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BRIEFING ON NRC INTERNATIONAL ACTIVITIES

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TRANSCRIPT OF PROCEEDINGS

Public Meeting

Before the U.S. Nuclear Regulatory Commission:

Allison M. Macfarlane, Chairman

Kristine L. Svinicki, Commissioner

George Apostolakis, Commissioner

William D. Magwood, IV, Commissioner

William C. Ostendorff, Commissioner

## APPEARANCES

### NRC Staff:

Bill Borchardt  
Executive Director for Operations

Nader Mamish  
Director, Office of International Programs (OIP)

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

1  
2 CHAIRMAN MACFARLANE: Okay, good morning. So, it's my  
3 pleasure to welcome everybody to this morning's session on NRC's International  
4 Program. And let me extend a special welcome to some of our international  
5 regulatory counterparts, who are tuning in via the webcast. Throughout the past  
6 year, I've had the great opportunity to represent the NRC at a variety of  
7 international venues and see firsthand how important the NRC's contributions are  
8 to the international arena. And I believe our agency's mission and our  
9 international activities are a vital part of our work here. And I'm confident that my  
10 colleagues share this view as well. Through our international work, we have  
11 important opportunities to influence global nuclear safety and security discourse  
12 and to learn from the experience of others in areas that directly benefit our  
13 domestic mission and provide critical regulatory assistance to countries that seek  
14 and need it. We also play an important role in advancing U.S. government  
15 foreign policy objectives in non-proliferation and peaceful uses of nuclear energy  
16 and nuclear materials. And I will -- I'm looking forward to hearing the staff's  
17 views on how the Commission might do more to support all of these activities.

18 I'm going to ensure that we have the maximum time possible, so,  
19 I'm going to stop my remarks and see if any of my colleagues have anything else  
20 to add. No? Okay. So, in that case, let me now turn it over to Mr. Nader  
21 Mamish, who is director of our Office of International Programs.

22 NADER MAMISH: Thank you, chairman, and good morning to you  
23 and to your colleagues. I began my tenure as the director of the Office of  
24 International Programs in February of this year. I had the opportunity to serve as  
25 the deputy director of the office at the time of the 2011 accident in Japan. But it's

1 only during these last five months that I've gained a full appreciation of the depth  
2 and breadth of the agency's international programs. As the first of today's two  
3 speakers, I will focus my remarks on emerging nuclear and radiological materials  
4 issues and how the U.S. government policies affect and guide NRC activities. I  
5 will address significant accomplishments in each of the NRC international  
6 programs areas of security initiatives, conventions and treaties, export and import  
7 licensing, bilateral activities, and multilateral activities. I will outline the  
8 challenges we face and the strategies that we will use to move the NRC's vibrant  
9 program forward into 2014 and beyond. The Executive Director for Operations,  
10 Mr. Borchardt, will address how we are implementing aspects of the International  
11 Program through multilateral and bilateral technical activities including research,  
12 with special emphasis on the activities which implement the lessons learned from  
13 the Japan accident.

14           During the first four years of the Obama administration, a broad  
15 nuclear energy program was outlined that focuses on non-proliferation, security  
16 policy, international legal instruments, import and export licensing, nuclear power  
17 builds, controlling materials, and using bilateral and multilateral venues to  
18 accomplish these goals. These issues have been influenced by the events in  
19 Japan, but the outline remains intact in the administration's second term. These  
20 policies have been embraced by key international partners, as reflected in the  
21 nuclear safety language in the June 2013 Group of Eight Communique, two  
22 Presidential-level nuclear security summits, intensified focus on international  
23 legal instruments guiding countries safe and secure, commerce, and nuclear and  
24 radiological materials, and promoting new builds in the United States, as well as  
25 internationally.

1           The NRC's work and its bilateral partners support these policies as  
2 appropriate. In addition, we have responded to international interest in  
3 enhancing the safe and secure uses of radiological materials. The NRC is also  
4 working with multinational organization partners at the Nuclear Energy Agency  
5 and the International Atomic Energy Agency to support their nuclear safety,  
6 security, and safeguards activities. The NRC's support for the U.S. and  
7 international safety and security initiatives continues to increase at the  
8 Commission and the staff level. Our challenge is to leverage our resources  
9 effectively and strategically. We are focusing on issues which provide the most  
10 benefit to the United States, support the NRC's mission to protect public health  
11 and safety, promote the common defense and security, and protect the  
12 environment.

13           The NRC held the first ever International Regulators Conference on  
14 Nuclear Security in December of 2012. This was the key U.S. government  
15 deliverable at the 2010 presidential-level nuclear security summit. The  
16 conference underscored the importance of comprehensive national regulatory  
17 security programs and built relationships with counterpart regulators responsible  
18 for nuclear and radioactive materials safety. There are some larger U.S. security  
19 initiatives which the NRC undertakes to meet its own responsibilities. For  
20 example, the NRC is the key player on the U.S. government interagency  
21 delegations engaged in bilateral information exchanges on physical protection.  
22 The result of discussions with counterpart foreign regulatory and security  
23 agencies is factored into the NRC's mandated export licensing decisions and is  
24 taken into account as the NRC reviews its own programs. Looking forward, we  
25 can anticipate that the NRC will be requested to maintain or increase its support

1 for the U.S. implementation of nuclear security policies. The crowded field of  
2 security-related international activities impacts the NRC's domestic regulatory  
3 program and international regulatory initiatives. NRC may need to enhance its  
4 participation to ensure that regulatory principles are properly identified. Our  
5 strategy is to weigh these requests to ensure that they are consistent with our  
6 ongoing domestic work and that the staff has the needed background and  
7 experience to be effective internationally.

8           There are various nuclear-related conventions and treaties to which  
9 the U.S. government is a party. NRC is responsible with other U.S. government  
10 agencies for implementing these commitments. The Nuclear Non-Proliferation  
11 Treaty is the umbrella under which all other nuclear treaties are implemented.  
12 The review meeting of the NPT will occur in 2015, and subjects which will be  
13 discussed include the theory and practice of safeguards and availability of  
14 peaceful uses of nuclear energy to NPT members in good standing. The U.S.  
15 IAEA voluntary offers safeguards agreement and the additional protocol  
16 demonstrate U.S. commitment to implementing safeguards at U.S. facilities,  
17 including at many NRC licensees. The NRC supports consultation with foreign  
18 governments and with the IAEA to ensure that commitments made are informed  
19 by regulatory best practices. The U.S. commitment to peaceful uses also falls in  
20 part within the NRC's sphere of influence. Countries which either are considering  
21 developing nuclear energy or which use radioactive materials request NRC  
22 cooperation and assistance in the safe and secure regulation of these activities.

23           The Fukushima Dai-ichi accident prompted a worldwide review of  
24 existing international legal instruments governing safety. Both the Convention on  
25 Nuclear Safety and the Joint Convention on the Safety of Spent Fuel

1 Management and on the Safety of Radioactive Materials Waste Management  
2 bind governments to peer review each other's national programs to provide  
3 incentives for continual regulatory and industry improvement. The CNS also  
4 convened an extraordinary meeting, in August of 2012, to discuss special  
5 national reports focused on lessons learned from the accident and to consider  
6 amending the process and guidance of the CNS. The NRC, on behalf of the U.S.  
7 government, undertook an extensive analysis of proposed changes and  
8 amendments to the CNS process. The EDO was one of two vice presidents  
9 extending the U.S. government's ability to influence the outcomes by focusing on  
10 making the peer review process more robust.

11 Most recently, the staff from the NRC and the Departments of  
12 States and Energy has drafted the national report for the 2014 CNS review  
13 meeting, which is currently before the Commission for its review and approval.  
14 Since the May 2012 review meeting for the joint convention, contracting parties  
15 have hosted intercessional meetings to encourage greater adherence to the  
16 convention. Looking forward, the challenge is to maintain the heightened level of  
17 participation in these international meetings and to incorporate lessons learned  
18 into the U.S. regulatory practice. Should any of the international legal  
19 instruments be amended, the NRC will support the Department of State's lead in  
20 the global negotiations. Our strategy is to have effective, continuous involvement  
21 in the U.S. and international discussions by trained staff to ensure that the  
22 outcomes are consistent with U.S. regulatory practice and to minimize disruption  
23 to our domestic program.

