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U.S. NUCLEAR REGULATORY COMMISSION

BRIEFING ON NRC INTERNATIONAL ACTIVITIES

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TRANSCRIPT OF PROCEEDINGS

Public Meeting

Before the U.S. Nuclear Regulatory Commission:

Gregory B. Jaczko, Chairman

Kristine L. Svinicki, Commissioner

George Apostolakis, Commissioner

William D. Magwood, IV, Commissioner

William C. Ostendorff, Commissioner

APPEARANCES

NRC Staff:

Margaret Doane
Director, Office of International Programs (OIP)

Bill Borchardt
Executive Director for Operations

Janice Owens
Branch Chief, Export Controls and International
Organizations Branch, OIP

Charlotte Abrams
Branch Chief, International Cooperation and
Assistance Branch, OIP

1 PROCEEDINGS

2 CHAIRMAN JACZKO: Good morning. The Commission meets
3 today to discuss the agency's international activities. These activities enable us
4 to more effectively meet our domestic and, of course, safety and security
5 mission, and help us contribute to nuclear safety worldwide.

6 Today's meeting is a reminder of the important role we play in
7 ensuring that nuclear materials and equipment are transferred safely and
8 securely, and in keeping with U.S. non-proliferation policies. I believe today's
9 discussion will also demonstrate how we work through a number of bilateral and
10 multi-lateral channels to share and exchange our experience, expertise, and best
11 practices with our international counterparts. Among the highlights of our
12 international work during the past year, our participation in The Fifth Annual
13 Review Meeting of the Convention on Nuclear Safety, and the completion of our
14 integrated regulatory review service mission. And we intend to host, later this
15 year, a Lessons Learned workshop related to that, actually, in a couple weeks, I
16 guess.

17 MARGARET DOANE: Yeah, this month.

18 CHAIRMAN JACZKO: And so before we begin, I want to commend
19 the Office of International Programs staff for their outstanding work, as well as
20 the staff throughout the agency that work with them to carry out these activities.
21 We've seen a lot of activity internationally, and particular in following up on the
22 Fukushima event. And I think it's really been a testament to this agency and the
23 role that we played in shaping and ensuring that I think those activities were
24 going to be productive and effective, and I think very much that they have been.
25 And I think that's a testament to the work that all of you have done. So, would

1 my colleagues like to make any remarks before we begin? Commissioner
2 Ostendorff.

3 COMMISSIONER OSTENDORFF: I would just like to echo the
4 Chairman's comments. I think you all have had an extraordinarily busy plate this
5 year, in particular, and I've been very impressed with your ability to handle all the
6 things you've done, well done.

7 CHAIRMAN JACZKO: Thanks. Margie or Bill, whose going to
8 start? Margie?

9 MARGARET DOANE: Okay, I'm going to start. So, good morning,
10 Chairman and Commissioners. A lot, like you've orated, a lot has happened
11 since the last time we had a public meeting on our international program. And
12 most notably, it was the occurrence of the great east Japan earthquake, which
13 led to the tsunami and of course the Fukushima Daiichi nuclear power plant crisis
14 in March of this year.

15 So as the first of the four speakers today, I'm going to discuss U.S.
16 Policy initiatives and how the NRC is positioned to support them as appropriate.
17 And that should set the scene for all the initiatives that we're going to undertake,
18 and provide some insight into our strategic thinking and what's gone into the
19 plans for the international program for the upcoming years.

20 And the second speaker will be Mr. Borchardt. He will talk more
21 specifically about multilateral and bilateral exchanges and how we are
22 implementing these initiatives, and also with the special emphasis on how we're
23 responding to Lesson Learned from Fukushima and working with the
24 international community in that regard.

25 And our third speaker is going to be Ms. Janice Owens; she is our

1 branch chief, for Export/Import Licensing. And she'll be discussing that program,
2 with an emphasis on how the program has grown since there's been a new
3 interest in new nuclear power over the last sort of five years.

4 And our last speaker will be Ms. Charlotte Abrams. She's our
5 branch chief for Cooperation and Assistance. And she's going to be specifically
6 talking about uranium recovery, and the urgent need to respond to requests for
7 assistance with countries that are developing new nuclear infrastructures to
8 prevent legacy sites in the future. Next slide, please.

9 So prior to March of this year, the global community was gearing up
10 for renewed interest in nuclear power programs. The U.S. policy was clearly
11 supporting this effort, with strong statements from President Obama, both in the
12 United States and overseas, that nuclear remains a viable option, nuclear
13 energy.

14 In March of this year these plans paused as the world stepped back
15 to reassess the safety of operating reactors. Cautiously, nations are speaking
16 out about the plans for the future. Most recently, at the United Nations General
17 Assembly high level meeting held last month, Secretary of State Clinton restated
18 that the Obama administration is committed to nuclear power as a component of
19 our secure energy future. The U.S. went on to call for strengthening regulations,
20 implementation of existing conventions and strengthened international response
21 capabilities to contain damage if an accident were ever to happen again. She
22 pointed to the International Atomic Energy Agency and its critical leadership role
23 and emphasized that the U.S. is eager to work with our counterparts to achieve
24 mutual safety and security goals.

25 The NRC has played a prominent role in setting foreign policy in

1 this area, as primary U.S. agency addressing nuclear safety issues. Our studies
2 to date and the public responses to the lessons that are already being learned
3 were available as a basis to form this policy. Our presence at key international
4 conferences and our consistent involvement in U.S. government inter-agency
5 meeting made significant substantive contributions to the development of the
6 documents that will guide the future international efforts.

7 Consistent with U.S. Policies before the March accident, the NRC
8 had placed significant focus on assisting countries in their efforts to develop safe
9 and secure regulatory infrastructures for new nuclear power programs. A
10 significant focus of that program had been working with the IAEA, the NEA and
11 bilaterally to assist countries with developing strong, independent regulators to
12 oversee new nuclear power programs. And during this period, we also
13 experienced greater interest from countries developing regulatory programs for
14 the safe and secure use of nuclear and radioactive materials and equipment.

15 After March, while continuing our international regulatory
16 development activities, our focus had to shift. Interestingly, most of the countries
17 that we had been working with on new nuclear infrastructure have continued with
18 their plans and there hasn't been any significant changes. The timelines for
19 bringing a new power plant online stretch sometimes for a decade or longer,
20 allowing ample opportunities in the future to reassess the capabilities to regulate
21 safely and securely.

22 So while there are many competing interests, without comprising
23 our ongoing safety work, we have refocused the NRC's international program to
24 provide support to our counterparts in Japan, to continue to assist countries
25 developing new regulatory programs, and also importantly to engage in

1 internationally collaboration to enhance international nuclear safety regimes, and
2 to ensure that the U.S. benefits from the best thinking on how to respond to the
3 Lessons Learned about the March accident. Next slide, please.

4 So we are witnessing a very motivated international community
5 aiming to create a rich field of widely available information that is already taking
6 shape. Through our technical work, the work of the NRC, the U.S. is actively
7 contributing to these efforts. We can also use the contrasting models chosen by
8 others to benchmark our continuing response to the lessons from the March
9 accident. Like the U.S., most national regulators with nuclear power programs
10 have undertaken efforts to evaluate their nuclear power plant safety systems in
11 response to external hazards. We have shared our Japan task force report
12 internationally, and have received short term studies from our counterparts.

13 The multinational efforts moved so quickly at first after the March
14 accident, it seemed there would be no end or focus refocused to the international
15 response. There was a strong statement on the safety issued by the group of
16 eight industrialized nations, the G-8, in May of this year. The group of 20 finance
17 ministers and central bank governors, G-20, held a high level ministerial in June,
18 early June. The Nuclear Energy Agency held a meeting in early June. And in
19 late June, the IAEA held a high level ministerial on the Daiichi accident.

20 We subsequently learned that the United Nations General
21 Assembly, which I have already referred to before, would also convene a high
22 level meeting, which occurred in late September. So contributing to the
23 documents associated with these meetings required an all out effort by the Office
24 of International Programs, and our counterparts all over the world. These
25 activities culminated in strong and extensive IAEA action plan that was approved

1 by the Board of Governors last month at the general conference. Director
2 General Amano, from the IAEA, pointed out that this plan is the first of its kind,
3 and he expressed high hopes for all member states to commit to its success.

