditor rights under the agreement and, you know, you need to give us representation that there's no approval we need, no restriction for our ability to exercise those rights.

In the case of nuclear financing, the borrower cannot give that representation. We have to say, no, you're not allowed to exercise those rights, you are not allowed to exercise control over licensed activity until you first get an approval from the NRC. So the NRC has already addressed this question of financing and the ability of lenders to obtain rights and financing though they might exercise control and are addressed in 50.81.

That's all I had.

>> Ho Nieh: Thank you. I appreciate the comments. Let me go to a couple on the webinar right now.

This is Ho, again, from the NRC. A question from Ace Hoffman, "How can 50,000 years be outside the scope?" "You guys do know the half-life of plutonium 239, don't you?"

I guess with the 50,000 years outside scope, Mr. Hoffman, I would encourage you, please e-mail Jo Ann Simpson on that and we'll provide you a point of contact with our folks that deal with the waste aspects and the spent fuel storage. Again, I don't come from that program area. I'm an operating safety reactor guy. We'll get you the right point of contact to talk about the scope.

Half-life of plutonium 239 is about 24,000 years from my recollection. So I do know that half-life. But I appreciate the question.

There's another question above here with respect -- scroll up, please. The next question from Mr. Hoffman, "Will the NRC fix Fukushima? What assurance do we have to mitigate a similar U.S. accident?"

That is outside the scope of this meeting. But I will say the NRC has embarked on an extensive effort to identify safety improvements at operating U.S. nuclear power plants that do include the events you mentioned in your question here. But among other things, there are rulemakings underway to look at our station blackout requirements, strengthening our emergency operating procedures, severe accident management guidelines. There's things we're looking at, and spent fuel as well. So I think there are a number of things that the agency has embarked on to include safety in the U.S. nuclear power plants.

>> Anneliese Simmons: Maybe to build on what Ho said for Mr. Hoffman and Mr. McCune, talking about financial issues related to waste, that is -- the agency is also taking on a rulemaking for waste confidence. One of the issues that that has at least been brought up in that rulemaking and I

suggest -- we can help you find it on the website. I'm not sure exactly what the status is at this point. But financial issues related to waste for that length and period of time is something that is under consideration. So I just wanted to point that out, too.

>> Chuck McCune: This is Chuck McCune. I listened to that waste hearing. I have the transcripts. The cost of the waste the past 10 years has not been addressed.

>> Anneliese Simmons: Ok. Well, I think that that maybe is more the forum unfortunately than this forum today.

>> Ho Nieh: Again --

>> Chuck McCune: I understand that. The real issue here is we're segregating out all of the process for this nuclear industry so that none of it can be looked into it from an overview point of view. And that's a real problem because there's so many things wrong here that to segregate it apart and new incremental improvements and modifications we can need to see the whole industry with all the warts and illness and make our case upon higher overview, not each little piece segregated out so that we can't have the cognitive response for this. We have cognitive [Indiscernible] going on here. This is a really important issue.

Thank you.

>> Ho Nieh: Thank you, Chuck. Are there any other questions from the participants on the phone bridge or the webinar?

>> David Codevilla: This is Dave Codevilla from Office of General Counsel again. I listened to what Jay had to say about the financing rules. Jay, just a bit of a colloquy here, obviously the lending is -- the lending standards are regulated, you know, taking an interest or a lien or any sort of non--- any sort of financial interest in nuclear power plant is going to be very different than your standard financing arrangement.

Assuming that part of the NRC's effort in this matter is going to be to revisit those regulations and think about whether they should continue to apply, whether they should be strengthened, whether they should be loosened, and if so, under what circumstances, you know, given that under the current regulations, the whole EDF constellation thing did not go through, what's your perspective on what can be done consistent with the current regulatory framework to allow the types of foreign ownership that as you correctly say are inevitable in an industry where U.S. companies don't make a lot of the things that are needed in order to continue reactor operations?

>> John Matthews: This is John Matthews. I don't mind speaking for Jay Gutierrez, but since I'm not really doing that, I'll identify myself. Anyway, I think on -- in the UniStar situation, it was not decided based upon 50.81 or financing or credit arrangements. The decision really was focused on 100% foreign ownership and a perception that there was not a way to negate that 100% foreign ownership under those circumstances.

I think that the commission has basically suggested that it is willing to take a fresh look at that. There are structures, I think, that can be deployed that would allow for 100% foreign ownership. And they are having, you know, a clear path to the U.S. entity with U.S. citizens that are answerable to the NRC. That can intervene on national security and safety matters.

