

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

Title:                   Public Meeting on Advance Notice of  
                              Proposed Rulemaking for Alternatives  
                              to the Use of Credit Ratings

Docket Number:       (n/a)

Location:               teleconference

Date:                    Monday, February 8, 2021

Work Order No.:       NRC-1354

Pages 1-44

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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PUBLIC MEETING ON ADVANCE NOTICE OF PROPOSED  
RULEMAKING FOR ALTERNATIVES TO THE USE OF  
CREDIT RATINGS

+ + + + +

MONDAY

FEBRUARY 8, 2021

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The meeting convened via Video  
Teleconference, at 1:00 p.m. EST, Sarah Lopas,  
Facilitator, presiding.

PRESENT

SARAH LOPAS, Facilitator

GREG TRUSSELL, Rulemaking Project Manager

KEVIN COYNE

BRIAN HARRIS

SHAWN HARWELL

GLENNA LAPPERT

STEVEN LYNCH

LYNN RONEWICZ

RICHARD TURTIL

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

1:04 p.m.

MS. LOPAS: Hey, good afternoon, everybody. Welcome to the NRC's public meeting on the Advance Notice of Proposed Rulemaking for Alternatives to the Use of Credit Ratings. My name is Sarah Lopas and I'm today's meeting facilitator. I'm a project manager in the NRC's Office of Nuclear Material Safety and Safeguards.

So before I hand the meeting over to the NRC staff to get started with their presentation, I'll cover logistics quickly for today. So, Glenna, if you could go to the next slide, please, or the logistics slide. Thanks.

So as we noted, if you have any colleagues who have logged on to the Webex and they're saying they can't hear the meeting, just let them know that they are going to have to call into the bridgeline here, so that's the only audio that's good going on with the Webex today.

And as the Operator Danielle noted, everyone's in listen-only mode until we get to the Q&A and comment portions of today's meeting. And that's going to occur after the NRC staff finishes up with their presentation and after we listen to some

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of your initial comments and answer some of your initial questions. The staff will then be asking for some input on specific questions that they'd like feedback on.

So when we get to that portion of the meeting, you'll just press star 1 on your phone and you'll hear some prompts and the Operator will unmute your line. The other thing you can also do is, we are utilizing the chat function today during our Webex today, so if you have a shorter comment or a shorter question that isn't super complicated and isn't best for over the phone, you can go ahead and use that chat and I'll read your chat aloud and that way we can get it on the record.

So speaking of things being on the record today, as Danielle the operator noted, we are recording this today as a backup and we also have a court reporter on the line as well who's transcribing all your comments and questions.

And then finally today, our slides. They are available online. You can download them right now. In just a moment, if you open up your chat panel on your Webex, if you're indeed logged on to the Webex, I'll provide a link to the slides there in the chat. But they are in our ADAMS, our Agency-wide

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Documents Access and Management System, ADAMS.

The ML number, if you're on the phone right now, just simply on the phone, the ML number is ML21036A095. So again, I'll put that link to our slides in the chat so you'll be able to just go ahead and click on that and download a PDF of the slides.

And so with that, logistics out of the way, pretty simple, I'm going to introduce Gregory Trussell. Gregory is a rulemaking project manager in NRC's Office of Nuclear Material Safety and Safeguards in the Division of Rulemaking, Environmental, and Financial Support.

Greg, I'll hand it over to you.

MR. TRUSSELL: Thanks, Sarah.

Good afternoon, everybody. I want to thank everybody for attending our meeting today. Again, my name is Greg Trussell and I am the rulemaking project manager, and I'll go ahead and get us started. So, Glenna, the next slide, please.

The purpose of our public meeting. So purpose of our meeting today is to help facilitate public input during the comment period of the advance notice of proposed rulemaking which for the balance of today we will refer to as the ANPR.

We also give some background on the Dodd-

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Frank Wall Street Reform and Consumer Protection Act of 2010, which today we'll often refer to as Dodd-Frank or the Dodd-Frank Act. We'll also discuss how Dodd-Frank impacts NRC regulations and what are the NRC proposed approaches for compliance of Dodd-Frank.

So, Glenna, the next slide, please.

So here's our agenda for today. We'll start off with some opening remarks from Kevin Coyne and then we'll go over some background on the rulemaking. Richard Turtill, our technical lead, will give us an overview of the Dodd-Frank Act, the NRC's decommissioning funding assurance requirements and the use of credit ratings, and what regulations are impacted by Dodd-Frank.

We'll then review some of the rulemaking history, how we got to where we are today, we'll go over the ANPR process, and then we'll move on to the discussion questions. And then I'll go over how you can submit your comments, and also we'll talk about what our next steps are and we'll have some closing remarks.

So at this point, I'm going to turn it over to Kevin.

All right, Kevin.

MS. LOPAS: Oh, Kevin, you're muted.