4 The U.S. has committed to provide funding and resources for the
5 safety and security initiatives being undertaken by the IAEA. These include
6 improving safety standards, security guidance, strengthening peer review
7 programs and increasing the number of missions conducted, providing
8 secretariat functions for reviewing the effectiveness of the convention, and
9 continuing to assist countries who are interested in developing strong,
10 independent regulatory bodies. The NEA will complement the work of the IAEA
11 with in depth technical reviews.

12 The European Union, for its part, directed a regional response to
13 emerging safety issues. A committee reporting to the European Commission, the
14 European Nuclear Safety Regulators Group, ENSREG, developed a stress test
15 for nuclear operators in EU member states to undertake to evaluate the safety of
16 European nuclear power plants. So-called neighbors of the EU, including
17 Ukraine, Russia, and Switzerland have also agreed to do stress tests. Japan
18 recently also stated it would undertake stress tests as a part of a multipronged
19 assessment approach. And these initiatives, the first aspects of these initiatives,
20 should be done later this year.

21 So this large number of international efforts should produce a
22 wealth of information regarding the safety systems in question, following the
23 March accident. And we believe the U.S. remains, must remain, closely
24 connected to these efforts so its expertise can contribute to important findings
25 and it can also benefit from the insights of others. Next slide, please.

1 Up to this point, I've described post-Fukushima Daiichi activities
2 that have already acquired a consensus by the international community. There
3 are other matters that will require further evaluation in our agency collaboration
4 and international interactions. There's a strong push by Russia and other nations
5 to amend the international safety conventions to include binding obligations to
6 enhance nuclear safety, moving beyond political commitments and other
7 consensus documents.

8 International conventions that are likely to be affected are the
9 Convention on Nuclear Safety, the Convention on Early Notification of a Nuclear
10 Accident, the Convention on Assistance in the Case of a Nuclear Accident or
11 Radiological Emergency, and the Joint Convention on the Safety of Spent Fuel
12 Management and on the Safety of Radioactive Waste Management, noted as a
13 joint convention. International meetings will be convened over the next several
14 years to address these conventions. Member states to the Convention on
15 Nuclear Safety have committed to look at the effectiveness of the convention at a
16 2012 extraordinary meeting. Mr. Borchardt will be the vice-president of this
17 meeting and will give further details about this effort in his later discussions this
18 morning.

19 The Early Notification and Assistance Conventions have significant
20 international interests. Beyond possibly amending these conventions, there are
21 multilateral efforts under way to improve IAEA's emergency response
22 coordination responsibilities as well as bilateral initiatives to assess and improve
23 international -- national capabilities. It's important to note that initiatives to
24 improve the implementation of conventions can be completed in the short-term,
25 but commitments to do so are political decisions carrying much less weight than

1 actual amendments. On the other hand, amending internationally legally binding
2 documents takes years to develop and they need to be ratified by each member
3 state to become effective. The NRC will have a significant role in activities
4 involving the conventions as our legal, policy and technical perspectives will be
5 sought out to assess the implications of any proposed changes.

6 Other important initiatives in the U.S. will be the May G-8
7 Presidential Summit. The U.S. will chair the G-8 in 2012. Preparation for this
8 important event is an Executive Branch initiative, but with nuclear safety
9 remaining a prominent focus, regulatory issues will continue to be a topic in
10 upcoming preparations. We also look forward to working with the U.S.
11 Interagency and other countries to assure success of the summit.

12 The U.S. will also host the plenary of the nuclear supplier group in
13 June 2012. The NSG brings together 46 governments with the aim of preventing
14 proliferation of nuclear weapons through implementation of national export
15 controls. Again, within the U.S., this is an Executive Branch led initiative, but the
16 NRC, with its responsibility for regulating exports of civilian materials and
17 equipment will participate to ensure success of the meeting.

18 The follow on to the 2010 security summit will be held in South
19 Korea in May of 2012. The NRC will support fully the preparation of U.S. summit
20 materials and will participate in any activities that involve nuclear safety and
21 security regulation. As a U.S. agency with responsibility to ensure security at the
22 U.S. nuclear power facilities and for U.S. Material Security Program, our
23 participation in months leading up to the summit will be very important.

24 There are many other Department of State, Department of Energy,
25 and National Nuclear Security Administration international initiatives that NRC

1 will continue to support, but our participation in these initiatives will not require as
2 much time as the activities noted above.

3 I would like to turn now to Mr. Borchardt, who will describe how the
4 events of March 11th in Japan are affecting NRC's work in multilateral and
5 bilateral arenas, and he'll briefly discuss ongoing prospective work in our
6 relationships, bilateral relationships.

7 BILL BORCHARDT: Thank you. Slide six, please. The staff has
8 been and expects to continue to be very actively engaged in a number of
9 multilateral activities with both the IAEA and the NEA. Within the IAEA, we're
10 doing technical work related to the action plan for nuclear safety that comes
11 directly out of the Fukushima event. We're providing technical expert support to
12 the IAEA's International Seismic Safety Center. We attend a number of
13 consultancy meetings, technical meetings, and workshops related to nuclear
14 safety. And, through our involvement in the safety standards committees, we're
15 very much involved with the possible revisions to IAEA safety standards.

16 NEA has also initiated Fukushima-related work, including the
17 creation of a task force of NEA member states and representatives with related
18 expertise, and we've appointed a senior manager from the NRC to participate in
19 those activities.

20 We've also spent a significant amount of effort supporting IAEA
21 missions, such as the Integrated Regulatory Review Service, or IRRS, and, also,
22 the Operational Safety Review Team, or OSART missions. But, of course, IRRS
23 missions evaluates the regulators' performance, the OSARTs evaluate licensee
24 operations. And our support to these programs includes both participation in the
25 missions overseas as well as hosting missions in the United States.

1 We anticipate that the level of staff support required for these
2 programs is going to increase over the near future because of the increased
3 emphasis that these programs are getting from the IAEA action plan, again, that
4 evolves from the events of Fukushima.

5 During April of 2011, the Convention on Nuclear Safety agreement
6 was reached to convene an extraordinary meeting in August of next year. The
7 purpose of this meeting is really twofold. One is to allow the technical exchange
8 of information amongst all the contracting parties to compare notes and actions
9 that each of the regulatory -- well, each of the contracting parties have taken in
10 response of the events at Fukushima. And, second is to review the effectiveness
11 of the convention and the guidelines that direct the conduct of the convention on
12 nuclear safety.

13 Within the NEA, the Multinational Design Evaluation Program has
14 been a primary source of international cooperation for the follow-up of new
15 reactors. Soon after the events in March of 2011, the MDEP members began
16 exchanging information on Lessons Learned in each country as they relate to
17 new reactor design reviews. The specific working groups for AP1000 and the
18 EPR exchange information on the impacts of these specific designs, and the
19 vendors and applicants are encouraged to share relevant information with the
20 MDEP regulators.

21 Next slide. As we mentioned, as a follow-up to the 2010 IRRS
22 mission in the United States, we currently don't have the follow-up scheduled.
23 However, based on the current IAEA workload and the projected missions that
24 are going to take place, we're expecting to do the follow-up mission in 2014. We
25 expect that it'll have two primary focuses. One will be follow-up to the events in

1 Fukushima, and the second, to follow up on the recommendations and
2 suggestions from the mission that was recently completed here in the United
3 States.

4 We're also on the, at the end of this month, co-hosting a workshop
5 on Lessons Learned from the IAEA program of the IRRS to consider
6 improvements to the process and also to look at how the program should be
7 revised in order to accommodate Lessons Learned and follow-up activities from
8 the events at Fukushima. I was the team leader for the mission to Korea in July
9 of this year, which was the first mission after the events in Japan. And the team
10 that I worked with spent a considerable amount of time reviewing the specific
11 technical information that the Korean regulator and the Korean industry
12 implemented as a result of those events in Japan. Next slide.

