

Remarks of Commissioner Jeff Baran 10th Annual Fuel Cycle Information Exchange

Thanks, Marissa. I appreciate the invitation to join you today. It's great to be here to offer a few brief remarks and to field your questions. I will leave plenty of time for that.

I think it's valuable to have a time for the agency and interested stakeholders to get together and focus in depth on some of the important issues related to fuel cycle facilities. It's good to see representatives from industry, government, non-profit organizations, and our international partners here along with other interested members of the public to share their insights and experience. An open exchange of information helps us all accomplish our shared safety and security mission.

I arrived at the Commission in October so this is my first Fuel Cycle Information Exchange. It is a real honor to serve as a member of the Commission and to work on issues important to our vital mission of ensuring health and safety. We're down a Commissioner right now, but the four of us who are here are working very well together. We have a wide range of experience and perspectives on the Commission now, which I think is very valuable.

The Commission has been looking at several issues related to fuel cycle facilities in recent months. NRC's regulatory work on fuel cycle facilities can be challenging because of the uniqueness of the designs and purposes of the facilities, and the relatively small fleet size. But thoughtful performance-based standards can be very effective. I've been impressed with the NRC staff's efforts to grapple with tough issues in this area and find ways to carry out our safety and security mission effectively at these facilities.

Security will continue to be a major focus of NRC's activities in the coming years. As last week's announcement of the cyber breach at OPM reminds us, cyber-attacks and infiltrations remain an evolving and significant threat. Enforceable, performance-based standards are already in place for nuclear reactors, but we need to make sure that the digital systems at fuel cycle facilities are protected as well. The Commission recently directed the staff to begin a rulemaking on cyber security for fuel cycle facilities. In my view, that's a vital rulemaking that should be

conducted and implemented as expeditiously as possible. I look forward to following the NRC staff's progress as they move forward in this area.

Four years have passed since the accident at Fukushima. We all need to maintain our focus on implementing the lessons learned from that tragedy in a timely way. I look forward to your insights, commitment, and creativity as we work to complete these essential efforts.

Current NRC efforts in this area include addressing natural phenomena hazards. NRC staff has been working with fuel cycle licensees to confirm that fuel cycle facilities are in compliance with applicable regulatory requirements and license conditions and to evaluate the readiness of licensees to address natural phenomena hazards. The Commission is deliberating on how to proceed in this area, and I think the Commission will be giving the NRC staff direction in the near future.

Another long-standing effort is the development of an enhanced oversight process for fuel cycle facilities modeled after (or at least inspired by) the reactor oversight process but tailored for this specific fleet of facilities. In my view, the development of a risk-informed, performance-based fuel cycle oversight process makes a lot of sense. It has the potential to improve the predictability, objectivity, and consistency of NRC's oversight efforts. That should result in an oversight process that is more transparent to licensees and the public. Of course, there is still quite a bit of work to be done to make this concept a reality, including the development of cornerstones, a significance determination process, and a regulatory action matrix. I appreciate all the work that is being done by the NRC staff and industry to keep this effort moving forward. It's not easy, but it's important and should pay significant dividends down the road.

More broadly, NRC faces a different future from what was expected just a few years ago when substantial new reactor construction was projected and no licensees had yet announced plans to shut down any reactors. Before I arrived on the Commission, my colleagues and the Executive Director for Operations had the foresight to initiate Project Aim as a vehicle for looking ahead at the path to 2020. Earlier this week, the Commission issued our direction to staff based on the Project Aim team's recommendations. We approved a number of measures to improve the agency's efficiency and agility and meet the challenges of an evolving work load while maintaining the agency's ability to protect public

health and safety. While public discussion has largely focused on reactor work, the re-baselining effort approved by the Commission will look at the workload around the entire agency. This decision on the Project Aim recommendations marks the beginning of an ongoing process that will require significant Commission and staff attention and support over the coming years. No doubt this will be a topic at future Fuel Cycle Information Exchange meetings.

These are just a few of the issues that will continue to be priorities for NRC. For these and other issues, I believe we must continuously strive to further improve the way we do business to protect the public health and safety and the environment.

Since I arrived in October, I've made it a priority to begin visiting NRC-regulated facilities. I've toured several operating reactors and construction sights over the last few months. And I definitely want to get out to some fuel cycle facilities in the near future. Whether it is at a site or here in Rockville, I look forward to working with you, learning from you, and hearing your thoughts.

So I'll stop there and open it up for your questions and comments. Thank you.