24 The NRC's process of licensing exports to countries that commit to  
25 peaceful, safe, and secure use of nuclear materials and equipment remain

1 stable, predictable, and uniquely transparent to all interested parties. NRC staff  
2 supported the development of the 2012 Joint Statement on the minimization of  
3 highly enriched uranium and the reliable supply of medical radioisotopes as part  
4 of the U.S. interagency efforts to ensure the reliable supply of medical  
5 radioisotopes, which are currently not manufactured in the U.S. Staff also  
6 supports the U.S. efforts to transition from reliance on HEU-based production of  
7 molybdenum-99 to non-HEU production in the U.S. and abroad. Staff's  
8 extensive involvement in U.S. government consultations was vital to completing  
9 the reviews of applications for the export of HEU target materials to support  
10 moly-99 production. The U.S. Code of Conduct on the Safety and Security of  
11 Radioactive Sources establishes voluntary guidelines for the safe and secure  
12 management of radioactive sources that may pose a significant risk. Consistent  
13 with Congressional and Commission direction, staff assisted countries to attend  
14 the important annual topical meetings and tri-annual peer review meetings.

15           The Nuclear Suppliers Group implements export controls for  
16 nuclear materials and equipment. Its two guidelines documents are being  
17 updated and changes will be implemented by the U.S. through amendments to  
18 10 CFR Part 110. The establishment of U.S. government policy and the  
19 negotiation of these politically sensitive and technically challenging issues  
20 demands close coordination with the U.S. government interagency. NRC  
21 participation in these activities is key to the success of U.S. policy.

22           The American Medical Isotope Production Act of 2012, amended  
23 Section 134 of the Atomic Energy Act, and will prohibit the NRC from licensing  
24 exports of HEU for moly-99 production after January 2020. By January 2nd of  
25 next year, the NRC must also issue a report discussing the current disposition of



1 previous U.S. exports of HEU used as fuel or targets in research and test  
2 reactors. Staff is consulting with the U.S. interagency to prepare that report.

3           Let me also note that we should not lose sight of the ongoing export  
4 and import licensing. Part 110 export licensing cases remains relatively constant  
5 while there's been a steady increase in DOE-authorized 810 cases. Should  
6 additional U.S. government agreements for peaceful nuclear cooperation be  
7 negotiated in the coming years, there will be increases in applications for both  
8 Part 110 and Part 810 export licenses. Our challenge is to remain an effective  
9 import/export -- is to maintain an effective import/export program while also  
10 supporting new initiatives. The strategy is to ensure that the new initiatives are  
11 informed by the NRC's expertise and regulatory program and that the safe and  
12 secure uses of these commodities do not cause undue burden on our licensees.

13           The NRC participates in a wide range of mutually beneficial  
14 international exchange programs through existing bilateral agreements with its  
15 international counterparts. The NRC's bilateral activities can be subdivided into  
16 cooperation and assistance. And these activities are bridged by the Foreign  
17 Assignee Program. The NRC cooperates with countries with mature nuclear  
18 programs to ensure the timely exchange of operational and design information to  
19 enhance safety at nuclear power plants through shared lessons learned. The  
20 NRC continues its historically strong cooperation with European regulators,  
21 which have mature nuclear power and materials programs. For example, the  
22 NRC worked closely with the Belgian regulator to assess the fissures found in  
23 several reactor pressure vessels. It also participated in the peer review mission  
24 assisting the Belgian regulator in its investigation of the flaw indicators.

25           In Africa, the South African regulator is working with the NRC to

1 build professional nuclear capacity. We're exchanging information about  
2 oversight of technical issues, such as steam generator replacement, power  
3 uprates, and vendor and construction inspections. In the Western Hemisphere,  
4 trans-border shipments of radioisotopes from Canada through the U.S. to Mexico  
5 and points south allows the NRC to exercise its close working relationship with  
6 both countries to ensure the safe and secure exports and imports.

7           There is a high level of interest in the NRC Assignee Program by  
8 the Commission and all NRC international counterparts. On an annual basis, the  
9 NRC generally hosts two assignees, each from about five to six countries. In the  
10 next two years, we expect assignees from about 10 countries.

11           OIP's Assistance Program addresses regulatory needs in both  
12 reactor and materials areas. Congress, the U.S. government, and the  
13 Commission, have emphasized the need for, and the benefits of, enhanced  
14 regulatory practices globally and have provided funding for this purpose. In  
15 Africa, NRC participated in the Nuclear Law Workshop sponsored by the  
16 government of Lesotho, sharing information on the development of laws for  
17 nuclear power, radiation protection, safety and safeguards, and regulatory and  
18 licensing processes. In September, 2013, Panama will co-host with the NRC the  
19 first regional meeting of Latin American regulators to exchange experiences and  
20 best practices in the use of radioactive sources registries. In the Middle East, the  
21 NRC sponsored two workshops on nuclear safety for the 23 countries of the Arab  
22 Atomic Energy Agency. The NRC also provided funding for Iraqi regulators to  
23 attend an IAEA-sponsored radiation control technician training and is  
24 coordinating medical overexposure training for the Iraqi regulators.

25           Declining budgets and sequestration challenges the NRC's

1 program of bilateral activities. Collaborating with the technical program offices,  
2 OIP continually assesses and prioritizes bilateral activities so that the activities  
3 provide the greatest benefit to the U.S. and the international community. The  
4 strategies we will use will ensure that we take full advantage of the full range of  
5 interagency information, new communication technologies, and participation in  
6 bilateral and multilateral events to follow developments around the world that  
7 could impact the U.S. Regulatory Program.

8           The NRC continues to provide significant resources to assist the  
9 IAEA and member states to implement the IAEA Action Plan on Nuclear Safety,  
10 which was developed in June 2011, to assess the initial lessons learned from the  
11 Fukushima Dai-ichi accident. One outcome of the action plan is to publish in  
12 2014 a comprehensive report on the accident. NRC has participated in experts  
13 meetings developing the report and the results will be taken into consideration as  
14 the NRC proceeds with its own safety reviews. The NRC also continues to  
15 support IAEA by providing cost-free experts to work in targeted departments to  
16 leverage NRC regulatory insights such as improvements to the integrated  
17 regulatory review service peer review missions. The IAEA benefits from the  
18 staff's expertise while the staff gets the professional experience and it supports  
19 the Commission's interest in having a cadre of staff which understands the global  
20 nuclear community.

21           In June, 2012, NRC staff participated in the first meeting of the  
22 IAEA's Nuclear Security Guidance Committee. The NSGC works with the IAEA  
23 Commission on Safety Standards to ensure that the safety/security interface is  
24 appropriately considered. NRC's insights in this area are critical to ensuring that  
25 guidance does not impede development of national regulations in either safety or

1 security. NRC staff participates in the ongoing technical and regulatory work at  
2 the Nuclear Energy Agency, composed of the most countries with mature nuclear  
3 power programs. NEA also provides the opportunity to do joint confirmatory  
4 research and to exchange best practices with countries with comparable nuclear  
5 programs. The NEA has also addressed the area of crisis communication and  
6 public outreach through a May 2012 workshop where attendees discussed  
7 expectations by nuclear regulators and shared experiences in how crisis  
8 communication can impact the regulator.

9           Looking forward, the challenges are to assess the outcomes of the  
10 IAEA and NEA studies on Fukushima for relevance to the NRC Regulatory  
11 Program, as well as their work that touches upon the NRC's assistance and  
12 cooperation programs. Staff will leverage its cost-free experts, participation in  
13 IAEA missions and continued support for the work of these agencies to ensure  
14 that this work is informed and influenced by the U.S. nuclear regulatory practices.

15           At this point, I'd like to turn it over to Mr. Borchardt, who will  
16 address a number of multilateral activities in which the NRC engages to support  
17 our domestic mission.