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MR. COYNE: There we go. Thanks, Greg.

Good afternoon, everyone. My name is Kevin Coyne. As Greg mentioned, I'm the deputy director in the NRC's Division of Rulemaking, Environmental, and Financial Support. The objective of today's meeting is to share the status of the staff's rulemaking efforts and to aid in the facilitation of public input during the comment period for the ANPR.

As you may know, the NRC is considering an amendment to its regulations that would alter financial assurance mechanisms provided by the NRC for the decommissioning of nuclear power plants and other nuclear facilities. Specifically, this action would amend provisions for parent company and self-company guarantees that require bond ratings issued by credit rating agencies.

This action would implement the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which directed the agency to amend their regulations to remove any reference to or reliance on credit ratings.

We want to ensure that any changes that the NRC makes to the current decommissioning regulations or funding models as are required by the

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legislative mandate result in financial assurance that continues to ensure NRC licensees plan for and provide adequate financial resources to address future decommissioning activities.

I really appreciate you joining us today. We look forward to hearing your comments during today's meeting and then later when we share our proposed rule. And with that I'll turn it back over to Greg.

MR. TRUSSELL: Thanks, Kevin.

Next slide, please, Glenna.

Okay, so background. So as I said earlier when I was reviewing the agenda, we're going to start off with some background material. So in terms of this background, again we'll talk about what is the Dodd-Frank Act. As you can see in the picture with our former President, there's Congressman Barney Frank and U.S. Senator Chris Dodd.

We're going to talk about the NRC regulations and how they're impacted, what are the NRC decommissioning funding assurance regulations and what are surety instruments. So to present the background, let me introduce Richard Turtill who is our technical lead and is the acting branch chief for the NRC's Financial Assessment COE Branch.

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Richard, take it away.

MR. TURTIL: Yes, I too was on mute. So I will request the next slide, please. Thank you.

So as we see here -- thanks for the introduction, Greg -- the Dodd-Frank Wall Street Reform and Consumer Protection Act I'm going to quote is basically was enacted to promote the financial stability of the U.S. by improving accountability and transparency in the financial system to end too big to fail, to protect the American taxpayer by ending bailouts, and to protect consumers from abuse of financial services practices.

So that was the -- from the act itself. Back in the 2008-2009, '08 and '09 time frame, as many of you experienced and know, there was a lack of investor confidence in bank solvency and declines in credit availability which led to plummeting stock and commodity prices in 2008 and early 2009.

The crisis rapidly spread into a global economic shock which resulted in several bank failures. As stated here, following the financial crisis of this period, Congress took action and enacted the Dodd-Frank Act to achieve the goals as stated on this slide. Next slide, please.

So what we have here is we're going to

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discuss the Dodd-Frank impacts to federal agencies. And there's Section 939(a) specifically cites removal of statutory references to credit ratings and 939(a) specifically refers to review of the reliance on ratings.

So by federal, each federal agency will perform these three functions. They will review any regulation that requires use of or reliance on credit ratings for credit-worthiness and references regarding credit ratings.

They will modify those regulations removing reference to or requirement of reliance on those ratings and substitute a standard of credit-worthiness that -- and this is a quote from the legislation -- each respective agency shall determine as appropriate for such regulations. Lastly, the federal agencies will transmit a report to Congress containing a description of modifications made to its regulations.

So for those who may not be as familiar, a credit rating is an evaluation of the credit risk of a prospective debtor or an individual, a business, a company, even a government, predicting their ability to pay back the debt and an implicit forecast of the likelihood of a debtor defaulting.

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The credit rating represents an evaluation by a credit rating agency of qualitative and quantitative information that they receive and that they evaluate from the prospective debtor including information provided by those individuals and other nonpublic sources of information.

Part of the contributing problem during the crisis was the determination that credit rating agencies -- and the names that most of us are familiar with are Moody's, Standard and Poor's, Fitch is another name -- they generated bond and other instrument, financial instrument ratings that were suspect and unreliable.

Hence, Congress's determination that in the Section 9393 of the Act, the federal agencies will remove reference to and requirements on credit ratings from their regulations and, hence, this rulemaking activity. If we can go to the next slide, please.

So the purpose of this slide is by and large to identify the location within NRC's regulations. The first step in this effort is where are credit ratings referred to relied on in NRC's reg. And that would be only in our NRC decommissioning funding requirements and that's where

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they reside.

So as you can see from this slide and as you may know, NRC part 30, parts 40, parts 50, 70 and 72 licensees are required to have decommissioning funding in place, ensuring there is reasonable assurance that such funding will be available for decommissioning activities.

And, of course, those sections refer to source, byproduct, production and utilization facility licenses, special nuclear material, and independent spent fuel storage installations. So those five categories of licensees we've listed there for you and this is where those requirements, they rely on such potential funding for decommissioning.