13 We have a significant amount of activity related to bilateral activities
14 in addition to what I just talked about. As you can see, we have 42 bilateral
15 arrangements in place. These go to supporting emerging nations through
16 regulatory outreach on sources and international regulatory development
17 programs. It goes to coordination with mature regulatory programs, to share
18 experiences, Lessons Learned, developing technical guidance. We coordinate
19 with foreign regulators where there's a manufacturing base as it applies to the
20 construction of new reactors in this country and have discussions with the subset
21 of those 42 nations regarding security information and issues of mutual concern.

22 In addition, there's an extensive amount of international research
23 cooperation that we have extensive interactions with our regulatory counterparts.

24 During the current year, we hosted 10 foreign assignees from a
25 variety of countries, and we've been asked to host up to 14 possible assignees in

1 the near-term future.

2 As we look at the landscape for future bilateral activities, we see a
3 growing interest in the area of small, modular reactors. There seems to be an
4 increased interest in passive safety features and also having reactors of a
5 smaller electrical output. In the area of research reactors, the Code of Conduct
6 for research reactor safety sparked an interest of our regulatory counterparts for
7 bilateral discussions on how research and test reactors are regulated in the
8 United States. I'll now turn the presentation over to Janice.

9 JANICE OWENS: Good morning. OIP's export controls an
10 international organizations branch has the lead for implementing Title X of the
11 Code of Federal Regulations, 10 CFR Part 110, and carrying out the NRC's
12 licensing responsibilities for just about all of the civilian nuclear materials and
13 equipment exported from or imported into the United States. Generally speaking,
14 if possession and use in the United States is regulated by the NRC or an
15 Agreement State, it is also subject to Part 110 export and import general or
16 specific licensing requirements. Most all of our work requires ongoing
17 interactions with interested NRC program offices, as well as the Executive
18 Branch.

19 Implementing Part 110 involves evaluating nuclear non-proliferation
20 policy related criteria for exports of reactors, nuclear fuel cycle facilities
21 equipment, and the source or special nuclear materials used in or produced
22 through such facilities. It also involves evaluating the criteria associated with the
23 IAEA Code of Conduct for the safety and the security of radioactive sources, and
24 its import/export guidance. If the relevant Part 110 criteria are met, the export or
25 the import is not inimical to the common defense and security of the United

1 States and the license is issued.

2 Our workload continues to increase in response to expanding
3 commitments to nuclear power in the United States and in other countries with
4 existing programs. We currently have a backlog of over 30 specific export or
5 import licensing actions pending. There are close to 300 active licenses on our
6 books involving on the order of some 200 different specific licensees. We
7 continue to receive new requests from the Department of Energy, National
8 Nuclear Security Administration, DOE, and NNSA, for comments on 10 CFR Part
9 810, Nuclear Technology Transfers. Many U.S. companies are already playing
10 or are poised to play a major role in supplying services and/or equipment to the
11 global marketplace.

12 At the same time, as an increasing importer of nuclear materials
13 and equipment, the U.S. is being asked more frequently to implement the same
14 measures to ensure treaty compliance that the U.S. has insisted other countries
15 put in place when receiving U.S. exports.

16 In addition to licensing actions, we are also active in the
17 international arena as members of U.S. delegations, participating in ongoing
18 meetings of the Nuclear Suppliers Group, the Zangger Committee, and with
19 regard to implementation of the IAEA Code of Conduct. For export/import
20 controls to be effective, they must be endorsed, accepted, and practiced by the
21 international community. And it is particularly important that if we agree in the
22 international arena to adopt certain practices and principles that we can do it in
23 the United States as well.

24 We need to ensure that any new or enhanced commitments being
25 considered and promoted in the international arena makes sense for licensees.

1 Will such changes require conforming changes to our regulations, either Part 110
2 or any domestic regulations?

3 From time to time, Part 110 regulations need to be amended to be
4 consistent with international guidelines and with foreign policy developments.
5 Strong, bilateral relationships with our government counterparts are particularly
6 important for the export/import licensing code for export and import licensing of
7 Code of Conduct materials. Export controls are often a topic of interest in
8 ongoing bilateral outreach and assistance activities.

9 We have concluded bilateral arrangements addressing the IAEA
10 Code of Conduct materials with counterparts in Australia and Canada, and are
11 following up to build on those successes and further enhance our relationships
12 and channels of communication with regulatory counterparts in other countries.
13 Next slide, please.

14 Another important aspect of bilateral relationships involves
15 negotiation and implementation of peaceful nuclear cooperation agreements or
16 so-called 123 Agreements because they have to satisfy the legal requirements in
17 Section 123 of the Atomic Energy Act, as amended. Such agreements must be
18 in place for the U.S. to engage in significant civilian nuclear cooperation and
19 trade with other countries or groups of countries, such as the European Atomic
20 Energy Community, or EURATOM.

21 Currently, the U.S. has about 27 such agreements in force. The
22 Department of State has the lead for negotiating such agreements. And,
23 because the NRC is responsible for implementing them, we need to be involved
24 and monitor the negotiations and the developments in that regard.

25 Over the next three to four years, several existing 123 Agreements,

1 for example, with South Korea, Taiwan, and China, are coming up for renewal.
2 At the same time, several other countries have expressed interest in negotiating
3 new agreements with the United States. It has been widely reported in the press
4 that an agreement -- Jordan is interested in an agreement with the United States
5 as Mongolia and perhaps Vietnam.

6 Now, with respect to inspection and enforcement, OIP does not
7 have a formal inspection program associated with its Part 110 licensing out
8 activity. However, OIP does perform inspection activity through review of
9 licensee export and import notifications, analyses of licensee export reports, and
10 responsive inspections following leads provided through allegations or by
11 interagency counterparts, such as the U.S. Customs and Border Protection, the
12 Federal Bureau of Investigation, and the Department of Commerce and others.
13 Responsive interactions take the form of technical assist to the Office of
14 Investigation and/or the Regions to identify potential violations associated with
15 export and import controls.

16 These reviews and inspections have resulted in export and import
17 enforcement actions to address relatively minor concerns, such as failure -- well,
18 I wouldn't say minor -- smaller concerns, such as failure to submit required
19 annual reports to more significant concerns, such as failures to obtain a specific
20 license for an export to an embargo destination.

21 To address the latter concern, OIP updated information on its
22 website to make sure that supplier -- U.S. companies understood the need to get
23 a specific license if they were contemplating an export to an embargo
24 destination.

25 From time to time, OIP must respond to foreign policy

1 developments, most notably, when notified by the Department of State to modify
2 a Part 110 list of either embargoed or restricted destinations. This past March,
3 we issued a Federal Register notice to effectively suspend any authorization for
4 exports of radioactive materials to Libya, given the unrest in that country. Part
5 110 also covers imports and exports of radioactive waste, consistent with the
6 IAEA guidelines in the Joint Convention. Radioactive waste means any material
7 that contains or is contaminated with source special nuclear or byproduct
8 material and it requires -- and if it requires a specific license for possession in the
9 United States.

10 That's all I have for export controls. I would like to now turn to my
11 colleague, Ms. Abrams, for her discussion this morning.

12 CHARLOTTE ABRAMS: As you know, after years of uranium
13 prices being low and closure of many uranium mines and mills throughout the
14 world, the price of, and interest in, uranium has increased, and, as a result, many
15 countries are either expanding the number of nuclear reactors or initiating new
16 nuclear reactor programs.

17 Shortly after this resurgence, OIP began to receive requests from
18 countries needing assistance with development of regulatory programs for the
19 oversight of uranium recovery efforts. Some of these countries have never had
20 uranium recovery programs. Others previously had programs but have had no
21 experience in this area in many years. Finally, there are countries that are still
22 struggling with cleanup of 30 year old sites at the same time as requests for new
23 sites are coming in.

24 Although the price of uranium has decreased somewhat in the past
25 two, three years, we have not seen the interest in exploitation of uranium

1 resources decreasing. And the uranium from these new and renewed sites is
2 destined for new and existing reactors throughout the world, including the U.S.

