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TRANSCRIPT OF PROCEEDINGS

## APPEARANCES

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## 1 PROCEEDINGS

2 ERIC LEEDS: All right, thank you, Mr. Chairman. I'd like to now  
3 take a moment to introduce to you the NRC's executive director for operations,  
4 Mr. Bill Borchardt. Mr. Borchardt became the executive director for operations at  
5 the U.S. Nuclear Regulatory Commission in May of 2008. Since joining the NRC  
6 in 1983, he has served as the senior site inspector at both pressurized and  
7 boiling water reactors, and he has held several leadership positions in the  
8 operating reactor program, the enforcement program, and in the nuclear security  
9 and incident response program.

10 In August of 2006, when the Office of New Reactors was created,  
11 Bill became the first director of that office. And while in that position, we was  
12 appointed as the executive director for operations. Mr. Borchardt graduated from  
13 the U.S. Naval Academy and spent five years in the nuclear submarine program.  
14 Please welcome Mr. Borchardt.

15 [applause]

16 BILL BORCHARDT: Well, thank you, Eric, and good morning to  
17 everyone. On behalf of the NRC staff, I'm please to add my welcome to this  
18 year's RIC. I'm confident that you'll find this conference to be informative, and I  
19 look forward to your active participation. My thanks, as always, go to the Office  
20 of Nuclear Reactor Regulation and the Office of Nuclear Regulatory Research,  
21 as well as the many staff volunteers that help make this RIC such a success year  
22 after year.

23 Your attendance at this conference is a clear indication to me that  
24 you care about our mutual interests and responsibility in the safe and secure use  
25 of radioactive materials. I firmly believe that we are united in an objective of

1 protecting public health and safety and the environment. So as I begin, I'd like to  
2 thank everyone, the NRC staff, the licensees, our international colleagues, the  
3 NGOs, and all other stakeholders for your daily contribution to our safety and  
4 security objective.

5           Some might remember 2011 as the year of Fukushima; however,  
6 notwithstanding the significance of that tragedy and the significant response by  
7 nuclear regulators and operators around the world, the year since last year's RIC  
8 has been filled by a wide range of challenges and accomplishments. In addition  
9 to the earthquake and tsunami in Japan, the U.S. experienced a number of  
10 natural events including the Midwest flooding, the Virginia earthquake, and  
11 multiple hurricanes and tornadoes.

12           In addition to these challenges, we had programmatic challenges,  
13 including responding promptly and appropriately to the events in Japan, closure  
14 of the Yucca Mountain project, and an ever demanding reality of fiscal  
15 constraints. These events have had a significant impact on the work we did in  
16 the past year, and at least some of them will have a significant impact on the  
17 work going forward. Notwithstanding the impact of these challenges, including  
18 the significant resources that were devoted to the follow-up of the Fukushima  
19 event, the NRC staff was able to carry out our domestic responsibilities without  
20 any sacrifice in quality. I'd like to thank the NRC staff for their dedication and  
21 commitment to our mission and to our organizational values over a very  
22 challenging year. While 2011 might be remembered for its natural events and  
23 the resulting emerging work, it's my hope that 2012 will be a year of  
24 implementation. Over the last year, we have put a lot of new work on our  
25 respective plates. I think it's time to make serious progress towards

1 implementing the Fukushima lessons learned, and resolving some long-standing  
2 issues, all while keeping a top priority on the continued safe operation and  
3 effective regulatory oversight of operating facilities.

4 My intention this morning is to give you a brief overview of some of  
5 the activities that have occurred over the last year and our forecasts for work in  
6 the coming year. The fleet of operating reactors remains at 104, but what's  
7 different now is that there's two units that have recently been issued a combined  
8 license, and two units that have active Part 50 construction permits.

9 Regarding applications for new combined operating licenses, the  
10 NRC is actively reviewing 10 combined license applications. We're emphasizing  
11 the projects that are expected to complete licensing and construction and begin  
12 operation before 2020, so those are the plant applications that are getting our  
13 highest priority.