So on this slide, I've identified in bold letters the specific locations of the decommissioning fund instruments available for use by licensees. So the letters f, in part 30.35(f), 40.36(e), 50.75(e), 70.25(f), and 72.30(e), these are locations of funding mechanisms.

And then you can see further the bold number following the bold letter, so that would be the number (2) in part 30, the part 30 left in (2), (1)(iii), (2) and (2) refers to or cites part 30 appendices previously discussed that allow for use of

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the guarantee mechanisms that we were referring to. These are the parent company and the self-guarantees. These will be discussed in more detail in the following two slides.

You will see that other surety instruments include the following prepayment -- include the following. So there's a prepaid payment surety instrument for decommissioning funding, and that prepayment mechanism would have licensees contribute funds, cash into a decommissioning fund.

There's an external sinking fund. Some individuals, some types of licensees are qualified to set up a sinking fund that is tied to a decommissioning fund and funds are continually invested and deposited into the sinking fund.

And then there are other surety methods within that are applicable and they are used by licensees are surety bonds, there are letters of credit, insurance mechanisms, so all of these are listed.

And then note that in red we've identified for you under other surety methods in bold and red so you recognize what we're, the objective of this rulemaking, those two types of guarantee mechanisms are what we are having an impact on in

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terms of visiting the use of credit ratings.

So in summary, this slide presents the location within NRC regulations. In other words, in NRC's decommissioning and funding requirements, and identifies allowable instruments in which credit ratings currently are relied on and for which this rulemaking effort is underway in order to address Dodd-Frank.

And with that I'll move on to the next slide, please.

So this is pointing to NRC's regulation, so found in appendices to our byproduct materials regulation. So although each of these decommissioning mechanisms identified in the previous site are available to part 30, 40, 50, 70 and 72 licensees, it appear in 10 CFR in part 30 where the parent company and the self-guarantee narrative, the regulation itself exists.

So the NRC provides a requirement to these guarantee mechanisms in part 30, and again this is providing reasonable assurance of funds for decommissioning.

Guarantee mechanisms, these financial instruments in addition to other decommissioning funding mechanisms, are available to licensees to

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provide funding for decommissioning as we just discussed. These guarantee instruments, in particular, which include both the parent and the self-guarantee will have financial tests, which we'll discuss in a little bit, to determine the licensee or the company or its parent in the case of a parent company guarantee is, in fact, creditworthy and can be relied upon to provide funding for decommissioning. And in the case of universities, hospitals, colleges, such funding mechanisms are also available to them. On this and the next slide, this slide being for company corporate licensees and the next for colleges, universities and hospitals, we see that these guarantee mechanisms rely on these credit ratings. And again, they're also known as bond ratings, so you'll hear credit ratings, bond rating, in addition to other metrics to determine the creditworthiness of the guarantor.

So, of course, any entity that had previously relied on credit ratings would have had bonds that they had issued that in fact were evaluated and given a bond or credit rating. The financial tests, so these are not just standalone credit ratings, the financial test for companies, the parent company, both parent company and self-guarantee, in

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short, where a parent company for guarantee was a current rating for its most recent uninsured -- and this is a quote from the regs -- so a current rating for its most recent uninsured, uncollateralized and unencumbered bond issuance of triple A, double A, or single A or triple B, as issued by Standard and Poor's and similar such rating for Moody's.

And that gives you, I hope, a good sense of what the bond ratings and this reliance on these tests with those, for those ratings involve. And with that if we can move to the next slide, please.

So this slide discusses NRC's rulemaking and how we got to where we are in the ANPR, the Advance Notice of Proposed Rulemaking, for the alternatives to the use of credit ratings. Our initial approach was to remove use of credit rating criteria and instead rely on existing financial test criteria.

And in October of 2019 we had a public meeting, and comments highlighted challenges with our initial approach. And one of those challenges which we considered significant was such an approach was, could negatively affect some licensees' ability to actually utilize the guarantee mechanisms.

So with that in mind, we concluded that

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additional analysis and outreach to other federal agencies was required. And so we took that advice, basically. Based from that point forward based on results of further analysis, feedback that we received, we recommended and received from the Commission approval to conduct an ANPR to solicit public input on the ANPR in moving forward.

So we have a SECY paper on this and we have a link there in ADAMS, NRC's document system connection, you can see ML20097C507. Next slide, please. And with that I'm going to turn it back over to Greg and we'll move forward on speaking to the Advance Notice of Proposed Rulemaking.

MR. TRUSSELL: All right, thanks, Richard. Again, this is Greg Trussell, the rulemaking project manager.

So our Advance Notice of Proposed Rulemaking, so as we discussed earlier, the Federal Register notice of the ANPR had published December 21st of 2020, and our comment period ends on March the 8th. For your convenience, we've provided a link here to the Federal Register Notice.