3 For countries with limited or no regulatory experience in this area,
4 there's a lack of laws, regulations, guidance documents, and trained regulatory
5 staff. In many cases, their staff members are trained and knowledgeable in
6 technical areas but lack regulatory experience. Request for assistance have also
7 come from individual countries, from IAEA for support of regulatory guidance
8 development, and site-specific workshops, and from multilateral organizations,
9 such as the Forum of Nuclear Regulatory Bodies in Africa. Next slide.

10 In response to a request, OIP took the lead in developing material
11 for uranium recovery workshop that addresses license application review,
12 licensing, regulatory oversight and inspection, cleanup and decommissioning of
13 uranium recovery sites. Recognizing that NRC's first responsibility is its domestic
14 program, a significant portion of the workshop was developed by a rehired
15 annuitant with support from Region IV personnel from their inspections staff and
16 staff from the uranium recovery branch in the Office of Federal and State
17 Materials and Environmental Management Programs.

18 Our first workshop was held in August of 2009 and was attended by
19 representatives of 16 African nations and three countries from East Asia. As part
20 of the workshop, participants also visited active and decommissioned uranium
21 recovery sites that are licensed by NRC. OIP staff also participated in
22 Department of State meetings and outreach efforts, including a global policy
23 meeting in Tanzania, led by Ambassador Jenkins, the U.S. coordinator for threat
24 reduction programs at the Department of State.

25 Based on Lessons Learned from our first workshop, we made some

1 revisions to the workshop material and held a second workshop in May of this
2 year. Although NRC does not regulate conventional uranium mining, many of the
3 previous workshop participants had expressed a desire for information on the
4 regulation of uranium mining. Therefore, one addition to the workshop was a
5 speaker from the Canadian Nuclear Safety Commission who spoke about the
6 CNSC's regulatory program for uranium mining. The workshop was held in the
7 State of Texas, and also included a speaker on the state's regulatory program
8 and visits to sites licensed by the State of Texas.

9 Participants in this workshop in May were from countries in South
10 America, the Middle East, Asia, and Africa, and also included interested
11 representatives from the U.S. Departments of State and Energy. To the degree
12 resources permitted, we also supported IAEA requests for participation in site-
13 specific workshops in Hungary, Ukraine, and Romania, and then guidance
14 development for the cleanup of legacy sites. Next slide.

15 In looking to the future, we anticipate that we will continue to
16 receive requests from the IAEA for support for uranium recovery activities. We're
17 working with our contact with the Atomic Energy Commission in Tanzania on a
18 workshop in that country in early calendar year 2012 to which we are inviting
19 representatives of African countries that have or are initiating uranium programs.
20 We continue to participate in meetings with representatives of the Departments
21 of State and Energy and will support some of their global efforts. And, ultimately,
22 our goal is to contribute to building strong regulatory programs with a focus on
23 assisting other countries in their efforts to prevent future legacy sites. I now turn
24 it over to Ms. Doane, who will provide some concluding comments.

25 MARGARET DOANE: So, this is, you know, really a snapshot of

1 several very important aspects of the international program, but it by no means
2 covers everything that the agency is doing, but, as time permits, I think it is a
3 good illustration of, like I said, many of the important issues. And this really
4 concludes our prepared remarks. So, we look forward to your questions.

5 CHAIRMAN JACZKO: Thank you. Commissioner Magwood? You
6 go first with questions.

7 COMMISSIONER MAGWOOD: Good morning. Let me echo some
8 of the earlier plaudits. Obviously, the OIP does a very good job with limited
9 resources, and it's always easy to understate how difficult it is to balance all the
10 various activities that go on with limited resources these days, but, of course,
11 we're all working in a constrained resource environment, so I appreciate what
12 you're able to do with what you have.

13 I think, you emphasized today the multilateral aspect of the
14 programs, and I think that's very important because, as I've seen over the years,
15 it's easy to undervalue some of these multilateral activities, you know, NEA and
16 the IAEA activities, because it's difficult sometimes to see the end result coming
17 quickly because what I think sometimes gets missed is it isn't necessarily simply
18 the goal at the end of the activity, it's more often the discussions and interactions
19 and the relationships that are built with other countries and with the international
20 community as you go through these exercises. And I think that sometimes gets
21 missed by people, and I think it's very important because it's quite clear that the
22 international landscape changes all the time, and I think as we've seen this year
23 with Fukushima has led to developments that no one would have predicted a
24 year ago.

25 You know, today is actually the 30th anniversary of the

1 assassination of Anwar Sadat. And, who would have thought we would have
2 seen, you know, Egypt evolve the way it has? It took 30 years to get there, but
3 here we are today. These things aren't predictable, and the only thing you can
4 do is to have these close relationships and be able to monitor events and
5 understand what's happening. And then, when something does, the unexpected
6 does occur, be in a better position to react to it.

7 Now, in the case of Fukushima, we've had this -- we have a very
8 close relationship with Japan, as we've talked about this last year has gone by,
9 and it has enabled us to work with Japan in a very positive way, a very beneficial
10 way. And I think it's been a real education for both sides of the Pacific. But, you
11 know, one of the things that I wonder about as we reflect on where we've been
12 over the last, what is it now, been eight months or so, is, we've often talked
13 about the Lessons Learned in terms of the technical Lesson Learned and the
14 nuclear Lesson Learned, but there's also an international relations Lesson
15 Learned here. I wonder what's happening within the agency, what's happening
16 within the government to look at how all this transpired, and is there an effort
17 underway to consider framework is too strong, but procedures, approaches,
18 practices, that if this, something like this were to happen again in another
19 country, then we would have a less of an ad hoc approach to it and more of a
20 more, I don't want to say practiced, but certainly a more pre-considered approach
21 to responding to an overseas accident. And, perhaps you could tell me what's
22 going on out there.

23 MARGARET DOANE: Okay. I think the most important initiative
24 that's going on in that respect internationally is an attempt to build up the
25 emergency response center at the IAEA for it to be a, to have more tools and be

1 a better disseminator of information. And much of the early days in the crisis,
2 much of the frustration, I think, on the part of other governments was that we
3 weren't getting the type of information that was necessary to reply to questions
4 that were being asked by our governments.

5 So, for example, all around the world, this story was exactly the
6 same. There were presidents going to their regulators, asking about the safety of
7 their plants, and what we should take from what was going on immediately in
8 Japan and in the following days, and it was very difficult for those regulators to
9 provide any kind of early information. And a lot of it was coming from the press
10 and other places. I think that the international community at that time turned to
11 the IAEA to provide better support and some opinion in this regard. But, of
12 course, there wasn't a lot to know. And some of this is always going to be the
13 case with an emerging issue. Everyone in the country will be turned to
14 addressing the crisis, not trying to get, disseminate information. But, we know
15 that at the same time, dissemination of information is very important. So, that
16 area is receiving considerable attention and is being also discussed with small
17 groups, like the International Nuclear Regulators Association that the Chairman
18 chairs. Maybe he would be able to talk about this more. But, there are a lot of
19 discussions about how we can better coordinate information among our agency,
20 and we're already using informal mechanisms to get information around very
21 quickly, like when we had the North Anna earthquake.

22 So, that's, I think, one of the biggest efforts on a Lesson Learned
23 from that perspective. The IAEA is also taking on a number of other challenges,
24 trying to improve some of its ability to analyze technical information that is
25 coming in so that it can better disseminate information. So, I think, under the

1 circumstances, there are a lot of very impressive things that were done by the
2 IAEA and other organizations, but that's an area where we're looking at how we
3 would communicate.

4 Internally, within the U.S. government, there's probably more that
5 we can do to sort of step back and figure out what we can do better in the event
6 of a response, because a lot of the things that we do that are already built into
7 practices have to do with addressing the emergency, the safety issues, or the
8 emergent issues, but not so much on coordination. So, I think, you know,
9 something we can think about.