14 The number of materials licensee is holding steady at around  
15 22,000 nationwide, with 3,000 regulated by the NRC and 19,000 administered by  
16 agreement states. I'll note that March 26th of this year will mark the 50th  
17 anniversary of Kentucky becoming the first agreement state. Since I spoke at the  
18 RIC last year, we've issued two additional materials licensees -- licenses for in-  
19 situ uranium recovery projects, bringing the total to eight. We're currently  
20 reviewing two other applications for expansions, and two for new facilities, and  
21 we continue to receive and review the 10 year license renewal applications.

22 There's a continuing interest in the fuel cycle, we currently regulate  
23 one conversion, one proposed deconversion facility, five proposed or operating  
24 enrichment facilities, five fuel fabrication facilities, and one proposed mixed oxide  
25 fuel fabrication facility.

1           The nation's economy and the flattening of our agency's budget  
2 growth will continue to make -- will make the next several years very challenging  
3 in a number of respects. As you can see, the NRC budget peaked in 2010 at  
4 around \$1 billion, \$67 million and the current 2012 budget is essentially flat, \$40  
5 million less than the peak in 2010. However, that 4 percent budget decline  
6 actually has a larger operational impact than one might expect because the fixed  
7 costs, things like electricity and rent and salaries and benefits continue to  
8 increase. The end result of that is that each year we have less flexibility to fund  
9 discretionary initiatives, and anticipatory technical work.

10           Looking at the budget in another way, 60 percent of our total budget  
11 goes to salaries and benefits, approximately 15 percent are fixed costs, things  
12 like rent and electricity, and the remaining 25 percent goes to contract support,  
13 travel, training, or looked at through major programs, just over half of the total  
14 NRC budget goes to the reactor program, 15 percent to radioactive materials and  
15 waste safety programs, and approximately 30 percent for management and  
16 support activities. These percentages have stayed roughly the same from year  
17 to year.

18           This tightening of our resources, in addition to the additional work  
19 flowing from the Fukushima accident, means that we have to consider the need  
20 to delay or shed certain activities in order to ensure that our safety-related work  
21 is being completed. Budget constraints are being significantly felt in the area of  
22 staffing as well. We enter 2012 with 3,944 permanent employees, and we're  
23 taking a number of actions to align our workforce with the new budget realities.  
24 This includes, over the last year, we've offered some limited buy-out programs to  
25 certain employees, and we'll also be realigning our grade structure over time to

1 ensure that the human resources are being managed as efficiently and as  
2 effectively as possible. Last year, I mentioned a program called Transforming  
3 Assets into Business Solutions, or TABS, and this year we're beginning to  
4 implement some of the initiatives and improvements in that area, and while most  
5 of the business and organizational changes will be invisible outside of the NRC,  
6 we're striving to maximize the value from the fees paid by licensees and the  
7 moneys paid by tax payer funds that go to fund NRC's budget.

8 I'm pleased to report that the 3 White Flint building is now fully  
9 enclosed, and we're scheduled to begin occupying that facility by the end of this  
10 year. This facility will have 1,350 workstations, and will house staff from seven  
11 different NRC offices. It will also house the NRC emergency operations center,  
12 the training facility, the professional development center, a cafeteria, and a  
13 conference room on the ground floor. Each of the regional offices have also  
14 either recently moved to new locations or expanded their current facilities.

15 We've also updated the agency document access and  
16 management system to enhance easier and quicker access to all public  
17 documents. In addition, as part of our ongoing multiyear effort to ensure a  
18 consistent national materials and management program, we deployed updates to  
19 the licensed transfer system -- tracking system, and the national source tracking  
20 system.