18           WILLIAM BORCHARDT: Good morning. As you'd expect, the  
19 Fukushima lessons learned has been a primary focus of both our multilateral and  
20 bilateral interactions. As Nader mentioned, the IAEA Action Plan is kind of the  
21 guiding document that's being used to organize the work being done and  
22 coordinated through IAEA. This consists of 12 major activities of focus areas.  
23 These include the kinds of things like emergency preparedness, safety  
24 assessments, communications, and research. In the Nuclear Energy Agency,  
25 they're doing complementary activities. These include a senior task group report

1 that's being put together that will catalog all of the actions, all of the plant  
2 improvements and regulatory improvements that are being made as a result of  
3 the Fukushima lessons learned for the NEA countries. There was recently a  
4 workshop on defense-in-depth, which kind of reaffirmed the value of that basic  
5 principle and shared a few experiences and lessons learned amongst the  
6 participants of that workshop. And there's also a benchmark study being done  
7 that will -- and this will take years -- but that'll be done to improve the codes and  
8 models that are applicable to severe accident analyses.

9           So, the focus areas that we're engaging both, as I said, bilaterally  
10 and multilaterally, fall into the areas that you'd expect. It's external hazards,  
11 long-term station blackout, and severe accident management. We can go to the  
12 next slide, please. The Multinational Design Evaluation Program that NEA  
13 serves as the secretariat for continues to be a very effective program. There's  
14 now 13 regulators that are participating in that program. As you remember, there  
15 were originally 10, and recently we've added India, the United Arab Emirates,  
16 and Sweden to the participating organizations. And the IAEA, I should note, is  
17 also a participant of that group, so that there's good cross-communication and  
18 good coordination between both the NEA and the IAEA through the MDEP  
19 activities. There's design reviews that are well underway on the AP-1000 and on  
20 the EPR. And just late last year we began the work on the APR-1400. Probably  
21 one of the most beneficial activities that we're seeing out of MDEP, from my  
22 perspective anyway, has to do with the vendor inspection program. We have  
23 done joint and mutual inspections with our fellow regulators in Korea, Japan, and  
24 in Canada. These are our recognition that it is now only one supply chain. The  
25 U.S. doesn't have its own supply chain. This is truly an international business.

1 We're using parts from around the world. And it only makes sense to be able to  
2 coordinate the regulators' activities and the oversight of the vendors.

3 Another very important area has to do with digital instrumentation  
4 and control. It's not that we're driving necessarily toward exactly the same  
5 regulatory position in every country in digital I&C, but it's enormously beneficial  
6 that we understand the positions being taken by other countries, that we're  
7 informed by those, that we inform our colleagues of the positions that we're  
8 taking so that it's well coordinated and we all come out with what is the best  
9 answer for each of our responsibilities. And there's, of course, good coordination  
10 in the new reactor world in incorporating the lessons learned from Fukushima.  
11 We can go to the next slide.

12 One of the great benefits to us is the fact that there are a number of  
13 AP-1000s being built in China, Sanmen being the first. They're going to be  
14 beginning commissioning in the fall of this year. We've had very good  
15 cooperation and coordination with the Chinese regulator. In fact, we've hosted  
16 eight Chinese regulators to the NRC and we have sent five NRC inspectors and  
17 reviewers to China for extended rotational assignments, if you will, in order for us  
18 to be able to observe the construction activities. Although they're not using  
19 ITAAC specifically for those facilities in China, simply observing the method of  
20 construction and seeing how the plant is constructed has helped to inform how  
21 we will do the ITAAC verification at Vogtle and Summer. So, it's been a very  
22 effective tool for us. We've also had very good interaction between the staff at  
23 NRC headquarters and in Region II working with the Chinese counterparts. And  
24 then, we plan to observe the pre-op testing and start-up testing in China in the  
25 not-too-distant future. We can go to the next slide, please.

1           The IAEA peer review missions continue. In fact, they've received  
2 additional emphasis as a result of the Fukushima lessons learned. But this fall  
3 we'll be having the first International Physical Protection Assessment Service.  
4 It'll be done at the NIST facility just up the road from here. The Integrated  
5 Regulatory Review Service, if you remember, it wasn't too long ago we held the  
6 very first mission of the NRC, which focused on the reactor program. We're  
7 planning to have the follow-up review of the IRRS performed in February of next  
8 year. So that will look at the actions that we have taken at the NRC as a result of  
9 the recommendations and suggestions made by the review team that was here a  
10 little over a year ago.

11           And then on the industry side, the -- kind of the parallel to the IRRS  
12 missions for the industry are the OSARTs, the operational safety teams.  
13 Seabrook follow-up inspection was done earlier this year. And Clinton will be the  
14 next full-scope OSART mission scheduled for the summer of 2014. And next  
15 slide.

16           We derive enormous benefit from the research activities. We have  
17 a long history of cooperation and coordination of research activities. There's  
18 over 100 bilateral and multilateral arrangements. What this allows us to do is to  
19 participate in programs and acquire data that is directly applicable to our mission  
20 from facilities that are not available in the U.S. and it's a return on investment that  
21 is of enormous benefit to the NRC and the U.S. program by participating in these  
22 programs. I'll turn it back to Nader.

23           NADER MAMISH: Good. Thanks, Bill. In conclusion, I will  
24 highlight some of the activities we've discussed, how some of the activities that  
25 we've discussed today may, within the next 12 to 24 months, increase or

1 otherwise impact the Commission. International nuclear commerce is expected  
2 to remain a high priority for the Executive Branch. One example is in the  
3 negotiation of government-to-government agreements for peaceful nuclear  
4 cooperation. We project the Executive Branch may see Commission reviews on  
5 anywhere from six to eight new or renewed agreements over the next two years.  
6 If approved by Congress, there will likely be an increase in the export and import  
7 licensing cases. Expiration of an existing agreement, should one occur, also  
8 impacts the Commission and the licensees in that staff would resend  
9 corresponding NRC-issued import or export licenses as a matter of law. Nuclear  
10 safety will remain a global priority. We expect significant international efforts to  
11 assess relevant international conventions and treaties and to update international  
12 safety standards. Within Commission guidance, the staff will continue to support  
13 such efforts. Staff strongly believes that it's critical that NRC participate in such  
14 efforts to accurately assess their potential impact on the NRC's regulatory  
15 requirements, approaches, and values. Staff expects the need for continued  
16 interaction with and support from the Commission for such engagement.

17           Nuclear security and non-proliferation is expected to remain a high  
18 priority for the administration and Congress. The Executive Branch will maintain  
19 significant international engagement with the international nuclear power and  
20 materials community, which will intersect with the NRC's domestic safeguards  
21 and security responsibilities. The NRC needs to ensure that the Executive  
22 Branch understands and articulates an appropriate demarcation between the  
23 administration's foreign policy authorities and the NRC's domestic and  
24 safeguards and security authorities. Again, continued interaction with and  
25 support from the Commission for such Executive Branch interactions will be high.



1 I would like to thank the Commission, the EDO, managers and staff  
2 of the Commission for their continued support of the NRC's dynamic international  
3 program. The NRC has been touted as the gold standard of regulatory  
4 programs. It takes a concentrated, sustained effort to maintain that standard.  
5 Our most significant resource is our staff, which is the core of our future  
6 international program. With a technically skilled staff effective at communicating  
7 about the NRC's regulatory program and able to incorporate best practices and  
8 lessons learned, the NRC will be well-positioned to support and influence the  
9 national and international nuclear arena for years to come.

10 We look forward to working with the Commission to develop  
11 international policy guidance for the staff. We will continue to work to be  
12 integrated internally and externally as we seek efficient and effective ways of  
13 maintaining technically-skilled and internationally-trained staff and having  
14 appropriate funding for the agency's international program. Thank you. We'd be  
15 happy to take some questions.

16 CHAIRMAN MACFARLANE: Great. Thank you, guys. We will turn  
17 to questions and first up is Commissioner Apostolakis.

18 COMMISSIONER APOSTOLAKIS: Thank you, Madame  
19 Chairman. Thank you very much for your presentations. I mean, I appreciate  
20 everything you said, but I'm wondering the work that various international  
21 organizations are doing, like NEA and IAEA, and so on, do other countries have  
22 to follow them or is it voluntary?