So now we're going to kind of transition into our next segment of this public meeting where we're going to go into the questions provided in the

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Federal Register Notice. As part of the discussion, the staff will be interested in reviewing the two potential approaches that we outlined in the Federal Register Notice. They are, one, a modified or new financial metrics for assessing creditworthiness, and two, an independent agency determination. We'll get more details on these two approaches in the following slides.

I want to again reiterate that our purpose today is to facilitate public comments during our public comment period to raise awareness of the ANPR, answer any clarifying questions from stakeholders and members of the public on the process, and questions asked in the ANPR. So that's the end of our formal presentation.

So at this time, before we move on to discuss your questions, let's see if there's anybody on the line that has remarks or opening comments.

Sarah, can we open up the line to see if anybody has any comments or opening remarks?

MS. LOPAS: Sure.

Danielle, if you could prompt folks on how they can comment over the phone?

OPERATOR: Thank you. We will now begin the public comment or question session. If you would

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like to make a comment or ask a question, please press star 1, unmute your phone and record your name when prompted. Your name is just required so we can introduce your question. If you need to cancel your comment or question for any reason, you can dial star 2.

Again, if you'd like to comment or ask a question, please dial star 1. It may take a moment for any questions to come through.

MS. LOPAS: Okay, great. Thanks, Danielle.

And feel free, folks, to also use the chat. So if you have a shorter question or shorter comment, feel free to type it in the chat. Just make sure you're sending it to all panelists, that way the entire NRC team can see it. If you just kind of send the chat and hit enter, I think it goes to our host Glenna, who's a great host but she doesn't want to be inundated with just getting singular messages to herself, then she has to copy and paste it to all of us.

So please send your chats to all panelists and I'm happy to read those aloud and that way they'll be put on the record and I'll associate your name with the question or comments. And when

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we do get to your turn on the call, please just remember to introduce yourself again for our court reporter.

So, Danielle, just let us know if anybody comes up in the queue.

OPERATOR: Thank you. Our first question today comes from Lisa Burianek, and your line is now open.

MS. BURIANEK: Thank you. I have a question for Mr. Turttil. Could you comment on the difference between credit ratings for public debt issuance and the long-term issuer ratings that are for the express purpose of assessing creditworthiness of a company's overall financial solvency?

And we're dealing with some of these issues with a prominent decommissioning case and really would like to understand where the NRC is coming from on that point.

MR. TURTIL: I'm going to ask you if you would repeat. Do repeat your question for me. I'd appreciate that.

MS. BURIANEK: Sure, because it was kind of long, I didn't want to type it out.

MR. TURTIL: No, you're good.

MS. BURIANEK: Yes. Could you comment

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on the difference between credit ratings for public debt issuance versus long-term issuer ratings that are for the express purpose of assessing creditworthiness of a company's overall financial solvency?

MR. TURTIL: So you're making reference to public, so when you refer to public are you referring to, in the first part of your question to a government or a municipal entity?

MS. BURIANEK: A publicly traded entity. And they, private companies can go get long-term issuer credit ratings for a fee without public debt, but we are involved with an entity who's scheduled to do decommissioning, and is it the NRC's intent to follow-up with Standard and Poor's or Moody's type of issuance in this context if someone is not publicly traded?

MR. TURTIL: Right. So I would say right now we are definitely, knowing we're definitely in the ANPR phase so we're on a learning, we're trying to gather information, the usefulness, the effectiveness of what credit ratings actually, in fact, provided in our prior where you would be looking at what did standard -- what would a triple A or double A rating provide us as one looking for

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reasonable assurance of decommissioning funding.

What did that provide us and what equivalent type of past metric -- as you can see, and I want to get to your question, but as you can see here, the point we are at, at this level is we're looking at some other kind of metric to replace that reliance on credit ratings, either modified or new financial metric. It may be an independent evaluation by our agency based on information provided by our licensees, either their own generated information from their balance sheet, income statement, statement of cash flow as well as information they may have from other third parties they've engaged in regarding their company, et cetera.

So we're -- I think it's probably premature for us to get into that. We're looking just what we can as an agency to confirm and validate that, assurance that our licensee is qualified to meet the intent, which is for us quote, unquote, reasonable assurance for decommissioning.

So I'm not --

MS. BURIANEK: Okay, understood. Maybe the question is too pointed. We can also submit some written comments. Thank you for your time.

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MR. KLINE: Rich, this is Ken Kline. I may be able to help a little bit on that.

MR. TURTIL: I do want to reiterate that at this point, trying to -- you indicated, I think you indicated you were looking into a current case or doing, I guess doing your own analysis. So right now, we are in a position of again advance notice and maybe we can learn from your question. So I would encourage you, certainly, to get that into us. If that's helpful.

MS. BURIANEK: Happy to, thank you.

MR. TURTIL: Thank you.

MS. LOPAS: All right. Thank you, Lisa.