21 Last year, I noted the launch of the NRC blog in January of 2011.  
22 Since that time we've continued to significantly enhance our communications with  
23 stakeholders. In addition to the roughly 1,000 public meetings we hold each year  
24 in Washington and around the country on a full range of NRC issues, we also  
25 unveiled a redesign of our website that improves navigation, content, and

1 accessibility. It has been our first significant web update since 2007. We're  
2 using web conferencing to enhance stakeholder participation in over 1,000 virtual  
3 meetings a month. In January alone, over 800 people attended NRC sponsored  
4 web conferences. In addition, we've doubled our capacity to strain Commission  
5 meetings with 53 Commission meetings be strained last year, and as Eric noted,  
6 we've greatly expanded our presence on social media by establishing Twitter and  
7 YouTube accounts to send news, provide a wide variety of other information to  
8 interested stakeholders.

9           Despite the emergent and unique challenges we faced last year, I  
10 don't want to lose sight of the fact that we maintained a clear focus and priority  
11 on the full range of our domestic safety and security responsibilities. This  
12 included keeping pace with our core mission responsibilities, such as completing  
13 all reactor and materials inspection and oversight programs, completing over  
14 1,300 reactor licensing actions and tasks, maintaining an active program of  
15 regulatory enhancements, including issuing approximately 30 NUREGS, and  
16 continuing to meet our international obligations.

17           A particular highlight since the last RIC has been the issuance of  
18 two new -- of the first new reactor licenses in over 30 years for the two AP1000  
19 units at the Vogtle site. We also issued a final safety evaluation report for the  
20 ESBWR design certification and two design certification rules for the AP1000  
21 amended certification, and an amendment to the ABWR design certification.

22           In addition, we kept up an active program of vendor inspections,  
23 quality assurance implementation inspections and a new engineering design  
24 verification inspection. As the chairman noted in 2011, we issued a final safety  
25 culture policy statement that sets forth expectations that individuals and



1 organizations involved in NRC-regulated activities establish and maintain a  
2 positive safety culture proportionate to the safety and security significance of  
3 their licensed activities.

4           We also completed work on a state of the art reactor consequence  
5 analysis, or SOARCA. Using computer models and simulation tools, the NRC's  
6 developed a set of realistic consequence estimates of unlikely accidents at an  
7 initial set of two reactor sites, representative of different reactor and containment  
8 designs in the United States. We released this report for public comment earlier  
9 this year. Some multiyear efforts around the agency have transitioned from a  
10 pilot or developmental stages to core, ongoing work. I'll cite three examples.  
11 One is that we have finally sunset the digital I and C [spelled phonetically]  
12 steering committee, that that work, after several years of very close management  
13 attention because of the uniqueness of -- and newness of that technology to the  
14 NRC review criteria has finally entered into the mainstream. So it's good to see  
15 that we can actually resolve things, get them on the normal flow, and have the  
16 work accomplished through our normal processes.

17           Following staff approval, as a second example of the two pilot plant  
18 license amendments that used national fire protection association standard 805  
19 in 2010, the staff has successfully completed the first triennial fire protection  
20 inspection at the Shearon Harris Plant in the fall of 2011, and then the final  
21 example is Generic Issue 186 which has to do with heavy loads and drops at  
22 nuclear power plants. The industry submitted proposed guidelines in 2008 which  
23 the NRC endorsed, and we have been successfully implementing these guidance  
24 and this inspection over the last several years. In 2011 we closed this generic  
25 issue.

1           Our most significant challenge of the past year and the key area of  
2 significant activity in 2012 will be our response to the events at Fukushima.  
3 Within hours of the Japan earthquake, the NRC operations center was staffed  
4 and for the better part of the last year, numerous staff members have worked,  
5 both in Japan and here in Rockville, in response to the accident. I thank all of  
6 those staff members for their dedication and professionalism; however, it wasn't  
7 just the NRC or the U.S. government that responded to the accident, I'd like to  
8 also acknowledge the efforts and cooperation of the U.S. industry that enabled  
9 the United States' efforts to be effective.

