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Remarks by

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

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Introduction

I am pleased to be here with you today to share some thoughts on the future of nuclear power industry regulation. I spoke about 3 weeks ago at the kickoff dinner for the Nuclear Energy Institute's Nuclear Strategic Issues Advisory Committee and I plan to discuss some of those same topics with you today. Some of you may be comforted to know that the NRC has not dramatically changed direction in the last 3 weeks. Some may need to hear the message several times before they believe it. And others may be disappointed that more has not been done in the last 3 weeks. Whatever your disposition, I think my message is a good message and will look forward to your insights.

As you know, the NRC has been going through a period of considerable transition, with sweeping changes to many of our regulatory processes. The theme of the conference "Safety, Sharing and Success" is particularly timely and alliteratively captures a formula that, I believe, has been embraced by the US nuclear industry and the NRC. I might even add a "plus sign" and an "equal" sign to indicate that without safety and without sharing you ultimately cannot be successful.

The NRC is seeking to make these changes in a way that will endure, that will continue to ensure safety, and that will provide stability, clarity, and predictability in the regulatory process. I believe that in order for our regulatory reform goals to be achieved, they must be shared goals. They must be shared by not only the Commission, but by you and all our stakeholders. Moreover, the implementation of changes to support our goals must not only be the right actions, these actions must be perceived to be the right actions. We will not be successful unless we work diligently to consider all relevant concerns and ensure that we

communicate effectively with all stakeholders. When the dust settles, we will find the “right” regulation. The “right” regulation will be based on science, will be appropriately risk-informed, and will focus on maintaining safety, reducing unnecessary regulatory burden, enhancing public confidence, and improving our operational effectiveness and efficiency.

The Focus on Safety

The recent criticality accident in Japan reminds us all of the importance of our principal duty - to maintain safety. It also reminds us that the use of nuclear technology has a global impact and whether we are operating the technology, handling or safeguarding nuclear material or providing independent oversight, we engender a responsibility that has implications beyond corporate boardrooms and Commission tables. As the electric power industry moves toward deregulation and as the NRC moves toward improved regulatory processes, we must all be ever mindful of our most important responsibility and principal duty - safety.

The Commission has demonstrated a willingness to re-examine our existing programs in an open, fundamental manner. We have developed new processes, revised existing ones, and ensured that these processes consider the decades of industry and NRC experience. We continue to make better use of developments in risk assessment methodology and, while we have established a record of accomplishments, we can and will do more. We have always focused on safety - and will continue to. However, how we evaluate safety is evolving.

Over the next year, perhaps the most visible change that will take place is with the way the NRC oversees safety at power reactor facilities. As many of you know, the new Reactor Oversight Program is in the “pilot program” phase and is being implemented at nine reactor sites. The new program offers far-reaching changes to our inspection, assessment, and enforcement processes.

The success of the new reactor oversight process is important. The Commission believes that these broad-scale changes will allow the NRC staff to make conclusions about licensee safety performance that are objective, predictable, defensible, and more easily communicated to all our stakeholders. We also expect the process to stimulate more timely NRC and licensee responses when there is declining safety performance. As an added benefit, this new approach will permit licensees and the NRC to focus resources on those aspects of the plant that have the greatest effect on safety. I also believe that having technically sound performance indicator data available to the public will help to increase public trust and confidence in what we are doing and further clarify our regulatory role - in other words, making our decisions and the basis for them **TRANSPARENT**.

The NRC, the industry and all our stakeholders are learning through this pilot process. We have learned through sharing of information associated with INPO / WANO performance indicators. And we will continue to learn and share information, insights, and experience. Changes to the reactor oversight process will be implemented incrementally, through a deliberate process that will include extensive stakeholder involvement. We plan to implement the revised process for all 103 operating reactors by mid-2000.

On a recent visit to a nuclear power plant, senior utility management and I discussed some of the NRC’s recent improvement initiatives. One of the initiatives regarded as a success by the licensee was in the area of risk-informed inservice inspection requirements for piping. By implementing a risk-informed inservice inspection program and focusing on those sections

of piping that were most important to safety, the licensee estimated that they avoided 0.06 sievert (6 REM) of potential personnel exposure. In my opinion, this is a win-win situation and a paradigm for risk-informed regulation.