All right, let's see -- we have a question from the chat and then we'll go back to the phone. So star 1 on the phone to make a comment, remember, or go ahead and submit your comments by a chat or questions by the chat.

So this question is from Jerry Bonanno. I apologize if I pronounced that. Does the staff currently have a milestone schedule for completion of the rulemaking? So, Greg, I don't know if this a question for you as the PM?

MR. TRUSSELL: Yes, I'll try that, Sarah. This is Greg Trussell, again the rulemaking PM. And

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as Rich was saying earlier, we're in the ANPR stages now. Our comment period ends on March the 8th, so we'll take some time after the comment period to look at those comments and then use that in putting together our proposed rule.

We do have some time lines, Jerry, as you asked. I'm not sure if you're looking for just completion of the rulemaking. So right now, the rulemaking is right now projected to go out to early 2024 for completion of a final rule.

MS. LOPAS: Okay. Yes, I think that's what they were looking for.

All right, Danielle, do we have anybody?

Oops, sorry. Go ahead. Somebody wanted to jump in?

MR. KLINE: Sure. This is Ken Kline. Rich, you had a question earlier. I just wanted to touch bases just briefly on that. So NRC relies on the credit rating. A lot of the fundamental work that's done in the credit rating is proprietary so we don't know all of the tests that they perform to determine that, you know, triple A, double A, what have you, bond rating.

And so when we look at, you know, the distinction between a publicly-traded and a

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privately-held company that that distinction, that that analysis that's done by S & P or Moody's is not transparent to us and would not be -- they don't make that information available to us. Again, that's their business structure so they don't provide that.

So we wouldn't know those details. We can certainly have guarantees from publicly traded and, you know, smaller, privately, I wouldn't say smaller, but ones that are not publicly traded, so we've had both. That the way it's structured is that we get back credit ratings and then a CPA confirms that credit rating as part of the guarantee test.

And so, you know, we again, we wouldn't know that distinction, so I hope that helps to answer that question.

MS. LOPAS: Okay, all right. Thank you, Ken. Thanks for that additional information.

Hey, Glenna, can I just ask that you advance to the next slide? I think that should just be the slide that shows people how to question or comment. Yes, perfect. Okay.

All right. Danielle, do we have anybody else on the line that would like to make a comment, initial comment or an after question?

OPERATOR: We have nobody else in queue

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at this time.

MS. LOPAS: Okay. All right, well, so we're going to keep going, obviously, because the NRC staff is going to walk you through some of these questions that they've been looking to get specific feedback on. But, you know, I encourage you to continue to submit your questions or comments by a chat. I mean we're not closing out of the questions or anything so we're just kind of going to move on to these questions.

So, Greg, I'll hand it over to you to walk through some of these questions and I'll help you out.

MR. TRUSSELL: Sure, Sarah. Thanks.

Again, this is Greg Trussell, the rulemaking PM. So we thought to get the discussion going today, we would go to the questions that are in our Federal Register Notice on the ANPR.

And the first question we have is, are there licensees that meet the current credit rating-based financial test for a guarantee that would not be able to meet the alternate working capital and liability-based financial tests currently presented in our appendices at part 30? And as a follow-up to that, would such licensees be able to meet the

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decommissioning funding assurance requirements using one or more of the other funding assurance methods allowed by regulations?

So I'll throw that one out for our first discussion question, if anybody would like to respond.

MS. LOPAS: And you know what, Greg, maybe just to give folks a chance to just kind of see them all and give them kind of a chance to think them through a little bit and marinate on them, let's maybe just read through all of them. And then what we can like go back just to sort of gather everybody's thinking. That might be easier than just kind of, you know, stopping and waiting.

MR. TRUSSELL: Yes.

MS. LOPAS: So, but feel free. Everybody just hit star 1 whenever you want. Don't wait for us, you know, Danielle can always interrupt us and I'll certainly speak up if we get a chat. Okay, so.

All right, so maybe let's go to -- we'll just read through all of them and then we'll go back, Greg. Sound good?

MR. TRUSSELL: Yes, Sarah. I like that approach. Good idea. So moving on to the second question in the Federal Register Notice, this is on

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a modified or new financial metrics for assessing creditworthiness.

So please provide views on financial statement metrics or other quantifiable financial characteristics that could be reported by licensees to assess a licensee's creditworthiness, and hence its ability to use a parent company guarantee or perhaps a self-guarantee mechanism for providing reasonable assurance that decommissioning fundings will be available. So these metrics should differ from our current working capital and liability-based metrics that are currently presented in 10 CFR part 30 appendices. That's question 2.

And, Glenna, if you can move on to question 3.

MR. TURTIL: And if I could mention something, Greg, real quick. So just so folks are - - the metrics that -- this is Rich Turtil. The metrics that Greg just referred to, they're very liability based, if you will.