What UniStar proposed was a security committee that had a majority independent U.S. citizen directors. So they had a governance structure proposed that would allow for basically independent U.S. citizens to step in if needed to protect the national security interests of the United States. And I think that that's the kind of structure that can and should work to comply with the Atomic Energy Act requirement.

>> I appreciate the clarification. Jay, obviously if you have anything, feel free.

>> How does an individual have the financial resources to intervene in this situation?

>> Excuse me, can Jay respond?

>> John Matthews: Jay is not on the call. I'm the only one that has been speaking.

>> Chuck McCune: How does an individual have the financial resources to intervene in this situation?

>> Ho Nieh: If I may, I want to try to maybe bring us back to the focus of the meeting here. I know there's a dialogue between Dave and TBA and John Matthews from Morgan Lewis and I think, Chuck, you're trying to ask a question in that dialogue.

>> Chuck McCune: He mentioned an individual has the right to intervene for the requirements of the NRC regulations. Quite frankly, individuals don't have the financial resources to enter into a dialogue with the industry or the NRC to complete that sort of an intervention.

>> Ho Nieh: I think, Chuck -- I'll ask my colleagues from the General Counsel's office to -- whether there's a -- whenever there's regulatory actions such as licensing or enforcement action that offers the opportunity for a hearing, that's primarily the main avenue. There are others in matters such as this where you all can engage with the NRC staff and provide your comments to us. If we embark on a rulemaking process, I think there are opportunities for the public to participate.

Again, I want to keep us maybe more focused on the foreign ownership issues. I do think, you know, the dialogue between Jay and Dave is related. But if we can kind of bring us back to comments on the staff's activities and things that we're looking at with respect to developing the policy options with the commission, I think that would be good.

>> Fair enough. John, I appreciate the response. And thanks very much, Ho.

>> Ho Nieh: Ok.

>> Chuck McCune: I appreciate the response, too. I just want to make sure if someone is throwing something for the record, that gets addressed and accounted as well.

>> Jo Ann Simpson: Thank you. Everything that we've heard here, both verbally and written on the chat, will be used in consideration of the staff's recommendations that we put in the policy paper.

>> Thank you very much.

>> Jo Ann Simpson: We thank you for all of your comments.

>> I have a foreign ownership question.

>> Jo Ann Simpson: Can you identify your name and affiliation?

>> John Quarterman: Yeah. This is John S. Quarterman with the Lowndes Area Knowledge Exchange in South Georgia. If you all find me -- you won't find me on the webinar because your webinar software doesn't [Indiscernible] and when I try to use the app through Android, it said it would charge me money.

Anyway, my question is, given the ongoing scandal in Korea about the nuclear parts supplier forging documents and Doosan is a supplier to, for example, [Indiscernible], a river as well as about a dozen other U.S. nuclear facilities, perhaps the NRC is going in the wrong direction rather than permitting more ownership of the entire nuclear facility. Perhaps the NRC should be ejecting foreign suppliers such as [Indiscernible] who are supplying parts that are, at best, ill documented. So that's my question. Should the NRC be going in the other direction of requiring less foreign ownership not more?

>> Jo Ann Simpson: Well, right now we are not -- this is not a decision making forum. As we had stated early on in this meeting, we're gathering information. We have heard a variety of opinions. In the public meeting that we had on June 19 and with the Federal Register Notice that some wanted us to establish thresholds allowing more or less foreign ownership. And right now we're just evaluating all of the comments.

>> Ho Nieh: John, this is Ho from the NRC. Let me also add that with virtually every regulatory or

policy decision that comes on the plate of the staff of the commission, the answer is it depends. It depends on the circumstances. It depends on the information we receive and how we consider that in the context of our safety mission.

The issue that you referred to at Mitsubishi Heavy Industries in Korea, again, it's not a matter that we are actively dealing with in the Office of Nuclear Reactor Regulation. However, the Office of Nuclear Reactors does have a robust vendor inspection program. I can go back and verify with my colleagues in that office that they are aware of the issue, perhaps find out more details to understand the regulatory activities that they undertake in response to the circumstance you just described.

>> John Quarterman: I hope they're aware it reads the -- reached national government scandal in Korea. It's not like a --

>> Ho Nieh: I'm sure they are aware of this, John. Again, our primary role and responsibility here are the operating nuclear reactors. My division does not have the programmatic oversight of the vendor inspection program. That does reside in another part of the agency. It's something I appreciate you raising the issue. I think in the context of what we're talking about today, you provided a thoughtful item for the staff to consider.

>> A related question is what about the foreign ownership by AREVA MOX plant on the Savannah River?