Another licensee, however, was less than gratified with the results of the risk-informed pilot processes for graded quality assurance. During implementation of the graded quality assurance process, the licensee realized that the true benefits could not be realized because of the cascading and overlapping effect of other regulations.

The point I want to make is that as we continue to make better use of risk information and endeavor to make aspects of our regulations more risk-informed and performance-based, we will have successes. In that sense, I regard both the efforts I just mentioned as successful. Moreover, we should not consider any attempt to improve the regulatory process a failure if we learn from our experiences and apply those lessons learned to the next endeavor.

In the next several years, you will see continued improvements in how we regulate operating nuclear power facilities and decommissioned facilities, as the staff efforts to risk-inform 10 CFR Part 50 will continue to gain momentum. The Commission has before it now a proposed rulemaking plan for risk-informing special treatment requirements in 10 CFR Part 50. In essence, the paper proposes a rulemaking approach to allow systems, structures, and components that are of low safety significance to be subject to less regulatory control than systems, structures, and components that are safety significant. Conversely, systems, structures, and components that are of high safety significance will be subject to more focused regulatory control. This is an essential step in helping industry and NRC better focus resources and ultimately become more successful.

The Focus on Sharing

In large part, a focus on communication is a focus on sharing. The increased use of risk in our regulatory processes brings about more than just numerous technical and policy issues; it also highlights some of the challenges we face in how we communicate with our stakeholders. It is not enough to say that “the delta CDF is 5×10^{-5} and that CCDF is 1×10^{-6} ”. Who in the general public knows what this means? Similarly, we must do more than merely proclaim that we are improving our regulations because it is not always intuitive, from the stakeholders’ point of view, that when we improve regulatory requirements we are also maintaining safety. We can all do better in explaining complex technical issues in a manner that is clear, understandable, and placed in the proper context. We can all do better at sharing. This is perhaps our biggest communications challenge-- to maintain stakeholder confidence as we change our regulatory processes.

We are meeting this challenge and have made great strides in improving the way we communicate with our stakeholders. One of the more significant steps we took to increase public understanding and trust, and to ensure that all NRC employees understood the importance of that outcome, was to include a specific public confidence goal in our Strategic Plan. To be an effective steward for nuclear safety, our actions must be such that the public, those we regulate, and other stakeholders in the national and international community have respect for and confidence in the NRC.

I think that “sharing” has three basic elements: communication, content, and trust. While I have emphasized our need to communicate, an equally important element is content.

In other words the communications must be meaningful. They must convey information that is relevant and substantial and they must permeate all levels of an organization.

But, perhaps the most important element in sharing is trust. We have enjoyed an improved relationship with the nuclear industry and other stakeholders, in part, because we are better at sharing information. We must continue to portray and communicate the good, and the bad, and above all we must portray information in good faith and with the proper context. The proper sharing of information, both good news and bad news, elicits trust, confidence and support from all our stakeholders. I can cite several examples of regulatory successes where we would not be where we are today without sharing of information such as the work on the potential Year 2000 issue, the interactions on the new reactor oversight process, and the efforts to improve the license renewal process. Independence does not mean isolation and it is everyone's best interest for all organizations to embrace a more open approach for dealing with issues and concerns.

Often during utility drop-in visits I meet with Chief Nuclear Officers and other senior utility management. On a less frequent basis, I meet with Chief Executive Officers and Board members. I have found that dialogue with CEOs and Board members is mutually beneficial and brings forward important and different perspectives about organizations and the nuclear industry. So consider this an invitation, to come to White Flint, and visit. We can share.

The Focus on Success

Some of you may know that I recently returned from the International Atomic Energy Agency General Conference in Vienna and a brief stop in the Ukraine - where I toured the Chernobyl site and the Chernobyl Shelter project. It was ironic, in some respects, that this trip coincided with what is being regarding as the worst nuclear accident to occur in the country of Japan. I touched on an important point during my initial comments, but it is worth re-emphasizing that the use of nuclear technology has a global impact and engenders an underlying responsibility to foster nuclear safety. Even if we escape the tragic effects associated with a nuclear accident in another country, in a very real sense, a nuclear accident anywhere in the world has an impact on nuclear programs everywhere. We should not underestimate these potential and profound effects on our regulatory environment or future of the nuclear industry in the United States.