23 NADER MAMISH: The guidance that IAEA puts together in the  
24 safety standards are voluntary. They are not mandatory, although many states  
25 look at the IAEA as an authority for following these standards.

1           COMMISSIONER APOSTOLAKIS: So, I mean, we can try very  
2 hard and everything, but the truth of the matter is that we're dealing with  
3 sovereign states and they can choose not to follow our advice or the standards  
4 and so on. Is anybody thinking about doing something about it, or this is a fact of  
5 life and we have to accept it?

6           NADER MAMISH: Commissioner, I think this is a fact of life. We're  
7 dealing with sovereign states. I think the U.S. does have a role in influencing  
8 other nations' regulations and structures, such as independence, such as, you  
9 know, through our bilateral work with those nations we try to shape and influence  
10 the way they conduct their business.

11           CHAIRMAN MACFARLANE: Mark?

12           MARK SHAFFER: If I -- yeah, and just to add a little bit to what  
13 Nader said, if a country -- a lot of member states do follow and are required to  
14 follow some of the guidance and the standards that IAEA puts out, and those  
15 countries are the ones that are receiving assistance from IAEA, so -- and which  
16 are quite a lot of the countries. So, if they're receiving assistance from IAEA,  
17 they're required to follow those standards, and that's actually part of the deal fits,  
18 and whether it's monetary or equipment, IAEA goes and does reviews to make  
19 sure they're following the standards. If they're not, then they cut the assistance.  
20 So, that's one leverage to do that. And it's, you know, countries like the U.S.,  
21 France, and some of the big players, we're on the front end of that guidance to  
22 make sure, one, it's consistent with what we can actually do, and two, that it can  
23 be implemented in those countries.

24           COMMISSIONER APOSTOLAKIS: Now, we're giving advice, I  
25 suppose, to a lot of places and international organizations. And I think -- I

1 suspect that the most difficult concept to convey to other nations is the  
2 independence of the regulator and the issue of safety culture. Have you found  
3 any resistance there or indifference? Are we doing anything extra about safety  
4 culture, because it's easy to say, "Yeah, yeah, yeah, we're -- we have a good  
5 safety culture," but then in reality that may not be the case. So, because a lot of  
6 it depends on the political system, too, okay? So, what -- how difficult is it to  
7 export these ideas?

8           WILLIAM BORCHARDT: Yeah, I could maybe speak a little bit to  
9 that. There's been a number of IAEA-led workshops: one in South Africa, that  
10 focused largely on the concept of independence, Fukushima lessons learned is  
11 focused on that. I think there's universal agreement amongst all of the member  
12 states of IAEA about the importance of the right nuclear safety regulator being  
13 independent. How that is actually put into practice, though, varies a fair amount.  
14 And there's always a discussion about whether you have independence by law or  
15 by practice. And, you know, you can get into some very theoretical discussions  
16 on that. I'm very confident that in principle there's a great deal of agreement.  
17 What we mean by independence might not be how it's viewed exactly by other  
18 countries around the world. On safety culture, I would also agree that there's a  
19 high level of agreement in principle. Some countries go far beyond what we do  
20 in the area of safety culture. And we look at it, we're aware of it, and, I mean,  
21 you know, all of the assessment tools and when we engage on safety culture and  
22 require a third party assessment, that kind of activity domestically. There are  
23 some countries that approve management selections of plant operators. We  
24 don't do that, you know. And that is one of the ways that they approach safety  
25 culture, that they want to personally approve the selection of who the plant

1 manager's going to be. And part of that assessment of whether or not that  
2 person is adequate is at least an informal assessment of how well they would  
3 implement the proper kind of safety culture.

4 COMMISSIONER APOSTOLAKIS: On slide 10, you list four  
5 agencies that control the U.S. Civil Nuclear Exports: Commerce, Energy, State,  
6 and us. How is that coordinated? I've heard that from the industry that maybe  
7 the license takes too long and so on. Is the -- is each agency or each  
8 department issue -- does it issue its own license independently of the others or is  
9 it coordinated? How does that work?

10 NADER MAMISH: Yeah, the interagency works together for  
11 issuance of Part 110 licenses and Part 810 licenses that are issued by DOE.  
12 The feedback that I've received from the industry and others through informal  
13 channels -- most recently, about a month ago I was downtown meeting with  
14 some industry folks and NEI -- the feedback that I've received has been  
15 exceptionally positive about the NRC, about how transparent we are, how timely  
16 we are, we measure ourselves for issuance of 110 licenses, we've consistently  
17 met our time limits and quality measures. So I don't believe that our process  
18 really has any flaws to speak of. Obviously there's always room for improvement  
19 and we'll continue to look at our process. As for DOE's process, I believe that,  
20 you know, some of the changes that DOE is looking to institute in the Part 810  
21 license may have caused some reaction by stakeholders and that's -- I think  
22 DOE is still looking at their final rules. So, they're still in progress as far as  
23 making changes to that rule.

24 COMMISSIONER APOSTOLAKIS: Post-Fukushima activities. Is it  
25 a matter of pride for each agency to want to issue its own report? I don't see

1 anything here on Slide 15 that I don't know. Focus on defense-in-depth, long-  
2 term station blackout, we've said those things more than a year ago. So, why is  
3 the IAEA having its own action plan? Why does NEA do this? You know, I know  
4 we can't tell them not to do it, but what -- I mean, everybody feels they have to do  
5 something about Fukushima and here we have the National Academy now  
6 looking over it.

7 NADER MAMISH: Let me take this one and I'll let Bill chime in. As  
8 I understand it, Commissioner, the IAEA and NEA reports actually do  
9 complement one another in the sense that while they may be looking at -- it  
10 appears that they're looking at the same issues, what NEA is looking at is how  
11 countries reacted to the aftermath of Fukushima. So, how did the U.S. industry  
12 react to those issues? How did Switzerland or India or some other? Whereas  
13 the IAEA is looking at the sequence of events. So, sequence of events versus  
14 countries' actions in the aftermath of Fukushima. There may be some overlap,  
15 but I don't think it's completely duplicative.

16 WILLIAM BORCHARDT: I view it as -- the focus is information  
17 sharing to make sure that there's an opportunity for every country to learn from  
18 what's being done in every other country around the world. And it's a way to stay  
19 calibrated. It's not unlike the Convention on Nuclear Safety, which is a vehicle to  
20 share and to do peer reviews of other regulatory and national nuclear programs.  
21 And really that's what's being done in a very focused way for Fukushima lessons  
22 learned.

23 COMMISSIONER APOSTOLAKIS: What is a benchmark study of  
24 the accident at Fukushima? What does that mean, benchmark study of the  
25 accident at Fukushima?

1 WILLIAM BORCHARDT: We could ask Research to provide a little  
2 more information, but essentially I think it's to look at everything that we can learn  
3 about the progression of the accident so it could inform the codes and models.

4 RICHARD LEE: Thank you. This is Richard from Research. The  
5 benchmark exercise has to do with eight countries. Only a very selective crew  
6 from the NEA participated in this benchmark. The purpose of this is the use our  
7 codes to look at the events of all the three units. And from that, discern what are  
8 the information need to be gathered when they go to the long-term recovery  
9 phase, what information should be gathered for the code validation purpose is to  
10 set the stage for the next phase of the recovery.

11 COMMISSIONER APOSTOLAKIS: So, this is an international  
12 activity.

13 RICHARD LEE: It is a very selective group within the NEA  
14 countries. So, there are only eight countries involved with it -- in it. And that's  
15 different than the IAEA activities that came afterwards. As earlier mentioned, the  
16 IAEA activity is much broader than just looking at what do we need for the codes  
17 when we do the recovery phase. That is to say that what are the information that  
18 you should gather, because when you go into recovery phase, the time and  
19 resources are limited.

20 COMMISSIONER APOSTOLAKIS: Thank you.

21 RICHARD LEE: So, we'd like to give some priorities.

22 COMMISSIONER APOSTOLAKIS: Thank you.

23 CHAIRMAN MACFARLANE: All right, thank you. Commissioner  
24 Magwood?

25 COMMISSIONER MAGWOOD: Thank you, Chairman. I

1 appreciate Nader and Bill's presentation, the opportunity to talk about this.  
2 These are important issues and a few high level questions, I think. I was  
3 interested, Nader, in your -- well first, I think I should point out that I found slide  
4 eight rather disturbing. That was a slide that highlighted that the Atoms for  
5 Peace speech was given December 8, 1953, which means we're coming up on  
6 the 60th anniversary. And it just seems to me the 50th anniversary was just like  
7 a year ago, so.