>> Anneliese Simmons: Again, this is Anneliese Simmons. The MOX Plant facility is not something specific to this proceeding. And it's also not something that's under our particular -- we're really focused on the reactors. It's a good question. Certainly there's a lot of foreign ownership in different facilities. I just want to point out that there's different requirements depending on the facilities that are different for operating reactors. But the commission's direction is very specific to power reactors.

>> May I ask who is responsible for foreign ownership of the MOX Plant?

>> Anneliese Simmons: Right. As I said, some of the regulations requirements for the different kinds of facilities are different. The restrictions for power plants are what we're really focused on at this point. However, certainly, so you know, we are looking at broadly how we can be informed by other -- by all of our regulations and all of our experiences related to foreign ownership.

>> John Matthews: Anneliese, this is John Matthews. If I could just offer to the caller there, there was a review in connection with a recent license transfer within the past year of that facility license. And there was a finding in the safety evaluation, I believe, addressing [Indiscernible] that is a finding that the staff reviewed the foreign ownership structures and the measures in place found that the approval of the transfer was not [Indiscernible] to the security of the United States.

>> Can you direct us where we can find that review?

>> John Matthews: It is on the docket. It's in ADAMS, the AREVA-MOX docket. If you do a search for the transfer in the past year, I'm sure you'll find that safety evaluation.

>> Anneliese Simmons: And, sir, this is Anneliese Simmons from NRR. John Matthews works for a law firm. However, if you want to e-mail one of us, we can try to track that down for you.

>> What e-mail should I use?

>> Jo Ann Simpson: You can use -- John, you can e-mail me.

>> Ho Nieh: Yeah.

>> Anneliese Simmons: If you have access to our website, you should be able to see our contact information on the meeting notice.

>> All right. Thank you.

>> Anneliese Simmons: Thanks.

>> Who is me? "E-mail me."

>> Jo Ann Simpson: Jo Ann Simpson.

>> Ok. Thank you.

>> Anneliese Simmons: Sorry.

>> Ho Nieh: Ok. Are there any other comments or questions from the phone?

>> Paul Gunter: Yeah. Paul Gunter, [Indiscernible] nuclear.

>> Ho Nieh: Hello, Paul.

>> Paul Gunter: How are you?

>> Ho Nieh: Good.

>> Paul Gunter: In its white paper, the NRC needs to include its jurisdiction on its explanation on how as an agency it can actually change federal law. It remains our concern that while the NRC -- you know, you have some latitude in interpreting and implementing the law. You do not have the jurisdiction or the authority to change the law. Only Congress can change the law.

It's quite disturbing that we are listening to what essentially is an effort to circumvent the law. A shell corporation or a company that exists primarily to evade legal requirements is not only illegal under the Atomic Energy Act but it does not have the integrity for a nuclear power license to manage and oversee national security infrastructure. I think that is the principle lesson and precedent that's been established in the Calvert Cliffs 3 UniStar decision by the Atomic Safety and Licensing Board.

We saw the industry and even the NRC Office of General Counsel attempt to evade law that jeopardizes national infrastructure. We concur, as did the Atomic Safety and Licensing Board concurred, that the U.S. national security infrastructure cannot be adequately or legitimately be protected by shell corporations for foreign entities. So your white paper has to be explicit on how you intend to interpret your jurisdiction as an agency to change federal law.

>> Ho Nieh: Thank you, Paul, for the comment. Again, in our review of what the Atomic Energy Act says, we will, again, provide the staff's interpretation of how we read the words. Again, we agree 100% with you that the NRC cannot change the Atomic Energy Act that requires an act of Congress to do so. But in writing the paper, we will explore the legislative aspects and the statutory basis for the Atomic Energy Act.

>> Paul Gunter: Thank you.

>> Jo Ann Simpson: Thank you, Paul, for your comment.

This is Jo Ann. Are there any other comments on the bridge line?

>> I have a question.

>> Jo Ann Simpson: Can you identify your name and affiliation?

>> Matt Bandyk: Yes. This is Matt, reporter with SNL Energy. I was wondering and wanted to make sure I wasn't off base, this investigation into looking into this issue and putting out this paper, is this stemming from the review of the UniStar's application? It coincided in March with that decision, so is this entirely coming out of the issues that UniStar brought up or is it bigger than that?

And if the person answering could identify himself to verify. I'm a little lost on all the people talking on the call. I would appreciate that.

>> Ho Nieh: Sure, Matt. I'll help you out. My name is Ho Nieh with the U.S. NRC and Office of Nuclear Reactor Regulation. I'm guessing you may have joined us part way through our call. We introduced the subject and talked about how we got to where we are today with respect to the commission's direction. The Commission on March 11, 2013, provided the staff with a Staff Requirements Memorandum that asked us to look at these issues related to foreign ownership, control, or domination and that decision from the commission did result from their review of an adjudicatory matter related to the UniStar project you referred to.