We must always remain open to new ideas, understand international challenges, and be supportive of international initiatives designed to improve nuclear safety. I believe that we have the best regulatory framework in the world, although, we can still improve. I believe that the US nuclear industry is the best in the world and continues to maintain the proper emphasis on safety.

However, I am also reminded of the recent performance history of some of the US nuclear power plants - where good performing plants turned inward and did not keep pace with improving industry practices or lessons learned. In a short period of time they converted from good performers to not so good performers. On a similar and broader scale, the NRC and the US nuclear industry cannot turn inward. In order to be successful, we must remain open-minded, realize that we can learn, share our experiences and consider how to participate more effectively and efficiently in the international arena.

The enemy of success is complacency. The ally of success is change. We are finding that change which is carefully planned, deliberately executed, effectively communicated, and properly monitored promotes success.

A key to success is to maintain focus and a long range vision. Amidst all the change that is occurring in the short term, the NRC will not lose focus on other pressing issues that may ultimately affect our long term regulatory future. One such issue is high-level waste disposal.

Let me say that the Commission remains firmly convinced that a permanent geologic repository is the appropriate mechanism for the U.S. to ultimately manage spent fuel and other high-level radioactive waste. The NRC continues to progress in its reviews and pre-licensing consultation under existing law related to the DOE program to develop a high-level waste repository. Based on the Nuclear Waste Policy Act and the Energy Policy Act of 1992, before licensing a repository, the NRC must consult extensively with the DOE to develop a regulatory framework, to evaluate the DOE's draft environmental impact statement (DEIS), and ultimately, to determine whether the NRC can authorize repository construction and receipt of waste.

In FY 2000, we expect to finalize this regulatory framework by issuing a final 10 CFR Part 63. As called for by the Energy Policy Act of 1992, Part 63 would implement health-based standards that apply solely to the proposed Yucca Mountain repository. The proposed Part 63, which we published for public comment in February 1999, would establish licensing criteria to evaluate the performance of the Yucca Mountain repository system. Upon issuance of a final Environmental Protection Agency (EPA) standard for Yucca Mountain, or in the event of new legislation affecting HLW management, we would amend Part 63, if necessary.

We are continuing to develop a Yucca Mountain review plan and to resolve key technical issues to prepare for reviewing the DOE license application expected in 2002. We expect to complete our review of DOE's DEIS for the Yucca Mountain site in FY 2000. As with the other areas I have discussed, our progress in resolving high-level waste issues includes extensive consultation and interaction with the public and our other stakeholders.

Conclusion

In summary, I believe that the future of nuclear power regulation will converge on the "right" regulation -- regulations that are based on science, are appropriately risk-informed, and focus on maintaining safety, reducing unnecessary regulatory burden, enhancing public confidence and improving our operational effectiveness and efficiency.

The "right" regulation will consider all stakeholder concerns and will effectively integrate and balance all the elements associated with safety, burden, public confidence, and operational effectiveness and efficiency. Often, this will not be an easy task. But if we continue to focus on safety and continue to share information and insights, we will be successful.

If I can leave one message with you today, it would be this: Together we need to keep looking for ways to improve, keep our focus on safety, and challenge each other and our organizations. And, oh yes, when you are in Rockville, stop by for a visit so that we can share stories about some of our successes. Thank you.

Now, I am pleased to be able to introduce Dr. Richard Meserve. Dr. Meserve was sworn in as a Commissioner and assumed duties as Chairman on October 29th. Although I

have worked with him for only a short time, I am convinced that he will make a superb Chairman of the Nuclear Regulatory Commission. I have been impressed with his knowledge of the issues of importance to the NRC; his commitment to the NRC's mission of protecting the public health and safety; his strength of character; great sensitivity to the concerns of others; and his congenial, personable manner. He also brings to the Commission a rare combination of skills and experience both as a practicing attorney and as a scientist. Dr. Meserve is well known in the scientific and professional communities, which have elected him as a fellow of the American Academy of Arts and Sciences, the American Physical Society, and the American Association for the Advancement of Science. He is also at home in the academic community, serving on the Board of the Carnegie Institution of Washington and the Board of Overseers for Arts and Sciences of Tufts University, and formerly as Chairman of the Advisory Council of the Princeton Plasma Physics laboratory. Finally, Dr. Meserve is no stranger to government, having served as legal council to the President's science and technology advisor, and as a law clerk to former Supreme Court Justice Harry A. Blackmun. Chairman Meserve