10 COMMISSIONER MAGWOOD: Bill, let me ask you this, basically
11 the same question, what -- I mean as this thing unfolded over the last several
12 months, I'm sure it must have occurred to you that if we might need to do this
13 again at some point in the future, hopefully not anytime soon, but what do you --
14 do you think it's -- do you -- I mean we're thinking in some ways the experience
15 was quite good, that we were able to do a lot without having a plan, but could we
16 have been better if we had had a plan? Is this something you've given thought
17 to?

18 BILL BORCHARDT: I think the key, Margie mentioned it, is having
19 a central clearing house for the information, so that the affected country only has
20 one entity to outreach to and then they can clear the information to everybody
21 else, and if IAEA were to ultimately be positioned to do that, that would greatly
22 aid in the efficiency of the overall response.

23 I think our Operation Center from my perspective operated pretty
24 well using the information that it had available. I think we can use our domestic
25 structure of the you know, reactor safety team, radiation teams, all of that

1 structure still works no matter where the event is. It's really the interface with
2 other countries that there's this opportunity for great improvement. Just to pick
3 up on a comment you made earlier, the unproceduralized benefit of all of the
4 interfaces and connections that we have through all of the committees that were
5 on this NCRA out of the NEA, there's a lot of working groups, all of those informal
6 communications help to transfer information, albeit informally and maybe
7 unofficially, but it's still a very good path to understand what the status is and
8 what's the latest information, to make sure that we're sharing information as best
9 we can. So, that personal relationship, there's no substitute for.

10 COMMISSIONER MAGWOOD: Agreed. Margie, the -- I'm not a,
11 I'm not a huge proponent of strategic plans; I tend to think that they're sort of
12 bureaucratic devices to create paper. However, the breadth and complexity of
13 the international program efforts of which as you've indicated, this is really in this
14 case sort of the tip of the iceberg today. I wonder, has there been any
15 consideration of having not so much as a strategic plan, more a strategy
16 documents, something forward looking that sort of look at the various events.
17 We have a big G8 meeting coming up for example and there's going to be other
18 meetings coming down the road. Has there been any consideration to develop
19 some kind of strategy document looking forward, so that all of the resources that
20 we have can be coordinated into you know, sort of a more forward looking way?

21 MARGARET DOANE: Yeah, informally we have given
22 consideration to that and formally we've developed documents and what we --
23 even comprehensively we've done some informal work in this area. We have a
24 lot of meetings to discuss issues as they go forward and we develop documents
25 in certain areas, as we go along, for instance, with respect to G8 trying to pull in

1 all the different international relevant initiatives that would play a part in how we
2 would think about going forward with those issues, but we -- it's -- it was a
3 challenge to try to figure out how to do this separate from larger strategic plan
4 initiatives and so in the end, we decided that it would be -- that would provide an
5 opportunity to work through the larger strategic plan, but that's a very high level.
6 So, what we've had to do is work through the development of strategic plans for
7 the agency and then bring those down through smaller strategic plans.

8 COMMISSIONER MAGWOOD: I appreciate that. This might be
9 worthwhile to explore that a bit. Maybe in the meeting SRM we can reflect simply
10 just to explore this a bit further with the staff to see what sort of planning activity
11 or strategic activity going forward might be beneficial and just explore what might
12 be useful. I don't want to create paper for the sake of creating paper, but if
13 there's something that could help us coordinate, I'd be happy to help do that.
14 Thank you.

15 CHAIRMAN JACZKO: Commissioner Ostendorff?

16 COMMISSIONER OSTENDORFF: Thanks, Chairman. Thank you
17 all for your briefs today, very helpful. Charlotte, I'm going to start with you and
18 the uranium recovery assistance is not an area we get a whole lot of visibility for -
19 - and I really appreciate your briefing, and I learned a lot from your activities. It
20 was very helpful. I can imagine that many of the countries that were thinking
21 about this do not have necessarily any nuclear power plant program or an
22 existing regulator, and so that creates its own unique circumstances. So I have
23 two questions for you; you can address these in any order you'd like to. With
24 respect to a country that might make a decision to conduct uranium recovery
25 operations in their country, what do you see as their biggest challenge and how

1 can we help them be successful in developing an effective regulatory program.

2 CHARLOTTE ABRAMS: I think their biggest challenge is to
3 establish the laws and regulations. That in itself is a very big challenge. If they
4 get the infrastructure in place in the beginning, before the mining, the milling
5 starts, then they haven't created the issues that were created in this country
6 many years ago, before we had the big cleanup programs. So, if they get all that
7 in place and have a clearly defined program, then they can ensure success, well,
8 will have a better chance at success. Also, getting a trained staff and as I said,
9 they have very -- I've seen countries that had very well trained technical staff, but
10 they don't understand what a regulator should be doing in this area.

11 COMMISSIONER OSTENDORFF: And you see the United States
12 Nuclear Regulatory Commission can help with that training aspect. Is that what
13 I'm hearing from you?

14 CHARLOTTE ABRAMS: That's correct.

15 COMMISSIONER OSTENDORFF: Thank you. I'm going to ask
16 Janice, you a question here and I appreciate the environment which you work
17 deals with the United States interagency process, which has a lot of different
18 viewpoints, perhaps on some issues that you work with and then certainly the
19 external piece with the international community. Are there any big challenges
20 that you face in the licensing arena for export/import within the interagency
21 process here in this country as far as philosophy or approach?

22 JANICE OWENS: No, there is -- the process is fairly, is very
23 mature for the reactor industry side. We're still learning a lot on the IAEA Code
24 of Conducts with respect to radioactive materials and we've been doing a lot of
25 work to encourage greater harmonization, and I think we've in recent years

1 achieved significant successes in that regard. If you had asked me that question
2 maybe a year or two ago, I would have been concerned about our staff, but we
3 have gotten new staff on board and we have excellent working relationships with
4 the other program offices, and so I don't -- the challenges are not significant from
5 that point of view.

6 COMMISSIONER OSTENDORFF: Okay, thank you. Bill, I'm going
7 to turn to you and ask you a question. I know that you've -- you accompanied
8 Chairman Jaczko over to Vienna recently for the general convention and just at a
9 high level I'm curious about any reactions you heard from our international
10 partners, reactions to the Charlie Miller's Near-Term Task Force Report, any
11 significant comments either areas of strong agreement or disagreement and I'll
12 ask Margie, and also to chime in after Bill.

13 BILL BORCHARDT: Thank you. Well, every country that has a
14 nuclear program is doing some kind of a follow-up. Of course, Europe is doing
15 the stress tests and in Asia they're doing other kinds of programs. Korea had an
16 extensive internal review as well. I think our Near-Term Task Force Report was
17 viewed very positively. I think there's a lot of agreement on the major topics that
18 were identified, the technical areas. Of course every nation has a different you
19 know, regulatory legal structure, so there's different implications for how it'll get
20 carried forward and in Europe, they're still in the midst of reviewing the reports
21 that were submitted by the operators to the regulators, but I think it's very positive
22 results from a technical perspective of what we've done so far.

23 COMMISSIONER OSTENDORFF: Were there any areas that you
24 sensed in informal conversations of disagreement or different approaches that
25 people question why the United States thought this or --

1 BILL BORCHARDT: I didn't have any personal discussions. There
2 were some additional technical areas that were mentioned, that they'd looked at,
3 which are in the recent Commission paper that we just signed out earlier this
4 week. One of them was loss of ultimate heat sink, got a little bit more attention
5 internationally. That was a very good discovery if you will, by -- through our
6 discussions with them that caused us to make sure that we had taken an
7 adequate look at that as well, and that's partially addressed in the most recent
8 paper that we submitted.

9 So, I think we'll continue to have those interactions through CNRA,
10 through the IAEA, working groups, and then of course as part of the
11 extraordinary meeting that we're talking about in August of next year, where we'll
12 be sharing not only the technical initial findings, but then what each country has
13 done in response to those findings and they'll be a good cost calibration
14 internationally to see that our actions were appropriate and others can learn from
15 the exchange as well.

16 COMMISSIONER OSTENDORFF: Margie, I'll ask you -- thank
17 you, Bill. I'll ask you if you have any comment on that question?