10           On March 23rd of last year, the Commission directed the staff to  
11 conduct the lessons learned review of the accident at Fukushima. The near-term  
12 review was conducted by a task force of senior NRC managers and staff, and the  
13 task force makes 12 overarching recommendations. Shown in red on this slide  
14 are the six recommendations for industry action to enhance safety. In green are  
15 the two recommendations for actions to enhance NRC programs, and then blue,  
16 the four recommendations for NRC longer term study. I'd note that these areas  
17 of recommendations are strikingly similar to the topics being evaluated by  
18 nuclear regulators around the world.

19           There have been five principles that have guided the staff activities  
20 as it relates to the Fukushima follow up. First, is to maintain our focus on the  
21 safety of operating reactors. Two, is to exercise discipline when considering  
22 issues not in the original near-term task force report, and to use existing  
23 regulatory processes whenever possible, and in all cases, when there isn't a  
24 direct linkage to the events at Fukushima. Three is to not displace work that has  
25 a greater safety benefit. Four is to impose the right requirements on a prompt

1 schedule, and five, to be very clear, the solutions must have a sound technical  
2 basis and be the result of effective stakeholder input.

3           With the existing fiscal constraints, the overriding challenge that the  
4 staff will face when implementing the actions to address the near-term task force  
5 recommendations will be redefining agency priorities while ensuring that this  
6 process does not displace ongoing work that has greater safety benefit or work  
7 that is necessary for continued safe operation. The staff has identified specific  
8 high priority items that it does not intend to delay as a result of this emergent  
9 work. This includes things like the routine oversight of current licensee  
10 operations; the NFP805 reviews; the resolution of Generic Issue 191, the  
11 assessment of debris accumulation at PWR sum performance; implementation of  
12 the recently updated emergency preparedness rule; the materials, fuel facility,  
13 and reactor oversight program activities; and the near-term combined license  
14 reviews for new reactors.

15           However, the flip side of this is that we've also identified some items  
16 and areas of work that may experience delays due to limited resources. These  
17 include extended power up rates, non-FPA805 fire protection issues, and some  
18 of the longer-term combined operating license reviews. We will continue to  
19 process existing applications for new licenses, including early site permits,  
20 design certification, and combined licenses, and license renewal applications in  
21 accordance with the schedules that we have established. We continue to believe  
22 that our regulatory framework and our requirements provide for a rigorous and  
23 comprehensive license review process that examines the full extent of citing  
24 system design and operations of power plants.

25           Now, I'd like to briefly turn to some of the current issues that are --

1 we're evaluating as part of operating fleet activities. GSI-191 on ECCS pump  
2 strainer clogging. The staff continues to review the risk-informed approach under  
3 development by South Texas, and will send a progress report to the Commission  
4 in June of this year. However, in vessel effects continue to be a challenge, as the  
5 chairman mentioned. The staff, in reviewing information from NEI, the vendors,  
6 and the owner groups on updated guidance for resolving the technical issues,  
7 and meeting with South Texas project on its risk-informed approach to GSI-191,  
8 and we're preparing to develop a Commission paper on the closure options for  
9 this generic issue.

10           Regarding spent fuel pool criticality analysis, with no federal  
11 repository in sight, use of the higher density fuel assembly storage will continue  
12 to increase, and while the industry may perceive NRC staff increased scrutiny as  
13 introducing regulatory uncertainty, the erosion of conservatism and margin in the  
14 spent fuel pool criticality analysis remains a concern under the current  
15 environment. With their increasing complexity, the NRC staff will continue to  
16 provide rigorous reviews of spent fuel pool criticality and license amendment  
17 requests.