So you can look within those 10 CFR part 30, appendix A, C, D, those appendices that we cited earlier, and there are ratios such as total liabilities to total net worth, a certain metric number 2.0 in that case. This is for parent company

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guarantee, a ratio, another ratio that relies on liabilities so, and a ratio of current assets to current liabilities.

So many of the ratios that are currently a part of these appendices, 10 CFR part 30 appendices toward these parent and self-companies and very liability centric, if you will. And part of the challenge that we're working through at the NRC is where certain types of licensees that we have, there may very well be a creditworthy, if you will, licensee, but the current ratio -- current ratios, I don't really use that terminology.

But the current metrics that we're using may not fit and they may not be able to meet those metrics, but indeed they may be very, indeed, creditworthy, so that's part of the challenge.

Sorry to interrupt you, but I wanted to clarify that for you, Greg. Thanks.

MR. TRUSSELL: No. Feel free to interrupt at any time, Rich.

So the third question in our Federal Register Notice, Glenna, an independent agency determination, so please provide your views on the NRC performing an independent risk-informed, performance-based determination of a licensee's

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creditworthiness. The NRC would seek to determine the licensee's risk of default based on its review of financial data while providing some degree of flexibility on the part of the licensees as the type of financial data they would submit, so this could include evaluation of financial data available from the licensee, open-sources, and from third parties including credit ratings.

And, Glenna, that next slide, please. And the last question we had in the Federal Register Notice was independent of the two approaches we just outlined would be there, some other type of alternative financial test criteria again not presented above to assess applicant's or licensee's use of a guarantee to provide reasonable assurance of funds for decommissioning?

So those are the questions that are out there now of the ANPR. So, Sarah, if we could see if there's any thoughts from any of the folks on the line on any of these questions at all.

MS. LOPAS: Yes. So just a reminder, everybody, to press star 1 to make your comment over the phone. Let me just ask Danielle before I get to our -- we do have one question that was submitted by a chat.

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Danielle, is there anybody on the line?  
Do we have any star 1s?

OPERATOR: We don't have any questions on the line yet. But like you said, if anyone would like to, they can dial star 1, just as a reminder. Thank you.

MS. LOPAS: Okay. All right, press star 1 or send your chat to all panelists when you send your chat. Please send it to all panelists. So we do have a question asking about, asking -- following up on a letter that was sent, so this is from Michael Callahan from the Decommissioning Plant Coalition.

He said the Decommissioning Plant Coalition sent a letter on January 21st, 2020 with some suggestions as to how the staff should approach an ANPR. As we never received a response for that letter, we do not know if those suggestions were considered in constructing the ANPR. Can you tell us if they were or not?

Oh, you're on mute, Greg.

MR. TRUSSELL: I don't know. Is there anybody on the panel that can respond to that question?

MR. TURTIL: So this is Rich. No. You know, right -- I just got a -- I am not familiar with

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that letter. I don't want to suggest we don't have it, but please, we can look into it. If you can provide Greg or myself details that would be great.

MS. LOPAS: Yes. So, Mike, Greg's email will be at the bottom, at the end of this presentation. If you could follow up with an email to Greg, maybe resending the letter. I'm not sure how you sent it in, but if you sent it in by mail, rest assured nothing's coming through mail at the moment just because everyone's out of the office and what not working virtually. So email is the best bet at this point for kind of everything.

And I think that NRC staff is going to reiterate in our closeout that when you submit comments, you know, nobody, I don't think hardly anybody submits comments by writing anymore, right, but, you know, we're really suggesting you just send it to the email address that we'll see shortly.

But, Michael, if you could follow up with Greg with that letter, that way staff can be sure to get it. But that certainly sounds appropriate for this comment period.

Okay, so star 1 for anybody on the phone, if you want to make a comment on the phone, or go ahead and send a chat to all panelists.

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Danielle, do we have anybody on the call?

OPERATOR: We do. Our next question or comment comes from Jerry Bonanno.

Jerry, your line is now open.

MR. BONANNO: Okay, thank you. Can you guys hear me?

MS. LOPAS: We can.

MR. BONANNO: Okay. Jerry Bonanno from NEI. I had a quick question, just a clarifying question with respect to question number 1. I think, and it's the first part of question number 1. I just want to make sure I understand what that question's asking.

So, for example, if we were talking about parent company guarantees, the way I'm reading that question it's essentially asking if there are licensees out there that for example could meet the test, test 2 in Appendix A but not meet the B, the text laid out in test 1, is that what you all are driving at?

I know that doesn't cover self-guarantees, but is that essentially what the question is asking? And I just wanted to say we appreciate the opportunity to talk on this call and to get to ask questions about the ANPR and we're in the process

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of getting a complete set of comments together for the 8th, so thank you.

MR. TRUSSELL: Yes, I can go first on responding. This is Greg Trussell. And then, Rich, you can jump in.

