

**WRITTEN STATEMENT
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TO THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
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Good morning Chairman Simpson, Ranking Member Kaptur and distinguished Members of the Subcommittee. My colleagues and I appreciate the opportunity to appear before you today to discuss the U.S. Nuclear Regulatory Commission's (NRC) Fiscal Year (FY) 2016 budget request.

The NRC is an independent Federal agency established to license and regulate the Nation's civilian use of radioactive materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment. The resources that we are requesting for FY 2016 will allow the NRC to continue to ensure the safe and secure use of radioactive materials in the United States. In addition to the agency's routine regulatory and oversight activities, FY 2016 is expected to include continuing work in the licensing and construction of new reactors, continued implementation of the lessons learned from the accident at the Fukushima Dai-ichi nuclear power plant in Japan in 2011, and preparation for licensing of small modular reactors.

The NRC readily acknowledges that it is in a changing environment. Since 2001, the agency grew significantly to enhance security and incident response and to prepare for the projected growth in the use of nuclear power in the United States. That forecast in growth has been adjusted downward in response to changes in the nuclear industry. As is appropriate, the NRC is being scrutinized by its stakeholders for its responsible use of resources. The Congress has charged the NRC with a critical mission to ensure adequate protection of public health and safety and the common defense and security, and the NRC can never lose sight of this mission. Still, the agency can and should maintain focus on our mission while also taking a responsible and hard look at whether it is effectively using resources.

The NRC's FY 2016 proposed budget reflects the NRC's efforts to demonstrate its responsiveness to the new environment in which we find ourselves. Continuing with trends that began in FY 2014, the FY 2016 budget request reflects a reduction in both dollars and full time equivalents from budget proposals in recent years, but still will provide for the necessary resources to carry out the agency's mission.

As required by law, the NRC's FY 2016 budget request provides for 90 percent fee recovery, less the amounts appropriated for certain specific activities. As such, approximately \$910 million of the FY 2016 budget request will be recovered from fees assessed to NRC licensees. The NRC's proposed FY 2015 fee rule, which was published for public comment on March 23, includes estimates for reductions in licensee annual and hourly fees.

Another key step the NRC has taken to prepare for changes in its anticipated environment is Project Aim 2020. Project Aim 2020 was initiated in June 2014 to enhance the agency's ability to plan and execute its mission while adapting in a timely and effective manner to a dynamic environment. After gathering perspectives from internal and external stakeholders to forecast the future workload and operating environment in 2020, the NRC

staff recommended to the Commission a number of measures designed to transform the agency over the next five years to improve the effectiveness, efficiency, and agility of the NRC. The staff's report was provided to the Commission on January 30, 2015. The Commission considers this report to be an important part of the dialogue about the future of the NRC.

My colleagues and I want to be timely in acting on this report, but we also want to do so deliberately and smartly. Although the NRC recognizes the need for change, we are also keenly aware that major organizational change, if not done wisely, can have a detrimental effect on the agency's mission and on the morale of its employees. The NRC has a critical mission and some of the most dedicated and knowledgeable employees in the Federal government.

One final initiative I would mention that the NRC has undertaken is that, over the last several years, the Commission has revised its rulemaking processes to understand, and if possible reduce, the cumulative effects of regulations. We are continuing to engage our stakeholders on this issue and will receive further recommendations from our staff for additional improvements this spring.

In sum, the Commission is very cognizant of our changing environment and is committed to taking a hard look at itself to ensure that it is prepared for the future.

This concludes my formal testimony on the NRC's FY 2016 budget request. On behalf of the Commission, I thank you for the opportunity to appear before you. I look forward to continuing to work with you to advance the NRC's important safety and security missions. I would be pleased to respond to any questions that you may have. Thank you.