18           On cumulative effects of regulations, staff has developed and the  
19 Commission approved enhancements to our rulemaking process to take into  
20 account the accumulative effects of regulations. We're going to address this by  
21 interacting with stakeholders during the regulatory basis and draft guidance  
22 phase of rule-making, publishing supporting guidance concurrent with the rules,  
23 seeking feedback on cumulative effects of regulation for each rule that's  
24 published in the federal register, and holding public meetings on implementation  
25 of the rule during the final rulemaking stage, and using the common prioritization

1 of rulemaking process in order to prioritize all rulemaking activities.

2           Final topic I'd like to mention, I think is in my mind an emerging  
3 issue that deserves all of our attention. The use of vendors and contractors by  
4 licensees to provide expertise in certain technical areas will continue to receive  
5 increasing close regulatory oversight. While I believe that there is clear  
6 understanding of the licensee's responsibility of all technical work including  
7 licensing submittals, recent experience is indicating that Appendix B oversight of  
8 vendors by licensees may not be adequately implemented in all cases. Recent  
9 problems with the technical quality of safety analysis submittals has resulted in  
10 schedule delays, and issuance of 5050-4F requests for information.

11           In addition, last year's IAEA integrated regulatory review service  
12 mission to the NRC indicated that NRC should assess whether requirements  
13 were adequate in the vendor oversight area.

14           This table provides 10 years of information on two separate sets of  
15 data. The first, the light blue line, shows the reactor units that have been in  
16 columns three and four of the reactor oversight program action matrix, plus those  
17 that have been shut down for performance issues under Manual Chapter 0350,  
18 and then the second, the dark blue line, the number of greater than green  
19 performance indicators. There's a couple spikes on this chart that can be  
20 explained. The dark blue spike in the greater than green PIs during 2003 was  
21 significantly impacted by the -- and related to the power blackout events that  
22 occurred that year, which caused a large number of scrams [spelled phonetically]  
23 which are counted as initiating events.

24           Looking at the dark blue lines in 2006 and 2007, those were the  
25 first two years of reporting the mitigating system performance indicator, or MSPI

1 index. The large number of greater than green PIs in those years were where  
2 MSPI thresholds were being crossed. And you can see that that number has  
3 decreased as licensees started to learn how to manage risk and perform the  
4 modifications to lower the risk profiles so that the failures weren't as significant.  
5 So in my mind, this is a very good story to show that when we pay attention to  
6 the risk significant activities that appropriate attention is paid to them and  
7 performance actually improves.

8           One item of note is the increasing number of plants in columns  
9 three and four, or those counted under the 0350 process during the period of  
10 2008 to 2010, which is the light blue line. 2011 includes the first 0350 plant in the  
11 last 10 years. And I can assure you again that even with our constrained  
12 resources and the emergent work that's occurred over the last year, the NRC will  
13 continue to fully focus on insuring safety and working with licensees on plant  
14 performance, in these and other areas.

15           Shifting the area of new reactors, as I mentioned earlier, the NRC  
16 recently issued two design certification rules for the AP1000, amended  
17 certification, and an amendment to the ADWR design certification. These  
18 amendments provide for increased safety beyond the previously certified  
19 designs. Both caused us to address some difficult, technical or policy issues, yet  
20 both were completed on time and at a high level of quality. The NRC also issued  
21 the first combined license recently for the two AP1000 units at Vogtle.

22           We have begun executing a construction related inspection  
23 activities at Vogtle's Unit 3 and 4, and at Summer Units 2 and 3. The  
24 construction inspectors from the Region II center for construction inspection, and  
25 the headquarters technical staff have conducted multiple inspections on ITAAC.

1 In addition, vendor inspection activities to verify the integrity of the supply chain,  
2 internationally as well as domestically, are increasing and include additional  
3 emphasis on counterfeit, fraudulent, and suspect parts. We also will continue to  
4 partner with the international community and incorporate construction experience  
5 gained worldwide in our knowledge base.