Thanks, Jerry, again for your attendance today. I remember you being at our last meeting. And if I do recall, John Matthews, I don't know if he's on the line or not, at our previous meeting he talked about how some of many of the licensees would not be able to meet that criteria you were talking about. We were more interested maybe in more some of the material licensees, potentially, with this question, if that would be applicable to them.

Rich, jump in if you have any additional things to add to that.

MR. TURTIL: No, material definitely, material like these -- but also if there would be responses, we were just looking for clarification to assure ourselves, you know, generically speaking. You know, we are, you know, certain licensees are or are not able to meet these requirements as presented in 1. It's kind of a broader question, you know, what can they meet, et cetera. So it's just kind of out there just trying to cast a

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wide net, I think, from the get go in the beginning of these questions to ask this one and see, you know, what an individual, what are folks able to qualify for and to meet in other words to provide decommissioning.

So coupled with Greg's response, I just thought I'd provide a little more perspective.

MR. TRUSSELL: Thank you.

MR. TURTIL: Does that help, Mr. Bonanno?

MR. BONANNO: Yes, yes. That helps. I think we -- that's the way I was reading it too and I know we talked about this at the prior public meeting. But that helps and it should help inform our response to that question, so thank you.

MR. TURTIL: Great.

OPERATOR: Okay, we have no questions in queue.

MS. LOPAS: Oh, sorry. No questions in queue, okay.

OPERATOR: No questions.

MS. LOPAS: All right. And I just wanted to thank Mike Callahan for that additional clarification.

Mike, we will be sure that we get that letter if you don't mind sending an email to Greg

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Trussell, whose email will be at the next slide, and I can put it in a chat as well just so you have it, if that would be helpful.

So just a reminder to folks, all four of these questions -- yes, sorry. Go ahead, Greg.

MR. TRUSSELL: I do recall that letter now. It was forwarded to me. And yes, Michael, we did take in consideration that communication in the formation of our ANPR. I do recall that now. Thanks again for bringing that up.

MS. LOPAS: Okay. Oh, good. Okay. All right. So any of these questions are fair game right now, so the four questions from the FRN. So, Glenna, if you don't mind maybe fast tracking to question 1 just so we have that one up on the screen.

And again, please send your questions or comments by a chat, I'm happy to read them aloud, or press star 1. And we'll just give it a few minutes.

And, Danielle, just feel free to jump in and interrupt me if anybody presses star 1 and comes on the line.

OPERATOR: Someone just did, as a matter of fact.

MS. LOPAS: All right.

OPERATOR: Our next question comes from

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Michael Callahan. Michael, your line is now open.

MR. CALLAHAN: Thanks. And thanks, Greg. Thanks for clarifying that. So I'll be brief. Does that mean that you discounted it and we need to develop an additional comment? Where does that leave that original, those original suggestions or do we include them as answers to the questions or comments to the questions?

MR. TRUSSELL: Yes, Michael. Again, this is Greg Trussell. I would go ahead and include those comments in any further comments you have on the ANPR.

MR. CALLAHAN: Okay, thank you. Appreciate it.

MR. TRUSSELL: Yes, thank you.

MS. LOPAS: Okay. All right, Danielle, is there anybody else on the line that has pressed star 1?

OPERATOR: Not at this time.

MS. LOPAS: Okay. All right. Let's see. Greg, while we let people think about the questions, we can if you want, I don't know, is there -- were you going to comment how people can submit written comments if they would like to?

It seems like probably now, to be clear,

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if you make a comment today on the phone that's just as good as a written comment so there's no need to duplicate effort. So if you want to speak your comment today it'll get on the record. It'll be transcribed. It'll be considered as a formal comment. So -- but, Greg, I don't know if you want to just quickly review how folks can submit their comments and that way if more people want to jump on the line that'll give them time to think it through?

MR. TRUSSELL: Yes, absolutely. Again, this is Greg Trussell. Glenna, if you could go to slide 20, please.

All right, so how to submit public comments. We have various methods. We highly, highly recommend that you submit your comments electronically. To submit your comments electronically you could use the federal rulemaking website, which is [regulations.gov](http://www.regulations.gov), which could be found at [www.regulations.gov](http://www.regulations.gov).

All you need to do is search for the docket ID, which is NRC-2017-0021, and for your convenience we've got a link right here to [regulations.gov](http://www.regulations.gov). You can also mail your comments to the address listed here to the attention of rulemaking

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and adjudications. You can also email your comments to the rulemaking.comments@nrc.gov.

And one last time, again the comment period closes on March the 8th, so does anybody have any questions on how to submit public comments?

MS. IOPAS: Okay. If there are any questions about submitting comments that I'm sure many of you are well familiar with submitting NRC comments, so you can either send them by that email or go to regulations.gov. I think both of those are really good options if you would like to submit written comments. But however, we are transcribing today's meeting. So if you'd like to make comments today, we will capture them by the transcript but you are also welcome to submit written comments as well.