18 MARGARET DOANE: No, I think -- sorry. I think the most
19 interesting thing was, in addition to what Bill had said earlier, an interesting
20 aspect was that the report was very well disseminated, so we had hoped there'd
21 been a lot of interest and we had hoped using some informal mechanisms that
22 we'd get the report out, and it worked, and so that was actually very encouraging
23 and the report -- and then a lot of the other activities by the Commission after the
24 international community was very -- they had a lot of information about what was
25 going on in the United States that was good and they've been equally

1 forthcoming with information to us.

2 So, but the specific areas Bill mentioned, I think the most -- another
3 important aspect is that it is clear that we have -- we're taking very different
4 approaches, the stress tests do seem to be very different than the way that we've
5 come at the issues, but like Bill said, because there are common threads, it
6 seems obvious that there'll be areas that we can work on together and the
7 different approaches may actually come out with results that can then be
8 contrasted and compared, to get insights that maybe you wouldn't have had if we
9 had all gotten together and decided to do the exact same thing. So, it would be
10 an interesting thing. I think the European Commission has approached us and
11 does want to work on these issues, once the reports are all done and the peer
12 reviews, and the results are out. So, it was more just a, I think a reinforcement
13 that the world wants to work together and they're looking to the United States.

14 COMMISSIONER OSTENDORFF: Let me kind of anchor a
15 question to Bill in which something you just said about the stress tests and it
16 being a sort of a different approach. Bill, can you comment on -- do you have an
17 initial reactions or do you think any of the stress tests might explore into area, a
18 technical area for instance, or a regulatory area that perhaps was not addressed
19 by our task force or perhaps would be addressed in a very different
20 fundamentally different way?

21 BILL BORCHARDT: I would be surprised if there is. I mean I think
22 -- and the combination of the Near-Term Task Force Review and now the review
23 that we're doing, which is identifying half a dozen new issues that we think need
24 to be evaluated and we're going to continue to push on the technical findings and
25 if we come up with a seventh new issue, we'll add that to the plate. So, I think it's

1 -- I would be very surprised if the stress test identifies a technical area that we
2 just were blind to for some reason. What I think is going to be an interesting
3 challenge for the European community is coming up with what the acceptance
4 criteria are for the reports that have been submitted by the operators. They don't
5 all have one regulatory system, so what we were able to do was to do a review
6 using established review criteria, an established design basis, and to make that
7 comparison. The stress test largely asked a number of questions of the
8 operators. The operators have now answered it. Now, the European challenge
9 is how do we do this -- they're talking about doing a peer review assessment of it.
10 So, they're going to need to arrive at what the acceptance criteria are if you will,
11 and I think that's going to be a significant challenge. Now that's one they're
12 working on very hard to fight now.

13 COMMISSIONER OSTENDORFF: Margie, anything you want to --

14 MARGARET DOANE: No, I think that covers it.

15 COMMISSIONER OSTENDORFF: Thank you, thank you, Mr.
16 Chairman.

17 CHAIRMAN JACZKO: Commissioner Svinicki?

18 COMMISSIONER SVINICKI: Well, good morning and thank you all
19 for your presentations, and I know Margie, as you've acknowledged, this is really
20 a sampling of OIP's activity, so since you're here I won't confine myself to the
21 areas, as Charlotte and Janice did a great job. I wanted to focus a little bit on
22 assignees. Frankly I think you mentioned that we had 10 and we have requests
23 for 14. If you had asked me before I read these preparatory materials yesterday
24 how many I thought we had, I would have estimated probably a number a lot
25 smaller than that. So, I was a little surprised and it sounds like it's an area of

1 growing requests for us. How do you, as you approach that balance, the benefit
2 that the assignees and their home regulator gets versus benefit that can accrue
3 to the NRC? How do you approach assessing how much we can accommodate
4 there and how many assignees we can have, and then how to get benefit for
5 NRC?

6 MARGARET DOANE: I think -- let me try to touch on it, and then
7 maybe Charlotte will want to add to it, because she's helped develop the more
8 recent program for foreign assignees, but I think that recently, but we've been
9 able to accomplish is to -- well, we use timelines to make sure that we don't
10 overburden any of the technical offices, but ideally we receive a benefit from the
11 foreign assignee as well. They're degreed. They often have extensive
12 experience from their home program and while we do things differently, the
13 technical issues as we've been sort of discussing with respect to Fukushima are
14 largely the same and so after a period of a certain amount of time, like let's say
15 six months, they're then able to do work for the NRC. So, they're actually
16 another person actively working in the office and bringing an international
17 perspective. So, the agency has a lot to gain from our foreign assignees as well.

18 There's a distinction between training for countries that are looking
19 into new development versus a foreign assignee, and we've been trying to
20 develop that program separately where we would get training for them and do
21 short periods of the introduction to regulatory issues, and different things. This is
22 a very different thing, so this is really covering the more mature program. So, I
23 think -- do you want to add anything, Charlotte?

24 CHARLOTTE ABRAMS: I think you've covered it.

25 COMMISSIONER SVINICKI: I might ask on a little bit of a related

1 note, NRC also supports a very small number, to my knowledge, of cost-free
2 experts at multi-lateral organizations. Is that -- is our ability to support that
3 reassessed on some sort of periodic basis? Is that looked at in terms of what's
4 that returning to the NRC and what our commitments are for some of the cost-
5 free experts?

6 MARGARET DOANE: Yeah, it's interesting. Cost-free, there are
7 various types of cost-free experts. Some come at the request of let's say for
8 example I'll take the International Atomic Energy Agency, the IAEA. So, if the
9 IAEA requests an expert from the United States, that actually goes through the
10 Department of State and so it's not -- while the NRC puts the person in place, it's
11 not for the benefit of the NRC. It's for the benefit of the agency and really
12 anybody in the NRC could apply for these positions, even without support of the
13 NRC. I mean that never happens, but just to give -- there are other U.S. policy
14 initiatives that sometimes these positions fill and the technical expert happens to
15 be the NRC. They are technical experts that could be from any various
16 agencies, but it's to our benefit to have people over the IAEA, so we learn their
17 practices and their processes, so that when issues come up, we want to be --
18 we want to get the benefit of what we can get out of the IAEA and we also want
19 to have some influence in the international arena, we have that experience
20 without doing those.

21 So, when you think about what the benefit is, it's really on several
22 different scales. So, the first would be more at this government level and that's
23 most of the CFEs. Recently we have, when we were facing an extraordinary
24 number of countries with interest in new development of nuclear power programs
25 really overwhelmed at trying to figure out how we would reach all of these

1 countries and we didn't want to overwhelm the domestic program. So, we used
2 the opportunity to create our own CFEs and what we were trying to do there is
3 create a link between what the IAEA was doing for assistance, and maybe even
4 build up their program so we would be put out of business in a way. Those CFEs
5 have -- really their work has very much slowed down from a perspective of new
6 programs, because they've been necessary for the IAEA to use their technical
7 expertise in other areas, namely responding to some of the issues going on with
8 Fukushima and increasing the number of peer reviews that the IAEA will do, and
9 things like that.

10 So, that's the unusual cases when we will actually put the CFE in,
11 but to get back to your initial question, we are reassessing. I was over in Paris,
12 at the NEA and also at the IAEA, and I'm looking at all of the positions that we
13 have, not just CFEs, but just looking across the board, all of the positions that we
14 have to try to reassess how we should go forward in response to Fukushima, and
15 shift some of these things to make sure that our agency gets the benefit that it
16 needs from these overseas assignments, but also to support the activities that
17 are going on. The IAEA's action plan is extraordinary. They are going to need
18 help and we have committed to, as a nation to help the IAEA and the U.S. would
19 look to the NRC for regulatory advice.

20 COMMISSIONER SVINICKI: And those current circumstances are
21 the heart really of my inquiry and to build on that, Bill, I would -- you mentioned
22 that you had had the opportunity to lead the IRRS to Korea. Over the past
23 number of years, we've had a number of the agencies' most senior and
24 experienced managers have the opportunity to lead or have maybe deputy lead,
25 I don't know what the term is called, but very senior positions and at the heart of

1 the IRRS mission is of course to have very experienced regulators look at other
2 countries' programs, and that's having experienced regulators from countries
3 with mature programs participate is really a core enabler of the IRRS's being
4 successful.