6           The NRC staff has taken a variety of activities to prepare for  
7 applications for small modular reactors that may arrive as early as next year. We  
8 have evaluated past events, reactor experience, and interacted with stakeholders  
9 to identify issues that should be addressed to support the design and licensing  
10 reviews of small modular reactors. We've made substantial progress in bringing  
11 to resolution the key policy licensing and technical issues facing these designs.  
12 And we've been focusing our attention on the congressionally mandated Next  
13 Generation Nuclear Plant Program, and are now focusing on the SMRs,  
14 specifically on the integral pressurized water reactors.

15           Shifting to some non reactor topics in the area of spent fuel, the  
16 staff is currently identifying key regulatory and technical issues associated with  
17 extended storage and transportation. We completed reviewing the license  
18 application for the AREVA Enrichment Services for construction of the proposed  
19 Eagle Rock enrichment facility in Idaho, and issued a license to the facility in  
20 October of last year.

21           We've also been reviewing the General Electric-Hitachi Global  
22 Laser Enrichment license application to construct a laser-based enrichment  
23 facility in Wilmington, North Carolina; and the staff issued a safety evaluation  
24 report, and a final environmental impact statement for that facility in late  
25 February. And interests remain strong in the area of uranium recovery and the

1 number of potential applications continues to increase. We're expecting a total of  
2 27 applications for new facilities, expansions or restarts through 2013. The fuel  
3 cycle oversight process, we continue to improve the process to make it more risk  
4 informed, performance-based, predictable, and transparent.

5           And then the final issue that I'd like to mention as to do with the  
6 cyber security road map that the staff is developing to chart a vision for facilities  
7 and licenses regulated by NRC. It potentially expands the types of licensees that  
8 have cyber security regulations in place, and includes the development of an  
9 inspection program and a significant determination process. The cyber security  
10 inspection effort at reactor facilities will commence in 2013. Our office of Nuclear  
11 Regulatory Research conducts confirmatory experiments and analysis that  
12 develops the technical basis to support our safety decisions and it prepares the  
13 agency for the future by evaluating safety aspects of new technologies and  
14 designs for nuclear reactors, materials, waste, and security.

15           In 2011 accomplishments discussed earlier -- I mentioned the  
16 SORCA research study -- that we released in January. The staff will be  
17 discussing the results of the study at the RIC session on Wednesday afternoon.

18           Regarding level three PRA, the Commission has asked the staff to  
19 conduct a full scope level three PRA that include analysis of the onset of core  
20 damage and the release of radioactive material to the environment, the offsite  
21 radiological consequences. It's anticipated that a new full scope site level three  
22 PRA would yield new and improved risk insights to enhance regulatory decision  
23 making, and to help focus limited agency resources on issues most directly  
24 related to our mission of protecting public health and safety.

25           Stakeholders often ask about the cancer rates in populations



1 residing near NRC licensed facilities. The analysis in the 1990 National Cancer  
2 Institute report focused on cancer deaths, and the public is often also interested  
3 in cancer incidence. The NRC has asked the National Academy of Sciences to  
4 conduct a new study to provide up to date information on cancer risks near -- in  
5 populations near nuclear facilities. NIS is planning to publish the phase one  
6 feasibility report later this month for NRC consideration and proceeding to the  
7 next steps of the study.

8           A relatively new project is our spent fuel scoping study. This will  
9 estimate the effect of spend fuel accident consequences when a reduced amount  
10 of spent fuel is stored in the pool. The intent of this study is to provide updated  
11 consequence estimates for a particular beyond design basis scenario of interest.  
12 We expect to release the results of this study for public review and comment later  
13 this year. And the staff will be providing more information on the study, again,  
14 Wednesday afternoon during a session on spent fuel pools.

15           We've also maintained a robust research program looking at  
16 seismic and tsunami hazards for several years. The products of this ongoing  
17 research will include the recently completed multi-year cooperative research  
18 program. The study produces and updated the seismic data base and methods  
19 of analysis for stable and consistent quantification of seismic load at nuclear  
20 power plant sites.