>> Matt Bandyk: Ok. Thanks.

>> Ho Nieh: You're welcome.

>> Jo Ann Simpson: All right. Are there any other comments?

>> Ray Lutz: Yes. This is Ray Lutz again. I'd like to make two more, three more, comments. The 100% ownership example is definitely a borderline case where you're relying upon things that you say, well, we're going to have these citizens within the corporate structure somewhere that can take control. This is extremely worrisome that we're going to be setting up something on borderline cases that can change over time. Sure, you may have it set up when they get the license, but after a few years those people change, they die, they get their jobs replaced; and pretty soon you have people in there who are not even the same people involved. And it's extremely hard for the public to have confidence that this is being reviewed given that the licenses only get reviewed at the actual change of hands. We don't have an ability to get a review of a license just out of thin air. So that is the problem.

I hear a lot about the slippery slope issue happening here, the industry saying, well, it happened over there, the Congress intervened so everybody is doing the same thing and therefore it's ok to allow more ownership. And I think hopefully the NRC staff will see through this argument, having more ownership is not going to be a good thing for safety.

And I think you need to -- another issue I'd like to point out is the concept that there are many other systems within the NRC and rules and regulations that you can rely upon for safety. So you don't really have to worry about it completely here. And that is actually a counter to the defense [Indiscernible] policy that the NRC has instituted where you need to look at the decision that you're making individually and not rely upon other systems. And that also means statutory systems that are in place and rules and regulations that you're saying, well, some other rule

and regulation will cover us.

I think, no, that's not the way that you're supposed to work this. You're supposed to take a look at what you're doing in isolation and make sure that even if those other systems break, that your system will still ensure safety. And to set this up and say that 100% foreign ownership is ok, which is the Calvert, I guess -- what do you call it -- Univision here, the case that prompted this whole thing, that they're saying they want 100% ownership, then you're going to have to rely upon some other systems to combat the dire possibility that the plant will be taken over by some foreign entity and used in a very unsafe manner.

So defense in-depth, that means you're going to need to look at this in isolation and make sure what your decisions are for ultimate safety and not catering to the statements that have been made regarding how the trends are to loosen this up and allow a lot of -- a lot more foreign ownership.

And I will also say that I don't appreciate the denigration done by the other caller about my comments being some sort of a lecture. I don't appreciate that. I have just as much right on the call as anyone else. And I was asked the question, and I responded to it. So this is not a lecture. This is the public attempting to make comments here. So I don't appreciate that kind of slam by the industry caller.

So again, NRC, take a look at this with the idea that this is the one and only time when we can get these regulations tightened up so that these profiteers that are attempting to let more and more foreign ownership take place -- they want this to happen because they can see that they can make a profit here. We need to stop this in the name of safety and turn the clock back. Disregard all of those other cases. Do not take them as a reason or a cover for the reason that you should loosen this up. Instead we need to tighten up the rules and make foreign ownership even less

likely.

In fact, I would be happy if these plants were owned by the public and that they weren't owned by profiteers and that the profit was taken out of this whole area so it doesn't have to be profit. These could be owned by the public instead of owned by profit-incentive corporations. So all of those assumptions that are being made are not always true.

Thanks for letting me talk.

>> Ho Nieh: Thank you for the comments.

>> Chuck McCune: This is Chuck McCune from Prizm Foundation again following up on Ray's comments. Actually, if you look at the subsidy that we do provide industry, we actually are owners of these industry facilities. But following up on his financial question, we like to specifically request formally that there will be a financial review periodically, not just at the licensing and re-licensing point of view. But since we're looking at what we think is an industry that's running out of money, that can't sustain itself, we would like to see a yearly review of every operator, every nuclear power plant in this country from now on.

Thank you.

>> Ho Nieh: If I can, Chuck, I heard you use the word you'd like to make a formal request. I think probably the best way to do that -- I don't want to sound too bureaucratic, but we have well-established processes to change body of regulatory requirements. I would encourage you consider perhaps a petition for rulemaking or something like that. The current regulatory framework does not have the NRC do a yearly review after licensing.

>> Chuck McCune: I understand. I guess I'm formally requesting it be included in your recommendations.

>> Anneliese Simmons: Thanks for your comments.

>> Ho Nieh: Thank you for your comment.

>> Chuck McCune: Thank you very much. And I will make a formal request.

>> Jo Ann Simpson: Thank you, Chuck. This is Jo Ann again. Are there any final questions or comments?