5 I think you are telegraphing in your remarks that you see with the
6 IAEA action plan focusing more on peer reviews that request for our support to
7 that through senior managers participating is likely to only increase. How do you
8 think, as Executive Director for Operations, you would approach that request for
9 having some of your key senior managers participate at a pace perhaps even
10 more active than we've had in the past? It's a significant thing to have say a
11 Regional Administrator, or someone participate. It's a big commitment of their
12 time.

13 BILL BORCHARDT: It is a significant commitment. The missions
14 last two weeks, but the you know, the preparation and the review of the
15 preparatory report that each of the countries do that are the subject of these
16 missions, that takes a considerable amount of effort. We're going to need to you
17 know, closely look at that. I think the IAEA, I would estimate does maybe three
18 missions a year now. I could see the objective of at least doubling that. Now,
19 whether or not the IAEA itself can support that, because there needs to be
20 certain membership of the team, just from the IAEA and then whether or not the
21 international community can put together a large enough team. A typical team
22 runs somewhere between 18 and 22 people on average. There's some that are
23 smaller, few that are bigger than 22 or 23 people, but that's a significant
24 dedication of resources from you know, over a dozen countries for any one
25 mission. I mean I think we would become resource constrained in all honesty to

1 still give first priority to the domestic mission and to be able to free up a senior
2 manager to participate on these missions.

3 COMMISSIONER SVINICKI: Well, if you look at it logically, of
4 course the mature regulatory programs that need to support and populate these
5 missions also have a pace of regulatory activity in their own country in response
6 to Fukushima. Just logically, mature regulatory programs are in countries that
7 have a very active nuclear power program. So, these circumstances kind of build
8 on each other and will make it, I think, as you're noting, it will be a challenge to
9 populate these IRRS teams and if you have people with lesser experience, I think
10 the overall insights of the IRRS are then reduced. So, it will be something I
11 appreciate that you're focused on kind of managing this well for NRC and also of
12 course our commitment to these international peer reviews. We'll have to
13 balance both of those things.

14 I would just ask as a close, I know we mentioned vendor
15 inspections in passing and I tend to think of that in the Office of New Reactors
16 space, but it requires some level of coordination. Is that principally something
17 that is logistically coordinated within the MDEP program or what could you say to
18 me about how international inspections and observing other inspections? How is
19 that going generally?

20 MARGARET DOANE: I think I'll just take --

21 COMMISSIONER SVINICKI: You might be able to call on
22 someone in the audience, too, if you want to.

23 MARGARET DOANE: Right, right. Well, I think actually the vendor
24 inspector groups, there's teams in NRO, and NRR, and they're actually very
25 good about keeping the Office of International Programs up to speed, and

1 especially if an issue is identified, which happens from time to time. We keep
2 very well coordinated, so we go -- we approach the issues in a politically
3 sensitive way, but there are domestic implications, other safety implications for
4 both countries, for both national regulators. So, I think it's very well coordinated.
5 Those offices I think do a very, very good job of keeping us informed. They have
6 -- and especially NRO recently, they've developed a very active program of
7 identifying where we want to be and what we want to see for purposes of, for
8 example, like fraudulent parts and things about three, maybe three or four years
9 ago that issue came up with the interest in new plant licensing, and so we really
10 focused that program on looking at how -- what countries we should concentrate
11 on communications with and now through MDEP that is just, I think it just
12 expanded, but there was already a program with MDEP. There are now specific
13 and joint inspections. So, it's really enhanced the program, I would say.

14 COMMISSIONER SVINICKI: So, I'm hearing from you it's well
15 established, protocols are in place and it appears from your advantage point to
16 be working well?

17 MARGARET DOANE: From my advantage point.

18 BILL BORCHARDT: And not dependent on MDEP.

19 COMMISSIONER SVINICKI: Okay, okay, thank you.

20 BILL BORCHARDT: MDEP benefits it, but it's not run through
21 MDEP necessarily. It's through bilateral and you know, other coordination
22 activities. So, it's --

23 COMMISSIONER SVINICKI: Okay, thank you. Thank you for that
24 correction. That's very helpful and thank you all for your presentations.

25 CHAIRMAN JACZKO: Commissioner Apostolakis.

1 COMMISSIONER APOSTOLAKIS: Thank you, Mr. Chairman. Ms.
2 Abrams, you had said that the major challenge with countries entering the
3 nuclear field is establishing laws and regulations, and you repeated that in
4 answering Commissioner Ostendorff's question. I agree it's a challenge, but it
5 seems to me an even bigger challenge, judging from what happened in our own
6 country is establishing a good safety culture. It took us about 30 years to start
7 talking about, even talking about it. At the ACRS I was told to shut up because
8 we don't want to get into people's minds. Now, of course we have a policy
9 statement from the Commission itself. So, I wonder how a country that's entering
10 nuclear power will handle that and are we worried about it? Are we trying to
11 emphasize that the right culture is essential?

12 CHARLOTTE ABRAMS: Well, that's a big part of the message
13 when we do our workshops, is safety culture and good practices, and we do
14 explain things from -- this is how NRC does it and so that is something we focus
15 on. In the inspection module of the workshop, that's something that comes out,
16 but it comes out throughout all the parts of the workshop.

17 COMMISSIONER APOSTOLAKIS: In my mind it's a bigger
18 challenge than just passing laws, because it's amorphous. It's not something
19 you can write down, but anyway, that's a thought.

20 Bill, we keep talking about participating in international committees
21 and helping this and that. Has there ever been a case where we changed our
22 regulations because some foreign country did something, not an accident, they
23 did something, they found something?

24 BILL BORCHARDT: Well, we've taken regulatory action. The sub
25 clogging issue began -- was an event overseas. You know, so it's through the

1 sharing of operating and experience, and looking at what their regulatory
2 response was to the event that we participated in. I can't off the top of my head
3 think of where we have dramatically revised a regulation just because we saw
4 somebody else doing it a different way, but I would say especially within the last
5 15 years, almost every regulatory action that we take and rulemaking that we go
6 through is informed by what's happening in other countries. I mean we do a
7 survey to understand what the other practices, what the other operating
8 experience is. So, I'm going to have to leave it there.

9 COMMISSIONER APOSTOLAKIS: You said that you have not
10 encountered any objections to what the near-term task force has recommended,
11 but there are objections and objections. One objection might be I don't like this
12 and another one might be to smile and ignore completely a recommendation, and
13 I think the one that will be ignored is recommendation number one. I don't see
14 very many other countries been willing to blend the risk information with defense-
15 in-depth, especially from what I hear other people saying the last time at the
16 ICAP meeting in France. Is that your impression too? Are we the only ones who
17 will try to do that?

18 BILL BORCHARDT: I think we are on the cutting edge of
19 implementing that philosophy. I think there are others that are moving down the
20 path to using risk information more, becoming more risk informed, but I don't
21 think there's any other country that I'm aware of, that has it as integrated into the
22 regulatory system as we do.

23 COMMISSIONER APOSTOLAKIS: So, my suspicion's probably
24 correct. Nothing much will happen there.

25 BILL BORCHARDT: Time will tell.

1 COMMISSIONER APOSTOLAKIS: Yeah. Margie, these 123
2 Agreements always intrigue me. I must say I don't fully understand all this
3 structure. Why are they needed? I mean doesn't the IAEA provide sufficient
4 help to some countries, so they feel they need a special agreement with us? Or
5 are these two different things. I don't know.

6 MARGARET DOANE: They are two different things. The 123
7 Agreements are like a -- they're just a contract between us and the other country
8 that before we will provide you materials and equipment that could if diverted,
9 lead to nonproliferation, the other country will agree to the terms that we hold
10 essential. And these are laws and regulations that the 123 Agreements follow
11 very closely, the Atomic Energy Act and requirements there that before we will
12 engage with a country and trade with them on nuclear material or technology, will
13 put in place this contract. Part of the contract is that they will have agreements if
14 they're a non-weapons state, a safeguards agreement with the Atomic Energy
15 Act and that gives us assurance that the -- I'm sorry, with the IAEA -- and that
16 gives us assurance that the IAEA will then inspect for safeguards and things like
17 that. So, it's really the -- it's done bilaterally and it's done -- this is the way it's
18 done all over the world.