8 [laughter]

9 I'm not sure what happened to the last 10 years.

10 [laughter]

11 Very disturbing.

12 [laughter]

13 I think that, you know, I was interested in hearing your -- as you  
14 went through your presentation you highlighted Administration policy, foreign  
15 policy, quite prominently. And it raises the question for me as to how the NRC  
16 approaches its prioritization of activities? Do you view NRC's efforts to be led  
17 directly by the foreign policy priorities of the Executive Branch? Or is it more a  
18 matter that we clearly support various activities of various agencies as DOE or  
19 State or others go off to promote some activity that we have relevance in. But as  
20 you were thinking about your activities and you were thinking about how to  
21 prioritize your policy work, does the Executive Branch policy lead what you do or  
22 do you think about it more in terms of NRC as an independent regulator first?  
23 How do you approach it when you're thinking about how to prioritize?

24 NADER MAMISH: Good question, Commissioner. I think what  
25 we've done historically is we've prioritized our activities and consulted with the

1 Executive Branch on an ad hoc basis. The international arena, as you know, is  
2 sometimes highly reactive and so, there are times where we're led by the  
3 interagency -- but for the most part, we prioritize our own issues based on the  
4 fact that we're an independent agency. I think for the future, however, my vision  
5 is to have us exchange priorities, ensure that we have common priorities to the  
6 extent possible with the interagency, so that for the coming years, two, or three,  
7 or five years we can agree at a high level that certain countries or certain foreign  
8 policy initiatives are in fact met and we are, for the lack of a better description,  
9 we're rowing in the same direction.

10 COMMISSIONER MAGWOOD: One of the things about -- so  
11 particularly I think after Fukushima, there's been a lot of conversations, you  
12 know, in the U.S. within the regulatory community I think, and also within the  
13 industry about the fact that we have all these countries, these emerging countries  
14 that are seeking to build nuclear power plants, even after Fukushima there are  
15 many countries that express the desire to proceed with programs that build new  
16 nuclear power plants. And one of the things I often hear is a source of frustration  
17 is it doesn't seem to be a carefully coordinated U.S. government effort to deal  
18 with those matters. Now, NRC clearly has had some prominence in talking to  
19 these countries. We have our assistance program, which I have a question for  
20 Bill about that, but there doesn't seem to be much of a coordinated effort. Is  
21 there something that's been developing or being talked about in that venue, and  
22 if not is there something we should be doing more as NRC to initiate that kind of  
23 coordination?

24 NADER MAMISH: Yeah, I believe, Commissioner, there is  
25 certainly room for improvement both at the staff level and at higher levels. One



1 consideration for the Commission's future activities might be to have periodic  
2 meetings with the interagency at your levels, much like what you do with FERC,  
3 NERC, DHS, and others on some annual or semiannual basis, a meeting with  
4 the interagency I believe would be a great idea to align priorities and help make  
5 the NRC more prominent and more visible with the interagency.

6 COMMISSIONER MAGWOOD: That's an interesting idea.

7 WILLIAM BORCHARDT: Let me just add, because it relates so  
8 closely to your question, the international coordination has a regulatory  
9 cooperation forum that's -- I think IAEA, serves as the secretariat -- it's a number  
10 of member states, both experienced countries as well as the emerging nations  
11 that are trying to coordinate the assistance and help to those emerging nations,  
12 to help them establish an effective regulatory program. And rather than have a  
13 country try to do it bilaterally, you know, and just send out a shotgun shot, the  
14 intent of this group is to coordinate that activity so they could say, "Well, we want  
15 some help writing radiation regulations," for example, and then this group would  
16 help coordinate, well okay, NRC can you give training? Can you provide this  
17 assistance, France? Can you do something in the other area, so we're not  
18 stepping on each other's toes?

19 COMMISSIONER MAGWOOD: Yeah, I think that -- I do appreciate  
20 that. I think that's very useful. I can't help but remember, was it 15 years ago  
21 now where we had the International Nuclear Safety Program? That was a pretty  
22 vibrant effort to provide assistance to former Soviet countries, and it was -- there  
23 was a regulatory component. There was a technical component. There was an  
24 industry component. We actually spent money to put in fire doors in Soviet-  
25 designed reactors. And so there was a pretty broad effort, which we've seen

1 nothing even approaching that in recent years, despite the fact that we see so  
2 many countries moving in this direction. So I appreciate the fact regulators are  
3 starting to think about this, but I think it's broader than that, and I think there's  
4 more to it than that.

5 MARGARET DOANE: Commissioner, I think before you move on, I  
6 think it would be important to note that the interagency actually has several  
7 initiatives that are going on to address emerging nations and participation in  
8 various activities internationally in that the Department of Commerce has a civil  
9 nuclear working group. And they have brought agencies together to look at  
10 those issues, and it's not as an independent agency -- and as a regulator we  
11 tend to look at our own independent role, but they also have roles that are very  
12 independent of what we do. But yet they've made a very good effort to  
13 coordinate, and so there's that effort going on. There's efforts at the Department  
14 of State similarly to address issues that come out of that group, that address  
15 these same issues, and there's also something at the Department of Energy,  
16 something called IFNEC. I think you're familiar with that. It also addresses  
17 emerging nations, and that's much broader than the countries that -- we tend to  
18 provide assistance when it is requested, and when we can go in and they're  
19 going to accept it. But there's a lot of effort that might be initiated by foreign  
20 policy concerns, or other priorities that aren't our priorities, and that we can  
21 support in a regulatory sense. So, that's just sort of to point out that there  
22 actually is a lot going on, and I think it depends on who you're asking.

23 COMMISSIONER MAGWOOD: I appreciate the intervention. I  
24 think -- it's not that I think there's a problem with those activities. It's just those  
25 activities don't have a safety focus. Their focus is really more on, you know, well,

1 they're largely promotional in some sense, and they don't have the kind of focus  
2 on safety which I think is needed. We were talking about whether, you know,  
3 country X which doesn't have any nuclear infrastructure wants to build a new  
4 reactor. You know, what kind of infrastructure does that country really need to  
5 have a safe reactor, and I think it's been mostly an economics discussion. But --

6 MARGARET DOANE: I think that there's a -- I think it's 19  
7 milestones now. There's a milestone document that the IAEA issued, that goes  
8 into infrastructure and a number of different requirements that a country would go  
9 through, and IFNEC has actually paid a great deal of attention to these issues,  
10 and that reason why the NRC is brought into these working groups that would  
11 otherwise have to do with the various issues that might not be within our role is  
12 for that reason, to put safety first, and I would in my tenure in OIP, I would tell  
13 you that they have made a great emphasis, both the Department of Energy and  
14 Department of State, to put safety first, even with respect to trade and other  
15 issues. So, I think you're right. I think that we don't lead these groups. So, in  
16 that respect, your comment is right, but I do think they do the best they can.

17 COMMISSIONER MAGWOOD: Well, I think my time is up. I did  
18 have a couple of other questions, but I'll just -- I'll follow up with you later. All  
19 right. Thank you. Thank you, Chairman.