21           The final topic I'd like to mention this morning has to do with our  
22 international activities. We continue to be involved in the key multi-national  
23 counterparts with the IAEA, with the Nuclear Energy Agency, on a range of  
24 activities, including the Halden Reactor Project. The NRC remains heavily  
25 engaged in the numerous working groups helping standards of technical reports,

1 a range of research activities, and international workshops. We're also working  
2 closely with the international community on activities to indentify and coordinate  
3 lessons learned from the Japanese earthquake and tsunami. This includes  
4 participation in the upcoming convention on nuclear safety, extraordinary meeting  
5 which will be held next week. The NEA senior task group on Fukushima, and the  
6 IAEA after action plan, and the Fukushima related IRRS peer reviews, as well as  
7 numerous international conferences, seminars, and workshops.

8           In addition, we continue to have significant bilateral arrangements  
9 with regulatory agencies around the world, and we derive great benefits from  
10 those interactions and look forward to continued interaction throughout the  
11 coming year, due to the ongoing global interest in the developing nuclear power  
12 plants, and in their safe and secure use of radioactive materials, a key area of  
13 focus in our bilateral activities is support for the new nuclear programs. We're  
14 currently engaged with two dozen countries considering or undertaking nuclear  
15 power programs for the first time.

16           Finally, as we work toward the future, it goes without saying that we  
17 must continue to focus our -- on our mission and on the fundamentals of doing  
18 our job in the best way possible. In doing so we will, of course, carry out  
19 significant routine activities, but we'll also be implementing solutions to a number  
20 of recent challenges that we have faced including the Fukushima accident, and  
21 the knowledge management and knowledge transfer as we continue to bring on  
22 new staff.

23           I showed some staffing chart earlier in the presentation, if you could  
24 indulge me for just a minute, I just want to recognize a couple people. Over 150  
25 people have retired from the NRC over the last year, and every one of them

1 deserve recognition, but recently three individuals who have been leaders for this  
2 agency for many, many years, each of them for longer than 30 years, have  
3 announced their retirements. Steve Burns from the -- who is currently the  
4 general counsel for the NRC will be leaving the NRC and going to the Nuclear  
5 Energy Agency, in fact. Catherine Green, who most of you in this room may not  
6 know, but is currently the director of the Office of Administration, has been a  
7 leader for this agency for many, many years, and even though the technical staff  
8 likes to take credit for all the progress that happens, we all recognize that we  
9 can't make that progress without the rest of the agency, without the infrastructure  
10 working, and without their support on a day-to-day basis; and then finally, I'd like  
11 to recognize a person who has had a very significant role in the agencies follow  
12 up to the events at Fukushima and the United States, and that is -- I'm very sad  
13 personally to announce that Marty Virgilio will be retiring in a few months. So for  
14 each of those three, and for all of the people that have retired over the last year, I  
15 thank them for their efforts in support of our mission, and I thank you for your  
16 attention this morning.

17 [applause]

18 ERIC LEEDS: Thank you Bill, we have time for a few questions  
19 this morning, I'll start off. What will be the process to reassess seismic designs in  
20 the U.S. and who will be responsible for such a reassessment?

21 BILL BORCHARDT: Well, the work that's been done and the study  
22 for the central and eastern United States, we will be, obviously, working with  
23 licensees, but I don't see why this is any different from any other topic. The  
24 responsibility for the analysis and for the plant design changes that occur rest  
25 primarily with the licensees, the NRC, obviously, will be clarifying expectations

1 and criteria, but this is -- this area will be the same as any other area of regulated  
2 responsibility.

3 ERIC LEEDS: Thank you. All right. Given that nuclear power  
4 uprates are projected to add more nuclear capacity and sooner to the grid than  
5 new reactor construction, and given that uprates are intimately linked to most  
6 license renewal activities, what is the NRC's rationale for deprioritizing the  
7 extended power uprate reviews and approvals?

