NRC NEWS

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Remarks Prepared for NRC Chairman Dale E. Klein

"Past, Present, and Future: Reflections on the State of the Nuclear Renaissance"
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Good afternoon. I appreciate the invitation to speak to you today.

I have a lot a tell you. I do not mean that my speech will be excessively long; it won't be. What I mean is that I have some substantial and important things I need to say to you. Some of what I need to discuss with you is negative. Of course, pointing out the negative is part of my job as a regulator. But I should also mention that there is good news. In fact, those of you who are optimists could say that the glass is half-full.

This counterpoint, in fact, leads me to the theme of my remarks, which is: contrast.

The contrast between the things that are going well, and where we need to be better.

The contrast between perception and reality. And the contrast between the past and the present.

I want to say a brief word about each of those, but not necessarily in that order. Let's look at the contrast between past and present first. Certainly things are very different today than, say, thirty years ago when the building of new nuclear power plants ground to a halt.

During the "stagflation" of the late 1970s, demand for energy was predicted to level off. The NRC had only recently been created, and—frankly—was not a very efficient or predictable regulator, in my view. And the only problem people had with "carbon" was that the stuff rubbed off on your fingers when you made "carbon copies" in the typewriter. The prospects for nuclear power did not appear bright. Today, of course, the situation is very different—as all of you know very well.

Even within the last year, we have seen dramatic changes. Brown's Ferry Unit 1 was re-started; and the President of the United States personally attended the ribbon-cutting. Construction resumed at Watts Bar Unit 2. The NRC issued three license renewals this year, with 10 more under review; while 13 power uprates are under review, with one already issued this year. We are expecting applications for several new uranium mining operations; and if the Department of Energy follows through on what it has said, we could be receiving an application for Yucca Mountain next year. In addition, of course, the first COL applications—for NRG in Texas and Bellefonte in Alabama—have been submitted. And we are preparing for quite a few more.

These are not the signs of a stagnant industry. To the contrary, these are signs of expansion and growth. The NRC is probably the busiest we have been in our history.

And that points us away from the past and the present, into the future. However, I don't work on Wall Street, so I am not in the business of predicting the future. I would rather focus on the here and now. You have probably heard the saying, "If we do our jobs in the present, the future will take care of itself." I think that's true.

So let me turn to the contrast between what we are doing, and what we should be doing. Or rather, let's frame it in terms of some things that should not be happening.

We should not have cooling towers collapsing, corrosion of safety-system piping, or security guards sleeping.

Not to mention sirens that don't work, emergency diesels that won't run, safety-related valves that don't work, safety-related breakers that don't work, and ECCS sump suction lines full of duct tape.

In addition to these items, we currently have a site that is already in column four, with three more that could move into column four within the next 18 months.

This is not a good situation.

Now, when I said "we" a moment ago, I really did mean that all of us need to improve. I think you are all aware of our agency's embarrassment over the GAO sting involving materials licenses given to a bogus company. Obviously, the NRC is not exempt from error or failure.

We need to be doing a better job in a number of areas, including communications. We also need to improve our information systems, and make information publicly available and transparent. And we need to upgrade our technology and business practices more generally. As I have told the staff several times: We should strive to hold ourselves to the same standards we expect from our licensees.

Now, you and I know that from the perspective of risk-informed analysis, most of the items I listed were not matters of significant safety risk. But, let me stress, that doesn't matter, for several reasons.

First, carelessness in small things may lead to carelessness about bigger things. In the early 1980s, the sociologist James Q. Wilson pioneered the so-called "broken windows" theory of law-enforcement. The idea was that when small signs of disorder or decay—such as vandalism, graffiti, or even excessive littering—are allowed to persist, it leads to bigger crimes, because people assume that the neighborhood does not have any standards, and that no one is enforcing the law.

It is a theory that was actually put into practice in several major cities, and led to major reductions in crimes. One lesson we can take from that is: Perception leads to reality.

If the public believes that standards at nuclear plants are not being enforced, it leads to an erosion of public confidence in the whole nuclear energy industry. On the other hand, when industry does its job, it leads to public confidence in nuclear power more broadly—which lends credence to the work of the NRC. And when we, in turn, hold the utilities to a high standard of safety and security, it enhances confidence in the job you are doing.