But go ahead and send me any questions or comments via the chat and I'll read them aloud so we get them on the transcript or press star 1 on your phone. And, Danielle, just let me know if anybody jumps in on the phone. Okay.

MR. TRUSSELL: Sarah, this is Greg. I wanted to see if Rich wanted to give any more detail on the second option. I know he wanted to look at detail on the first option, maybe on the second option of the independent agency determination?

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MR. TURTIL: Yes, I'm here. Let me just pull up that.

MR. TRUSSELL: If I recall correctly from our last meeting, this was something similar that with that kind of encourage -- I think it was from Jerry from NEI, listening. I actually thought this would be a good approach for compliance with this.

MR. TURTIL: So, yes. Thanks, Greg. So if we go to slide 14, if we're able to do that -- I think we're able to do that but if not that's okay -- we present as you can see potential rulemaking approaches. And again, just to reiterate, we are in the ANPR so in early phases of considering how best to develop a rulemaking.

The second, I think Greg was just referring to the second, I think a possible consideration of the second approach aside from, you know, what we're using now which are metrics, we're using financial metrics and in some cases credit ratings that are authorized for use by our regs.

So in the second bulleted concept down at the very last, independent agency determination, you know, we've reached out. It was made a recommendation and we've reached out to other federal agencies. Specifically, we're very familiar with,

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been in touch with three or four agencies getting a sense of very different variable approaches to this and we're keeping them informed of what we're doing.

And one of the agencies, specifically at the National Credit Union Administration and what we have there, and I want to -- I'm looking for some of my own talking points on this. Bear with me one moment.

So the NCUA approached this a while back with, quote unquote, they have a supervisory letter to their staff and to the -- not licensing, the credit unions who they have oversight over. And the National Credit Union Administration came up with a supervisory letter entitled, Investing in Securities Without Reliance on Nationally-recognized Statistical Rating Organizations. And so those nationally recognized are those which I'm referring to, Fitch, Standard and Poor's, Moody's.

So for this federal regulator, if you will, the NCUA, has significant oversight over hundreds and hundreds, if not thousands, of credit unions across the country. This was specific guidance that they have provided to their examiners and hence to their regulated community as to how best to go

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about ensuring that their investments, so they're authorizing and they're allowing for investments by credit unions based on credit unions' own analysis of those investments and they can be anything from, you know, CDs to Treasury, et cetera.

So we're not evaluating investments or potential, but we're looking at evaluating licensees and their financial strength and so this is an example. It's from the NCUA, the supervisor of what we would consider as an independent agency evaluation.

So as the NRC would seek to determine a licensee's risk of default based on our review, its review of financial data while providing some degree of flexibility on the part of licensees, so I hope that gives you some sense of what we mean by a potential independent NRC agency determination based on the kind of information we could receive.

So I hope that gives you perspective. We do see examples out there that other federal agencies, at least this one in particular is looking at great detail at the kind of guidance it can provide that will not rely on credit ratings. I hope that's helpful.

MS. LOPAS: Okay.

All right, Danielle, is there anybody on

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the line?

OPERATOR: No one in queue.

MS. LOPAS: All right, folks. We're going to do a last call for comments now, so star 1 if you have any further comments that you'd like to give over the phone to have transcribed or send a chat.

But while we're waiting for those comments then, Greg, I can have you, I think you have another slide just like your contact information, and you can cover that and then we'll just circle back to make sure we have no final comments. Does that sound good?

MR. TRUSSELL: Yes, Sarah. That sounds good. Again, this is Greg Trussell. So, Glenna, slide 22.

All right, so again the comment period closes on March 8th. Comments that we receive in response to this request will be considered as we develop our proposed rule. The NRC will also be providing another opportunity for public comment on our proposed rule. Again, the comment period closes on March the 8th.

And, Glenna, if you could move on to the next slide. So if you need to follow up with me in

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any way, there's my contact information or my email.

And that's all I have, Sarah, at this time, if anybody has anything else to add.

MS. LOPAS: Okay. Let's check then.

Danielle, did we have any star 1s?

OPERATOR: We do not have any questions in queue.

MS. LOPAS: Okay. And I don't see anything else coming through on the chat, so I will call it from a comments perspective. But, of course, as everybody heard, please get your written comments, if you are submitting written comments, in by March 8th. So I'll hand it back to Greg to close us out then.

MR. TRUSSELL: That's all I have. Again, I want to thank everybody for coming today. Again, there's my email if you want to send me an email for any follow-up questions. And again, thank you for attending, and that will conclude our public meeting.

OPERATOR: That concludes today's conference. Thank you all for participating. You may disconnect at this time.

(Whereupon, the above-entitled matter went off the record at 1:58 p.m.)

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