8 BILL BORCHARDT: Well, you know, I knew I would cause trouble  
9 when I gave the list of things that would -- might cause us to have some schedule  
10 delays, but it has to do with having fixed resources, and we're trying to balance  
11 and respond to the industry desires with first priority being on the safe operation  
12 of the current licensed facilities. Having said that, there may be some slight  
13 delays in some of the power uprates, and that's what I was referring to, I wasn't  
14 saying that we were going to stop power uprate reviews, for example, but that we  
15 would potentially not work on them at quite the pace that we did before. We  
16 would still attempt to have the reviews done in a time frame that can support the  
17 industry needs because, as I think is alluded to in the question, frequently we see  
18 safety improvements that are built into the plant as a result of license renewal  
19 and power uprate programs. So we're not stopping the reviews by any stretch of  
20 the imagination, it just may be the reality of budget constraints that we need to  
21 manipulate some of those schedules.

22 ERIC LEEDS: Thank you. When will the NRC begin accepting  
23 license renewal applications out to 80 years, and what are the constraints?

24 BILL BORCHARDT: Well, there's quite a bit of work within NRC, I  
25 think the Office of Nuclear Regulatory Research has the lead, but working with

1 the Department of Energy, with EPRI and other industry groups to identify some  
2 of the technical issues that must be addressed before we can even begin to  
3 answer a -- the question of when we will begin receiving those applications.

4 ERIC LEEDS: Thank you. All right, Chairman Jaczko mentioned  
5 the safety culture policy statement as a major step. This concept has been  
6 developed for the past 15, 20 years with other countries and the IAEA. Does this  
7 mean that you're 10 to 15 years behind other countries, and what -- how will you  
8 benefit from overseas experience and progress with regard to international --  
9 consistency with international standards?

10 BILL BORCHARDT: Well, I've been with the NRC since 1983, and  
11 ever since that date, anyway, we've -- we have been talking about safety culture  
12 and the importance of nuclear work ethic within the nuclear power industry in this  
13 country, and I think the same holds true for around the rest of the world. I would  
14 say that even though it's only recently that we finalized the safety culture policy  
15 statement, we have given it high priority over the years, there's been extensive  
16 interactions with all of our regulatory counterparts from around the world and I  
17 think there's very good alignment on the importance of it, the uniqueness of the  
18 nuclear industry, and how we ought to encourage all those entities involved in  
19 license operations to adopt and to live the nuclear safety culture on a daily basis.

20 ERIC LEEDS: Thank you. All right, there were three issues that  
21 were identified in the October SECY by the staff on Fukushima that needed  
22 further review. These were accelerated transfer of spent fuel to dry casks,  
23 expansion of emergency planning zones, and expansion of potassium iodide  
24 distribution. Yet only a couple of months later the staff said that the NRC's  
25 current approach is adequate in all three areas. How could the staff have arrived

1 at this conclusion in such a short time?

2 BILL BORCHARDT: Well, in my view, what we were saying there  
3 was that there was not a need to take immediate regulatory action on those  
4 topics, that we were not providing what the final answer was, necessarily, so  
5 those topics will receive a more extensive evaluation, the staff may likely develop  
6 some options and recommendations for the Commission on those -- on those  
7 subjects, but we were confident that we didn't need to take an immediate  
8 regulatory action.

9 ERIC LEEDS: Thank you. We have time, this will be the last  
10 question before our break, and I think this is really one for Catherine Green. The  
11 question is why can't NRC implement a frequent visitor program to eliminate the  
12 need for complete security searches for frequent visitors; the NRC's process for  
13 badging visitors is too cumbersome?

14 BILL BORCHARDT: Noted, I don't have the answer.

15 [laughter]

16 ERIC LEEDS: Thank you so much Bill.

17 [applause]

18 I thank you all very much, we're going to take a break for lunch, we  
19 will recommence at 1:00 here in this -- for the next plenary session. Thank you.

20 [Whereupon, the session concluded]