Last week I spoke to a delegation of Japanese government officials and utility executives from the Japanese nuclear power industry. I think some of you may be with us today. One of the things I mentioned is that nuclear utilities and regulators from both of our countries need to do a much better job of communicating with the public when an incident occurs at a nuclear facility.

At the time of the Kashiwazaki earthquake, I am not sure that the public was given the accurate and timely information it needed to understand the risk and safety issues. In many cases, when there is an incident at a nuclear facility, the headlines in the newspapers should read, "All safety systems worked." But, as we know, this important fact is often not made clear. And often—though not always—this is because no one had laid the communications groundwork ahead of time to make it clear.

The NRC needs to do better in this regard, as well. For example, I don't think we have done a great job explaining to people—especially on Capitol Hill—the difference between today's Reactor Oversight Process and the Independent Safety Assessment that

was done away with years ago—why we made that change, and how the ROP is a greatly superior, internationally recognized approach for promoting safety.

So we need to be better at explaining these facts, and these incidents. Of course, it would also make things easier if there were fewer incidents that required explanation.

Another reason all this is important is that the United States is at the forefront of the global nuclear expansion. People all over the world are paying close attention to what we do. Now, I have mentioned this often, and at times people have responded by saying, "Well, so what? Let others watch us, if they want. That doesn't make us responsible for the rest of the world."

Well, that is true, except for this significant fact: The rest of the world is not just watching the U.S. nuclear renaissance; they are participating in it! Whether it be major components, minor parts supplied by sub-vendors, reactor designs, manpower, software, or other elements, a new reactor today depends on a supply chain that is truly global in scope. This wasn't necessarily the case, say, 20 years ago. But I think that it has become clear that it simply isn't possible to obtain all the necessary components domestically. Just consider that the number of N-stamps held by U.S. companies today is about a fifth of what it was in 1980.

So the safety of both new and existing reactors in the United States simply can't be separated from what is happening internationally. That is what I mean when I say that "A nuclear accident anywhere is a nuclear accident everywhere." I hope that you will consider helping by expanding your international outreach efforts.

In fact, this is such a good idea, I would even say, don't stop with extending cooperation and communication around the world, try it here at home. What I mean is, as the nuclear resurgence gets under way, I hope you engage in more collaboration and sharing of information among yourselves.

If we are serious about the need for greater standardization in the future—and I think we all know this must happen—we need to share information within the nuclear industry. If there is some way you can get together and critique or "red-team" each other's COL applications—to ensure completeness, accuracy, and quality—it will streamline the process for us, promote the goal of standardization, and lead to enhanced safety for the future fleet.

Ladies and gentlemen, let me conclude my remarks on two personal notes. The first concerns human resources—which is a big issue for all of us.

As both industry and government seek to locate and train the next generation of employees, let's remember to work on expanding the talent pool as much as possible. The NRC has a very aggressive recruitment effort to expand the diversity of our

workforce, with the result that 60 percent of our new hires in FY2007 are women and minorities.

I also know from direct experience while I was at the Pentagon that our men and women in uniform are highly dedicated and professional. And regardless of the differing opinions people may have on various political questions, I think we can all agree that America owes a great debt of gratitude to those who have been disabled while serving their nation. So as we seek out the best and brightest, and seek to reflect the diversity of society at large, let's not overlook the nation's disabled veterans.

My final point is more of a personal reflection. It was just about this time last year that the NRC was facing a budget impasse, as Congress contemplated passing a year-long Continuing Resolution. And while some things change, some things stay the same, because we are facing that same situation again, and it reminds me how much I miss Ed McGaffigan.

Ed was invaluable in working with me, making numerous trips to the Hill, arguing the case for the agency, and getting us our full funding. Many of you knew him. It wasn't just Ed's technical competence that made him special, but also his willingness to fight battles on behalf of the agency, whether it was setting the record straight on the GAO sting and the RTR study, or explaining the critical work we do to members of Congress.

Ed and I didn't see eye-to-eye on every issue, but with him you always knew where you stood. He told you what he thought. We could differ, and still maintain a collegial relationship. That approach helped us achieve a lot as an agency. It helped the NRC resolve the issue of the Continuing Resolution; but it also helped us become a better place. It made us more efficient, more responsive, and more responsible. And it is something I hope we can continue to see at the NRC in the coming years.

Ladies and gentlemen, thank you very much for your invitation to join you today, and for your kind attention.

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