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Opening Remarks

by

The Honorable Greta Joy Dicus
Chairman
U. S. Nuclear Regulatory Commission

at

The NRC Y2K Training and Tabletop Exercise

Doubletree Hotel
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Good morning, and welcome to the NRC Y2K training and tabletop exercise. I would like to welcome our partners from Calvert, Dorchester, and St. Mary's counties; our State of Maryland partners; our Federal partners from FEMA and the National Communications System; and Baltimore Gas & Electric Company. The utilities, the Federal government, the States, and the local governments have all developed emergency plans and procedures–which are regularly reinforced through training and exercises–to ensure that we are skilled at working together when responding to unforeseen occurrences.

The Y2K problem, or "millennium bug," as it is sometimes called, is not an unforeseen event. It is a known phenomenon that will happen at a precise time. The NRC, the industry, and others have been and are continuing to pursue a comprehensive program for dealing with potential Y2K problems in the nuclear industry. We have been working closely with all of our licensees, including our medical licensees, radiopharmaceutical manufacturers, irradiators, fuel cycle facilities, and commercial nuclear power plants. Let me briefly summarize the steps that have been taken to ensure that our nuclear power plant licensees are prepared for the Y2K transition.

Since 1996, the NRC has been working with nuclear power plant licensees and the Nuclear Energy Institute, an industry organization -- to ensure that plants are "Y2K ready" before the year 2000. In May 1998, the NRC sent a letter to all utilities requiring a response by July 1, 1999, confirming Y2K readiness or a status and schedule for remaining work if readiness cannot be achieved by then.   Licensees were also required by this letter to submit Y2K contingency plans.

The current status is as follows. The NRC has received reports from all 103 operating nuclear power plants. Regarding our highest priority–the uninterrupted performance of plant safety systems–all nuclear power plants report that their efforts are complete, that there are no remaining Y2K-related problems that could directly affect the performance of safety systems, or the ability of the plant to shut down safely if needed. Sixty-eight of these plants have also completed the next order of priority, stating that all of their computer systems that support plant operation are "Y2K ready." The remaining 35 plants have reported that, to be fully Y2K ready, they still have additional work to complete on a few non-safety computer systems or devices. For about one third of those 35 plants, some work remains on systems needed for power generation. Other plants must perform remediation on plant monitoring and administrative systems. Typically, the remaining Y2K work is waiting on a scheduled plant outage in the fall, or delayed while awaiting the delivery of a replacement component. In each case, the licensees with work remaining have provided their schedules for completing that work.

The NRC has also conducted independent reviews of Y2K programs at all operating nuclear power plants. The results of these reviews all indicate that licensees have taken the proper steps to identify and remediate digital systems that could be affected by the millennium bug. We will closely monitor the progress of plants that still have some systems left to remediate, but we fully expect that all commercial nuclear power plants will operate safely, as planned and without interruption, through the Y2K transition. Having said that, we still need to be prepared for the possibility that one or more plants may be affected, either directly or indirectly, by a Y2K problem.

What makes the Y2K problem unique is that it has the potential to impact many infrastructures, including those that we've traditionally relied upon for responding to an emergency.   Albert Einstein said that "the only reason for time is so that everything doesn't happen at once." This particular technological snafu, however, will happen all at once. It is for this reason that we have developed our Y2K contingency plans.

Today we are here to learn about each other–how we each have prepared, what contingency or back-up plans we have put in place in case of unexpected failures, and how those plans can complement and supplement each other if we find ourselves responding to an unforeseen event. First, we will learn how each group is planning for potential Y2K problems, and then we will exercise those plans in a tabletop format. The prospect that an undetected or uncorrected Y2K problem, however unlikely, could cause a safety concern at a plant, coincident with the unavailability of systems that would ordinarily be relied upon for an emergency, is a concern that we all share. This training and tabletop exercise is intended to test the plans developed by the various

partners for this unique situation, to ensure that they are coordinated and consistent. The generic lessons learned from this tabletop will be posted on our Y2K web site so that they may be shared with other States, utilities, and local governments. The NRC also hopes to use this tabletop exercise as an opportunity to identify any omissions or weaknesses in its own Y2K contingency plan and implementing procedures.

I would like to leave you with a slightly different perspective on the Y2K situation. I'm sure that all of you who have been intimately involved with this issue, have found it to be a challenge. But it is also an opportunity. On the Federal level, as FEMA will testify, the coordination and cooperation between Federal agencies on the Y2K issue are a foundation upon which the Federal government is building for future cooperative efforts. Much of the effort being spent on the Y2K problem will help Federal agencies better respond to emerging unconventional threats to the United States, such as terrorist acts. For example, the National Communication System, in partnership with the telecommunications industry, has established a telecommunications network used for communicating national security and emergency preparedness information that is independent of the public telephone network. Although the Y2K problem was the impetus for developing this network, it will become permanent following the Y2K transition. The President's Council on the Y2K Conversion also has established a command center that will collect and disseminate information during the Y2K transition. After the Y2K transition, this center will be turned over to the Critical Infrastructure Assurance Office to support our national response to emergent threats. NRC is purchasing satellite phones for all of our nuclear power plant sites as part of our Y2K contingency plan, and many utilities are also investing in upgraded communication systems. As a result, if a tornado were to destroy the commercial telephone lines into a site as well as our own direct access lines, as it did last summer at Davis Besse, we will still be assured of communications with the site. These are just a few examples of how the Y2K effort will pay off long after we stand down from staffing our operation centers on New Year's Day.

I would like to again express my appreciation to all of you for your participation today, and for the substantial efforts you have continued to put forth to ensure that, like other parts of our nation's infrastructure, nuclear power plants will operate safely and without interruption or disturbance through the Y2K transition. Through our joint efforts, we truly will be protecting public health and safety and public interests.

I hope that each of you finds our session today to be a meaningful addition to your preparations to date.

Thank you.