>> Yes. Can you hear me?

>> Jo Ann Simpson: We can hear you.

>> This is [Indiscernible]. I put a question in. Everybody's been asking about legislation, interpretation of the law, what the law is on this end. I agree. It's very important to know what the law is on this end. I'm not arguing with that. My question, what about the law on the other end?

The law on the other end is -- let's take France, for instance. I don't know much about it but hopefully I know enough. France, the nuclear industry pretty much is under the control of the government. They even have uniforms. They have regulations like the Army. Well, their Army, I guess. But anyway, where there is a conflict between our law and the French law, what do they do? They go to the WTO and hope a couple of corporations will side with them or what? I have no idea.

For instance, if a French firm or French government owns a part of a nuclear power plant, are they liable for whatever happens or do they get interest in protection all the way into France?

The legal system confused me. I'm not a lawyer, but it confuses me more when we talk about foreign control. How much control is foreign control? Do our plants run under French law? Will the French be able to come over and arrest somebody for opening up to the press about something gone wrong at a nuclear power plant?

I really don't know. And I'm really asking. I really hope to see some

kind of a white paper on this presented eventually. I don't know.

Thank you. Bye.

>> Ho Nieh: Thank you for the comment, Marv. I appreciate the question. As I understand it, there are plans subject to the laws of the foreign country that has an ownership stake in the power plant. The answer is, I don't know. But what I do know is if they have an NRC license, they're subject to our laws. Our laws are here to protect the citizens of the United States in the environment of the United States. That's our regulatory framework.

Thank you for the question.

>> Anneliese Simmons: Can I just add -- this is Anneliese Simmons. Can I ask two clarifying questions? One, Marv, am I to understand that you are perhaps talking about a difference between a foreign corporation and a foreign entity that's controlled by a foreign government; that that's something that we should be looking at?

>> Ho Nieh: No. If I can, Anneliese, I think Marvin's question -- Marvin, let me try to summarize your question. You had a lot of examples in there. But, your fundamental question is, in the situation where there's foreign ownership in a U.S. nuclear power plant, is the power plant here subject to the laws of the foreign country? That's essentially what you're asking. Is that correct, Marvin?

>> Marvin: Amongst other questions. I'm not limiting to it. Please, please do not limit the question where no limit exists. But answer that part of it, please.

>> Anneliese Simmons: I'm sorry, I don't -- I didn't hear quite the last part of your sentence.

>> Marvin: Because somebody cut -- the whole thing got cut off. Are you there?

>> Ho Nieh: We're here.

>> Marvin: Ok. Look. It's getting cut off. I don't believe it's my problem here because I'm on a phone that works pretty darn well. I'm saying don't limit my questions. My question contains all those

elements and some more. It seems that you're trying very hard to limit -- which another speaker talked about -- you can't limit the things about a nuclear power plant. Fukushima showed us they're going to ruin the whole ocean before that accident is over. You don't limit nuclear power. It has too much in that core to ever be limited. Don't limit my question either, please.

Thank you.

>> Jo Ann Simpson: Marv, thank you for your comment.

All right. We are coming up on 11:30. Are there any other comments from those who may not have had a chance to speak yet?

>> Robert Eichelberger: Yes. I'd like to make a short comment. My name is Bob Eichelberger. I'm a citizen. I just hope that your response to the commissioners would address the initial concerns that prompted the laws to be initially written back in 1955. That's all I have.

>> Ho Nieh: Thank you, Bob. We received a similar comment to that effect as well. We do expect our paper will go back to the basis of the Atomic Energy Act of 1954.

>> Robert Eichelberger: I was only 1 or 2 years old back then.

>> Ho Nieh: Ok.

>> Jo Ann Simpson: Are there any others?

>> Ho Nieh: Ok. Well, I want to thank everybody for their active participation and interest in this particular matter. I think clearly this issue has many diverse views on perhaps the direction that ought to be taken with respect to foreign ownership. I think the NRC staff here has heard of a number of different viewpoints. And some of these views and ideas and insights were similar to what was discussed at the June 19 meeting, but, nevertheless, it's still very helpful for the staff to collect this type of information. As we, again, try to respond to the commission's March 11, 2013, Staff Requirements Memo. We do plan on continuing to document our review of the comments we receive

and the study that we're going to do of the legislation. We hope to provide the commission with a very thorough paper, with the best information available that represents the views and opinions that we heard today.

Thank you very much for your time and have a nice day.

>> Thank you for your time. Thank you.

>> Jo Ann Simpson: Thank you.

[The meeting ended at 11:25 a.m.]