20 CHAIRMAN MACFARLANE: Thank you. Commissioner  
21 Ostendorff.

22 COMMISSIONER OSTENDORFF: Thank you, Chairman. Thanks  
23 for the presentation. I'm going to start with making some comments and I may  
24 get into some questions, but you've got a lot of substance in your remarks, Nader  
25 and Bill, I wanted to comment on some of these. First, I want to thank Nader and

1 Mark Shaffer, and predecessor Margie Doane for their strong leadership of OIP.  
2 I think that you've got a great staff. You've worked very hard. I know the  
3 Commission appreciates that, but it's not just the Commission. I think when all of  
4 us travel overseas, we all hear strong accolades for the dedicated work of your  
5 team, and they are very well respected. And that only comes through hard work  
6 and due diligence. I know the entire Commission thanks the entire OIP staff,  
7 including Mary for her travel support, and others that make things happen on a  
8 very smooth basis, and I know it's a lot of hard work. So, I know that we want to  
9 thank every person in your organization. I think the strategic assessment done  
10 last year led by Karen and her team was very helpful to the Commission in trying  
11 to help us think more thoughtfully about some of these areas, and as you well  
12 know we worked on that as a body. I'm also very pleased to see all of the offices  
13 represented here today, by the directors or by their deputies. I think that really  
14 strikes me as very encouraging, because they play such a key role in this, and I  
15 think the integration that Bill leads as EDO with office directors, the CFO support,  
16 and the budget formulation, and the coordinated integrating fashion, that's really  
17 important. So, I wanted to extend my thanks in that area.

18 I wanted to comment on a couple of things, just because we don't  
19 have as many of these meetings. We don't get a chance to really talk about this  
20 in this forum. In particular, the OIP staff, I want to give you just two observations  
21 from my travel. I know other Commissioners have similar observations. When  
22 we talk about our principles of good regulation, there's two comments that I  
23 would offer to the team, in OIP, is that independence is one we always talk about  
24 and pride ourselves on. It's not easy to do, but I really have been struck in my  
25 discussions recently on an overseas trip with other regulators about how do you

1 achieve independence. It's not just a matter of saying we have this overarching  
2 principle. It's important to say how do we actually go about pragmatically day-to-  
3 day trying to achieve that principle? And the second one is openness. In the  
4 sub-category on openness I want to just open very briefly is I've been struck with,  
5 when I came here as a Commissioner over three years ago, with how open this  
6 agency is compared to other agencies in the federal government. But I've also  
7 been perhaps more struck by how difficult it is for other countries and other  
8 regulators to appreciate and grasp the concept of public engagement, and how  
9 does one conduct public meetings. And I know that's been a frequent topic that  
10 all of the Commissioners have had with our colleagues overseas, but it continues  
11 to be a recurring theme that -- and I think we have value to add in showing how  
12 do we conduct a public meeting. What does public comment mean? What does  
13 stakeholder engagement mean, and so those are two observations, Nader, I  
14 wanted to share with you and your leadership here.

15 Bill, I appreciated your comment and the slides on the partnership  
16 that NRO and you have worked with, and OIP on the China construction  
17 observation. I know Gary is out here, and I think that is such an important effort  
18 for us to have the ability to see the pre-startup activities. You've already had the  
19 inspectors over there for the last few years at different times. We've visited with  
20 them, but I commend that effort as one really important to us moving forward,  
21 and capturing lessons learned in the international construction arena. Nader, I  
22 want to comment on two specific things you said that are of interest to me, and I  
23 think other Commissioners. We talked about some of these. On your Slide 5,  
24 you made a comment about the crowded field of security-related international  
25 activities impacts NRC's domestic regulatory program and our international

1 regulatory activities. I fully support and acknowledge as an individual  
2 Commissioner the importance, the security efforts, nuclear security summit, and  
3 those activities the administration has led, but I also have to say that I don't think  
4 this is as important as nuclear safety issues. And I would hate to see the nuclear  
5 security efforts crowd out or, from a budget standpoint or resource standpoint,  
6 impact our ability to conduct what I think is our key mission, which is nuclear  
7 safety. And if you look at Three Mile Island, Chernobyl, and Fukushima, and you  
8 look at the security arena, I think my personal view, security is there, but safety is  
9 up here. And it's just a personal opinion, and I think it's important for you to let  
10 us know if you think the security initiatives are negatively impacting our ability to  
11 conduct our safety mission. I'm going to go to your comment on slide 21, the  
12 summary slide. You made comments about -- and I think Commissioner  
13 Magwood also alluded to this, and I appreciate him teeing this up; dealt with the  
14 interagency, and comments to the effect that the NRC needs to ensure that the  
15 Executive Branch understands and appreciates our agency's regulatory role.  
16 We've had these discussions before. The Commission has had these  
17 discussions, and I also will highlight that, you know, well intended U.S.  
18 government officials in other agencies, well intended, whether in the many cases  
19 executing nonproliferation objectives -- I used to work at NNSA. I'm very familiar  
20 with their N-A 20 programs -- I think we should never hesitate to clearly assert --  
21 and perhaps we've not done this enough, clearly assert our agency's  
22 independent regulatory authority under the Atomic Energy Act that we are the  
23 ones that regulate nuclear safety and security in this country, and that we have to  
24 protect zealously our role as a regulator. And that extends into the international  
25 sphere. When one is talking about nuclear safety regulation with other

1 international regulators, we all benefit from the prospective of other U.S.  
2 government agencies, and we are a richer organization for that participation. But  
3 at the end of the day -- and I'm not trying to lecture anybody, but using this  
4 opportunity -- at the end of the day we need to make sure that we're not hesitant  
5 to say, "That's our job," both in the nuclear safety in the Jim Wiggins' area, the  
6 nuclear security. I know Jim has been heavily involved, Joe Rivers, and others,  
7 and are very highly regarded in interagency. But we've got to make sure we  
8 protect that, because as a Commission structure compared to a group that's part  
9 of the Executive Branch like State or Energy, it's more difficult for us to operate  
10 sometimes. We just have a different structure. It's part of or government. Yet at  
11 times -- we've seen over the last year some issues where we've had to struggle  
12 to make sure our voices are heard as the independent regulatory authority.  
13 Nader, I'm going to give you a chance. I'm going to stop right there. I've got  
14 three questions, but I wanted to give you a chance to respond to anything I've  
15 said before I go further. You know, how can the Commission help you, because I  
16 think you've teed up some very important issues here?

17 NADER MAMISH: Yeah, I hear you loud and clear, Commissioner.  
18 You know, with respect to your comment regarding security versus safety, I don't  
19 believe that, you know, security is negatively impacting our ability to focus on  
20 safety. To the extent that that is ever the case, we will consult with the  
21 Commission. As for the issue of the NRC's independence, you know, I think if --  
22 I've been with the agency for 20 years, and I think over the years we've seen  
23 continued better awareness by the interagency, FEMA, DHS, DOE, and others  
24 about the role and responsibility and the independence of the Commission.  
25 There is always room for improvement. We will continue to focus on that issue

1 as we interact with our friends and partners in the interagency. I think to the  
2 extent that the Commission has the desire and the opportunities present  
3 themselves for you or any of your colleagues to represent the agency at high  
4 level meetings, I think that would be very helpful for us.

5 COMMISSIONER OSTENDORFF: Okay, thank you. I'm not going  
6 to ask the last question. I was going to explore in the line of questioning that  
7 Commissioner Magwood had talked about the interagency, a little bit further  
8 about the promotional aspect and the role of other agencies in the international  
9 arena, because I think that's a very key area, but time does not permit. So, thank  
10 you very much. Thank you, Chairman.

11 CHAIRMAN MACFARLANE: Thank you. Okay. Let me just echo  
12 Commissioner Ostendorff's thanks to OIP, the staff in OIP. I'm very suitably  
13 impressed with all of you. I know you do work very hard, and I've enjoyed all my  
14 time spent on airplanes, and airports, and et cetera with all of you. So  
15 nonetheless -- and I also echo both the concerns of both the Bills about the  
16 interagency issues, and that we make sure that we do have a strong presence in  
17 the interagency, and that everybody understands very clearly what our role is  
18 versus everybody else's. So to the extent that we can make that clearer, and  
19 work towards that goal, I think that's important.

20 Let me focus back a little bit on the NRC and folks here, and talk a  
21 little bit about resources, and here I'm talking about human resources. And I'm  
22 interested in how the agency prepares the staff when they engage internationally.  
23 Do you feel that the agency does a sufficient job in that area and how could we  
24 improve?