19 COMMISSIONER APOSTOLAKIS: But there are such agreements
20 between other countries?

21 MARGARET DOANE: Yes, absolutely --

22 COMMISSIONER APOSTOLAKIS: So, they have similar things
23 and similar controls?

24 MARGARET DOANE: Yes. They don't have to do it that way.
25 They may do it through other mechanisms. They may have some other treaty

1 mechanisms, but yes there's assurances through the nuclear supplier's group
2 that we were talking about -- that I talked about in my presentation, is going to
3 meet the 46 countries, there's an agreement amongst that group that export
4 controls will be put in place. There's a number of ways you could do it. The
5 good thing about a peaceful use agreement is it's an umbrella. We won't do it
6 case by case. We won't say, "Okay, before I send you this pipe, you have to give
7 me all these things." You say in advance, "Okay, here's the general framework.
8 If you want this pipe, you've got to have this framework in place," and then if
9 there's something specific that's applicable to it, you could do that on a case by
10 case basis.

11 COMMISSIONER APOSTOLAKIS: So, the IAEA does not get
12 involved in giving materials or --

13 MARGARET DOANE: Some --

14 COMMISSIONER APOSTOLAKIS: -- equipment.

15 MARGARET DOANE: For the -- that is the majority of cases.
16 Every once in a while when a country does not want to get -- make a bilateral
17 agreement with another country, they will go through the IAEA as an intermediary
18 and then -- and we have such examples where the IAEA, it's kind of a trilateral
19 agreement, and it's the IAEA that does the inspections, but we're then allowed to
20 do goods and services. So, the 123 is not with us. It's through the IAEA. It's
21 complicated, but for the most part I'd say 99 percent of the cases are bilaterally
22 just between us and the other country, but every once in a while the IAEA serves
23 that function.

24 COMMISSIONER APOSTOLAKIS: Very good. Thank you very
25 much. Back to you.

1 CHAIRMAN JACZKO: Janice, I just wanted to talk a little bit about
2 the Part 110 program. I think you mentioned that there had been some concerns
3 with some either sources or licensees not, or companies not seeking licenses for
4 exports of sources to embargoed countries. Do you have a ballpark sense of
5 how many sources over the last five years or so have had a problem with getting
6 places they shouldn't get?

7 JANICE OWENS: I know of the cases that we've investigated or
8 been involved with. We've gone out to give the information and to provide more
9 resources, and to when we have opportunities to speak about the requirement. It
10 does not mean that a source or a sealed source, or radioactive material will not
11 be exported to an embargoed destination. It's just that they need a specific
12 license authorization to do that.

13 CHAIRMAN JACZKO: Do we know -- are there sources that have
14 gone to countries that have not received licenses?

15 JANICE OWENS: There may -- I'm not aware. There may be
16 some. I don't know. We have not heard of problems encountered because of
17 such transfers, but there -- it is an ongoing concern and other agencies and
18 organizations are involved in looking at that, and it doesn't mean that other
19 countries don't have relationships with some of the countries that are embargoed
20 from the U.S. point of view, so.

21 CHAIRMAN JACZKO: Well, one of the things you mentioned too is
22 the lack of an inspection program in IP and as a result, we more are kind of in a
23 reactive mode from an inspection standpoint. Have you considered -- maybe
24 Margie this is more of a question for you. Have you considered establishing an
25 inspection program? What kind of resource would it take to do that and what

1 kind of personnel would you need?

2 MARGARET DOANE: Well, we did actually give a lot of time and
3 effort to that issue when we were implementing a new program for the Code of
4 Conduct in 2005. That was the first time that we actually implemented such an
5 extensive program for sources and so we thought that okay, now it's going to get
6 really difficult to manage. We got with all of the Regions and talked with them
7 about whether or not it would make sense to have an inspection program at the
8 headquarters in OIP, or something specific to international, and we went over the
9 resources and the number of cases, and what was decided by the experts, I
10 thought I got very good advice on this, was that doing it within OIP really didn't
11 make sense, that it would be better if we would from time to time look at the
12 areas that are raising the most issues with us and then go to the Regions, and
13 make sure that we have good interactions with them and let them follow it up
14 through their normal inspection activities. After that, what we did is I made sure
15 that we --

16 CHAIRMAN JACZKO: Is that something that we're doing?

17 MARGARET DOANE: Yes, and so what we did after that is we
18 started to have what I call field trips out to the Regions, so that the staff started to
19 get to know each other. The OIP staff started to get to know the Regional staff.
20 We've gone to I believe Region I and Region II, as a part of that program and I'd
21 like to continue that, and additionally we've tried to -- when we have enforcement
22 actions, we've tried to get out front and give good information about the expert
23 licensing program to the Regions. So, there's always more we can do, but yeah,
24 that's the effort we made and it was a conscious decision.

25 CHAIRMAN JACZKO: So, how is that -- is that a normal -- Bill,

1 maybe this is a question for you -- is that a normal part then -- so that the
2 Regions have to set aside a certain amount of hours for materials inspectors to
3 go look at the sites that may routinely be exporting sources or how does that --

4 BILL BORCHARDT: I'd have to get back to you. I don't believe
5 that we budget separately for that. I think that's just an imbedded part of the our
6 international program that's under a large umbrella.

7 CHAIRMAN JACZKO: So, there's no kind of specific -- I mean
8 there's not, you know, five hours a year or something the inspector dedicates to
9 these kinds of inspections as materials inspector?

10 MARGARET DOANE: No, not that I'm aware of.

11 CHAIRMAN JACZKO: Okay, thanks. You did -- I think Janice
12 mentioned a backlog of 30 specific export import licensing actions pending.
13 What's your sense for the reason we have that backlog?

14 JANICE OWENS: It's an ongoing process and part of the Atomic
15 Energy Act is very specific about how we process our export license applications
16 and it involves communications with the foreign governments. So, when we
17 receive an application from a U.S. company that wants to export something to a
18 foreign country, we have to also confirm that activity with the foreign government
19 and we either do it through the Executive Branch or we do it directly ourselves.

20 CHAIRMAN JACZKO: So, for a lot of those, are we waiting on
21 Executive Branch or government clearances --

22 JANICE OWENS: Yes.

23 CHAIRMAN JACZKO: -- and those kinds of things?

24 JANICE OWENS: Yes.

25 CHAIRMAN JACZKO: Okay, thanks. Okay, thank you. I think

1 Commissioner Magwood suggested that some type of analysis or guidance on
2 the strategic plan, I don't know if others had thoughts on that.

3 COMMISSIONER OSTENDORFF: I think it's a good thing to
4 accomplish --

5 CHAIRMAN JACZKO: Maybe Margie, what you could do is when
6 we get the SRM, is maybe send up some language kind of as a staff comment
7 that would kind of frame that issue for us to include in the SRM. There are others
8 -- any concerns with that? Okay, good. Okay, well, I think -- oh, I'm sorry.
9 Commissioner Ostendorff?

10 COMMISSIONER OSTENDORFF: Mr. Chairman, I appreciate you
11 scheduling this meeting. I think these programs are really important and it's very
12 helpful to hear this in holistic ways. So, I found this very, very useful and I'd like
13 to suggest that you know, looking -- if I understand correctly Bill, from your notes,
14 that you're going to be directly involved as a senior leader in the Convention on
15 Nuclear Safety piece that we have in August, and then the General Convention is
16 the next month, is that right? So, I'll look forward to in the agenda planning
17 process about this time next year, having a follow-up meeting. I think that would
18 be very helpful for us.

19 CHAIRMAN JACZKO: Well, that's certainly something we could
20 consider, absolutely.

21 COMMISSIONER OSTENDORFF: Thanks for having this.

22 CHAIRMAN JACZKO: Sure. Any other comments or questions?
23 Okay, well thank you very much.

24 [Whereupon, the proceedings were concluded]