25 NADER MAMISH: The agency historically has done a very good



1 job in terms of knowledge management and succession planning. I think  
2 sequestration and the budget cuts have had an impact on our international  
3 program. In one particular area, the assistance area was cut nearly 25 percent.  
4 So, that has impacted a little bit of the engagement we have with the CFEs  
5 overseas, and our ability to influence some of the international activities. I think  
6 the program offices have also cut a little bit of the travel -- international travel,  
7 which has had some effect on our ability to mentor and coach people to bring  
8 them up to speed on international matters. So historically, to the extent we  
9 wanted to help an individual who is interested in engaging in international  
10 activities, we paired that individual with a more senior individual on international  
11 trips, or provided rotational opportunities overseas. Our ability to do that has  
12 been limited to some extent. We're using other venues to do that. I think we've  
13 got -- one good example is a grass roots initiative by the staff. A group called  
14 INET was created not long ago, and that program involves a number of people  
15 that have served overseas, that have volunteered to have brown bag lunches, or  
16 serve as mentors to those that are interested in engaging in international  
17 activities. So, we're trying to find ways to compensate for some of the challenges  
18 that we have.

19           CHAIRMAN MACFARLANE: I think that's important and kudos to  
20 Heather Astwood for starting INET. I think it's, you know, we're most effective  
21 when we don't turn off international folks, and you know, there are lots of cultural  
22 sensitivities, et cetera, that we need to make sure everybody's aware of so that  
23 they are most effective when they engage internationally. And the degree to  
24 which we continue to do that I think is very important. You touched on a number  
25 of issues there, but before we move to a couple of them, let me just talk about

1 how I think -- or ask, anyway, how we capture the experiences of folks who do  
2 travel overseas. How do we do that and how do we put that into our knowledge  
3 base?

4 NADER MAMISH: Well, one of the ways is what I've just  
5 discussed, you know, the sharing among the staff, the, you know, issuance of trip  
6 reports that are widely distributed. I think many of us managers serve as  
7 mentors to staff and so we have mechanisms both at the staff level as well as  
8 management to keep the knowledge management and the knowledge transfer,  
9 you know, going with the agency.

10 CHAIRMAN MACFARLANE: Okay. So another issue you brought  
11 up was, you know, budget cuts, and these are short-term decisions that can have  
12 long-term impacts if we're not at the table for a particular meeting where at the  
13 IAEA -- I see a bunch of nodding heads -- where, you know, we're not  
14 represented, and our interests are not represented, something else will be  
15 decided. So, I think it's very important that we keep that in mind when we make  
16 budgeting decisions. Do you feel that these current cuts will have those kinds of  
17 impacts and how can we mitigate it?

18 NADER MAMISH: Chairman, you mentioned in your introductory  
19 remarks, and I think I mentioned in my remarks as well, a key word, which is  
20 "influencing." Our ability to influence is somewhat impacted by resources.  
21 Having staff travel, whether it's in a cooperation form or assistance form,  
22 provides a number of benefits to the agency and to the nation. One is we get to  
23 influence other regulatory programs. Two is we create multilateral coalitions to  
24 shape future IAEA or international policies. Another thing that we accomplish by  
25 that is building relationships, pushing for independence. So, I know Jack and his

1 team, as they serve on many assistance missions, one of the big things that  
2 they've been pushing particularly with the Middle East and Far East is the issue  
3 of independence. So, yes, there is some impact on our ability to influence. So,  
4 that's something that we collectively have to keep in mind.

5 CHAIRMAN MACFARLANE: And then let me turn to an issue that  
6 was brought up in the strategic plan, which is how to better integrate OIP and  
7 their goals with the rest of the staff, with the EDO side of the house, and why  
8 don't you both talk a little bit about --

9 NADER MAMISH: Let me kick it off and then Bill can add his two  
10 cents. Chairman, if you look at the agency's budget and step out of the details,  
11 what you'll find is that program offices over the years, what we've done is --  
12 international is a product line within each program area. So, within NRR,  
13 international is given its own resources and budget, within NMSS same thing,  
14 and then OIP has its own budget. Unfortunately what is happening is we are not  
15 prioritizing within the various program areas. So we make decisions on a trip-by-  
16 trip basis, on a request-by-request basis as opposed to having a big strategy and  
17 a vision that is consistent with the interagency on what we want to accomplish in  
18 the international arena. So, I think over the coming months I will need to work  
19 hard with my staff, with my colleagues, in the program offices with Bill, with Jim  
20 Dyer to see how we can perhaps reshape the way we budget and the way we  
21 track our expenditure in the international arena so that we can be as effective  
22 and as efficient as possible.

23 BILL BORCHARDT: Yeah, I'd say there's a pretty good level of  
24 coordination already. There's periodic international council meetings that the  
25 Office of International Programs holds with all of the program office directors and

1 program leads, so that we stay attuned and well-coordinated with what's going  
2 on, but also want to make sure the Commission understands that international  
3 work, some of it is done under the program budget. Our program budget, it  
4 doesn't matter to us whether it's a domestic review activity or it's international.  
5 So there's a fair amount of international work that is done just based on program  
6 needs, and then there's the other piece that is done more from a U.S.  
7 perspective that is where, you know, we look to the Commission and OIP for help  
8 in establishing the priorities for that.

9 MARGARET DOANE: Chairman, can I also just add a comment to  
10 this? I think it's good to understand that there are certain things that the NRC  
11 statutorily is obligated to do on behalf of the U.S. government. So, the U.S.  
12 government has obligated itself through treaties and conventions, and then that's  
13 been ratified and put into law. So, you have to do that and those become our top  
14 priorities, and we're meeting all of those, and we continue to meet those. So  
15 that's your first priority. When you're dealing with other types of cooperation,  
16 there are different things that motivate you. So some of them are to maybe  
17 benchmark programs, like in Fukushima and things like that. So that becomes a  
18 priority in a sense that it's a priority for the program, because they're trying to get  
19 this information so that we can go forward and make decisions, like on the  
20 Fukushima in the Fukushima area. But then there's this other area where you're  
21 talking about either assistance or bilateral cooperation, that it's a little bit more  
22 difficult, like for influencing and things like that, and so -- and that's a very  
23 changing dynamic environment because there are many countries throughout the  
24 world, right? So, it's dependent sometimes on this very dynamic environment,  
25 and so the program itself needs to have that flexibility in it, but the tug and pull

1 that you see with respect to those individual trip by trip is that aspect, not typically  
2 the -- you're meeting all of your obligations, that's not --

3 CHAIRMAN MACFARLANE: Thanks. Great. Okay,  
4 Commissioner Svinicki.

5 COMMISSIONER SVINICKI: Thank you, Chairman, and I add my  
6 thanks for the very helpful presentation, and as always my colleagues have  
7 covered a number of areas that I would have covered as well. So, I'm going to  
8 claim this opportunity, as the longest serving member of the current Commission,  
9 I want to recognize that this is the first public meeting of our Commission since  
10 Chairman Macfarlane has secured successful confirmation to a second term.  
11 And I also want to share the observation that I think that you carried yourself with  
12 tremendous grace and professionalism through a process that, on this side of the  
13 table, we understand as one that in recent years has become a little bit, shall we  
14 say, unpredictable, the timing of which tends to go right down to the wire. And  
15 so, I know how it is to be trying to decide whether to pack your boxes or plan  
16 your agenda for the following month. But I want to commend you for your  
17 tremendous grace under pressure. And I want to acknowledge that I think we all  
18 look forward to working with you in the years to come and many spirited  
19 discussions on a lot of issues. So congratulations, I just wanted to acknowledge  
20 that.

21 Again, others have covered a number of issues. I appreciate  
22 Chairman Macfarlane's focus on the kind of fiscal environment in which we're  
23 operating. And I think it really does call for the kind of strategic approach to  
24 planning. Nader, when you talk about making decisions on important  
25 representation and travel, trip by trip, it tells me that, boy oh boy, I hope there

1 aren't any really important discussions we need to be a part of in September,  
2 because that's when we're going to find out, you know, maybe we haven't  
3 reserved the right amount of resources. So, again, as the Chairman is indicating,  
4 it calls for us to be, I think, very smart about our approach. There are essential  
5 things that we need to be a part of throughout the fiscal year, so we're just going  
6 to have to sharpen our tools when it comes to that topic.

7           Something that did not come up, although Commissioner  
8 Ostendorff and, I think, others complimented the strategic assessment that was  
9 done by OIP last year. Part of that assessment was that a very senior member  
10 of OIP and, I think, accompanied by other NRC personnel, conducted some  
11 informal interviews with members of the interagency to get very candid verbal  
12 feedback about NRC's activities, the priorities we place, and how we're doing. I  
13 was wondering if you, or if you wanted to call Dr. Henderson to the microphone,  
14 could, at a very high level, share some of the perspectives that were shared with  
15 us, perhaps at a high level, and not with attribution to the individual agencies that  
16 shared that. But I think it would be useful to add that to the record of this  
17 meeting. What kind of general feedback did NRC receive about the activities it  
18 was conducting, and what kind of suggestions did we get from the -- for the  
19 future from the interagency?

20           KAREN HENDERSON: Good morning, and I appreciate the effort  
21 to talk about that study. It was very eye opening, actually. Often, we find  
22 ourselves to be somewhat in conflict with our Executive Branch agencies. We do  
23 have a very different role than most of them. During a lot of my career, we have  
24 been excluded from many activities that the Executive Branch has engaged in  
25 because the sense is that we are not only an independent agency, but an agency

1 created and responsible to the Congress. And that's not always an easy  
2 relationship for the Executive Branch.

3           However, in our interviews during the project, what we found was a  
4 great deal of respect and a great deal of admiration for the work that the NRC  
5 does, and a rather latent understanding that the regulatory part of all the nuclear  
6 events out there is something that the Executive Branch should get behind.  
7 Each of the agencies that we interviewed asked for the NRC to be more there,  
8 not less there, in what we do. They were very interested in what more we could  
9 do, what more the Commission could do, to push the message of an independent  
10 regulator, of the strong safety culture of all of the issues you've raised this  
11 morning, that even in tightening budgets that there is a need for a regulatory  
12 control over whether it's radioactive materials or if it is a nuclear power plant.

13           Each of the agencies was looking for an opportunity to incorporate  
14 what we do, but also understanding that we cannot get into the promotional  
15 aspects of this. That is a difficult discussion to have with some of the agencies  
16 because they just don't understand why we aren't there cheek by jowl with them.  
17 But they are finding it a little bit more understandable over the years as we  
18 reiterate and reiterate. And I know Margie has been down this road before with  
19 our inner-agency counterparts. We can be at the meetings, but we don't  
20 necessarily take the same views as them. Or we can come in separately from  
21 them in order to have a conversation with our regulatory counterparts, which then  
22 may, in parallel, support the activities that the Executive Branch is doing.

23           COMMISSIONER SVINICKI: Thank you, Dr. Henderson. I  
24 appreciate your adding that. Again, I just, I wanted to have those perspectives  
25 as a part of the discussion in this meeting because I think it's important.

1 Although we will craft, as an independent Commission, our own role in these  
2 processes, it is, I think, valuable for us to know the perspectives of others in the  
3 interagency process, and whether or not they think that we are, you know, doing  
4 too much or too little, or are we present, or are we absent in ways that, you know,  
5 they perceive. So, I just, I found your work on that topic to be very interesting.  
6 And I think that as we move into the future, it would be useful, I think, on some  
7 cycle, I don't know what the frequency would be, to reengage in that kind of  
8 informal interview process with our counterparts to gauge. As we maybe lay out  
9 some priorities and do some strategic planning we could get some perspectives.  
10 And, again, the decisions are ultimately ours, but I think it's useful. We are  
11 working within a interagency, a government process, so I think that that's a useful  
12 feedback for us to have.

13 I had marked the same passage about the crowded field of  
14 security-related international activities impacting NRC's domestic regulatory  
15 program, and Commissioner Ostendorff has already asked you about that,  
16 Nader. I wasn't sure entirely what you were trying to signal with that and your  
17 follow-on statement that NRC may need to enhance its participation to ensure  
18 that regulatory principles are properly identified. Do you mean that the principles  
19 are properly identified in the international discussion, or some alternation of our  
20 domestic principles?

21 NADER MAMISH: No, in the international arena, not domestically.

22 COMMISSIONER SVINICKI: Okay, thank you, that's very helpful.  
23 And then, again, I appreciate that your presentation talked about OIP continually  
24 assessing and prioritizing our activities so that it provides the greatest benefit to  
25 the U.S. and the international community. I think that the internal working group



1 or panel on these activities that Mr. Borchardt talked about, that allows us to kind  
2 of look and relook at what we're doing. I think that these activities, we call them  
3 international, but as is represented by having the leadership of various programs  
4 in the room here today, sometimes you think that the labeling or coding of these  
5 activities, maybe that they are inherently helping our domestic program. So then  
6 it gets into a kind of categorization issue. And I think you touched on that a little  
7 bit in terms of the budgeting. So we also need to be thoughtful about, you know,  
8 acting as if these -- if something has the label of "international activity" it is only of  
9 benefit to our international engagement. I don't think that's true. As a matter of  
10 fact, I'd be hard-pressed to think of an international engagement we have that  
11 doesn't benefit our domestic program. So they're really inherently interwoven as  
12 far as I'm concerned.

13           And I -- as I travel about internationally, I hear many compliments of  
14 what we do. I don't know if it's a matter of people aren't willing to be candid with  
15 me as a Commissioner, but I really don't hear complaints that there are areas  
16 that's we're neglecting or even pleas to say, "You know, NRC indicated they  
17 wouldn't participate in this, and as, you know, Commissioner, we ask you to take  
18 another look at it." What that indicates to me is that OIP, in consultation with the  
19 program offices, is doing a pretty good job, because I'm getting a lot of universal  
20 positive feedback, and I'm not hearing too many appeals for, you know, things  
21 that we're not either attending or participating in. So, I think your striking a pretty  
22 good, a pretty good balance. Thank you, Chairman.

23           CHAIRMAN MACFARLANE: Okay. Any further questions,  
24 comments?

1           COMMISSIONER MAGWOOD: Not a question, just a few quick  
2 comments. First, I appreciate that Commissioner Svinicki and others highlighted  
3 the strategic document that Karen led. I thought that was an excellent document,  
4 and I realized this is our first public opportunity to highlight that. So, again, thank  
5 you for that; it was an excellent piece of work.

6           I also wanted to take advantage of following up on Commissioner  
7 Ostendorff's thanks to the OIP staff. I've traveled with several of them, and,  
8 recently, Mark, whom I almost killed --

9           [laughter]

10          -- Kirk, Danielle, Andrea, and others. And Mary has been very  
11 helpful always, so we appreciate that. So I wanted to make sure I highlighted  
12 that. And finally, Nader, you sort of threw out some -- when you proposed the --  
13 to me, it's clear you've give some thought to this question about how to highlight  
14 a safety agenda in the interagency a little more effectively. I just wanted to  
15 encourage you to give some thought to that. I won't -- I don't want to ask for a  
16 paper or anything, but just, if you can give some thought, I encourage you to, in a  
17 future meeting perhaps, feed something back to the Commission with some  
18 thoughts about how we can highlight this more effectively. I think we do have  
19 some responsibility here to take a little bit of a leadership role with the  
20 interagency. Even though we're an independent player in all this, we do have a  
21 special view of the issue. And I think we can -- we can promote that.

22          And, finally, let me also echo Commissioner Svinicki's  
23 congratulations publically, and to tell you we look forward to your continued  
24 leadership on the Commission, and continue to work with you personally. So,  
25 thank you, thank you, Chairman.

1                   CHAIRMAN MACFARLANE: Thank you. Anyone else? No?  
2    Okay. All right, thank you both for your remarks about my continued term, or  
3    new term, or whatever, and for all -- to all of you for your support, everybody at  
4    the table, for your support over the past few weeks. They've been a wild ride.  
5    Anyway, here we are, [laughs] going forward. So let me thank Nader and Bill  
6    very much for your presentations, and the rest of the OIP staff for all your support  
7    and additional comments. I think this was a very worthwhile meeting, learned a  
8    lot from you guys this morning, learned a lot from the discussion, which I think  
9    was also very fruitful. And I look forward to more interactions on these very  
10   important topics. With that, I think the meeting is adjourned.

11                                   [Whereupon, the proceedings were concluded]