

United States Nuclear Regulatory Commission
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No. S-95-23

"MEETING THE COMPETITION -
THE LINK BETWEEN SAFETY AND SOUND ECONOMICS"

BY

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TO

THE AMERICAN NUCLEAR SOCIETY
WASHINGTON D.C. LOCAL CHAPTER
IN WHEATON, MARYLAND

OCTOBER 12, 1995

INTRODUCTION

Good evening everyone, and thank you for your warm welcome. I am delighted to participate in this meeting of the D.C. chapter of the American Nuclear Society (ANS). As some of you might already know, I will also be speaking at the ANS 1995 Winter Meeting, so you are getting a preview here of some of the thoughts and ideas, at least in the domestic area, that I will be expressing later this month.

Although I have been at the NRC for a little more than five months and Chairman for three, I have been involved with energy and nuclear power in my past affiliations. As many of you already know, I have served on a number of boards both in the public and private sectors that have oversight responsibility for nuclear facilities. I have seen how nuclear operations fit into the overall scheme of an energy company, how economic and state regulatory issues impact utilities, and how all of these issues flow together and intersect with NRC regulations. I also saw nuclear operations within the broader context of a shareholder-owned company and how decisionmaking in one area affects other areas.

I believe my prior experience has given me a somewhat different and a broader perspective on trends and events in the nuclear industry than is usually the case for a regulator, a perspective that has made it strikingly clear that the external and internal environment within which the NRC conducts its activities is rapidly changing. Aging, decommissioning, waste storage and disposal are among the more important issues that we are currently addressing, while electric power industry restructuring is a totally new issue that could pose significant challenges. Interestingly, while each of the changing circumstances has its own significance; taken together, the changes pose as great a challenge as the industry and the NRC has had to confront at any time since 1979, the year of the accident at Three Mile Island. In light of the strong impact of these changing circumstances, it seems inevitable that the NRC will have to change as well if we are to carry out our regulatory responsibilities effectively. As a result, I have initiated activities at the NRC to prepare for change. I will tell you more about my efforts to prepare NRC for the future a little later, but, for the moment I want to give you my impressions of the nuclear industry and the challenges that lie ahead.

The nuclear power industry supplies greater than 20% of net electrical generation in the U.S. and in many states a larger percentage. I will address what I believe to be the most significant issues confronting the nuclear utilities. The challenges include maintaining safe operations in an era of aging power plants and continuing pressure to improve economic performance, while making difficult decisions on license renewal, decommissioning and the need for new capacity. In addition, I will address nuclear materials and finally, of course, managing radioactive waste, both high-level and low-level. I also will speak to NRC's regulatory response to these challenges. All of this, I think, fits very well with the theme of the ANS 1995 Conference, "Meeting the Competition Through Innovation, Cost Effectiveness, and Technical Excellence."

INDUSTRY CHALLENGES

NUCLEAR UTILITIES

Maintaining Safe Operation with Aging Power Plants and Pressure to Improve Economic Performance

Clearly the nuclear industry's safety performance in the U.S. has improved during the 1980's in the aftermath of the TMI accident. This is due to both industry initiatives and regulatory standards which address issues such as increased operator training, and improved inspection and oversight processes. Overall safety performance, reliability, and availability for U.S. power reactors during the 1990's has been good and is generally continuing to improve slowly. This is demonstrated by the key

operational safety indicators monitored by the NRC, which include forced outage rates, automatic scrams while critical, and significant events. Improved management of operational safety has been accompanied by decreases in average plant operations and maintenance costs and increased plant availability. Although overall safety performance is good, the managerial challenge in the industry will be to avoid complacency and inattentiveness, in order to sustain safety performance.

Operating reactors in this country are getting older. Aging affects all reactor structures, systems, and components to varying degrees and can affect operations and safety, if its effects are not controlled. The challenge is to monitor, detect, and mitigate age degradation through inspection, maintenance, or replacement. The NRC's maintenance rule, which is effective July 10 of next year is particularly important to ensure that licensees focus on safety-important structures, systems, and components (SSCs) as operating plants age. This rule is both risk-informed and performance-based. Under the rule, licensees establish their own maintenance programs determining the risk-significant SSCs for the specific plants. The performance-based aspects of the rule require that licensees: 1) establish the performance and condition goals, and the requisite equipment monitoring regimes; 2) modify established goals on the basis of plant or equipment performance; and 3) determine whether to rely on preventive maintenance in lieu of establishing goals and performance or condition tracking. Through inspection, the NRC will monitor performance against the licensee's program.

Aging is taking place as the electric utility industry is restructuring in an effort to stay competitive and to lower electric rates to consumers, as well as in response to various state regulatory initiatives. This, too, will pose unique challenges that, as of today, are not completely defined. Notwithstanding these circumstances, it is imperative to maintain the safe operation of U.S. nuclear facilities despite resource constraints. The challenge of ensuring the safe operation of nuclear facilities with resource constraints is also true for the NRC itself.

When we look at where the nuclear power industry might be in the 21st century, it is important to recognize that where we end up in the future depends, in large measure, on how we solve problems in the present. If there is one message that I hope each of you associated with a nuclear utility takes away from this session, it would be that when you make decisions to meet the industry's challenges, you continually keep your eye on the prize - SAFE AND ECONOMIC NUCLEAR OPERATIONS. In my view, you cannot have one without the other. Safety and long-term economic performance are mutually interdependent and reinforcing because they are both tied to improved plant reliability. I saw a recent news summary

of a study prepared by Stanford University researchers which makes this point more strongly. The Stanford Study concluded that standards put into place by Federal and State regulatory agencies and implemented by utilities following the Three Mile Island accident in 1979 have made nuclear power plants more reliable. The study, funded by the National Science Foundation, said the standards had dramatically cut the number of unplanned shutdowns, saving \$5 million to \$6 million annually for the sample of plants studied, which represents less than half of the total U.S. nuclear power plant megawatt capacity. A safe plant is a reliable plant and a reliable plant is an economic plant -- that is certainly one of the key points I try to underscore both here in the U.S. and abroad. Now that I have given you the bottom line of my message here today, I will discuss in more detail power plant aging and the implications, from the NRC perspective, of electric utility deregulation.

Power Plant Aging

The challenges which confront the industry and the NRC related to aging of nuclear power plants embrace a host of intertwined technical, policy, and legal considerations. Our first priority, of course, is to ensure that nuclear plants continue to operate safely. From the standpoint of national energy policy, it is not the role of the NRC to promote the use of nuclear power, but it clearly makes sense that the nation should make the most efficient use of its energy resources. In the case of nuclear power plants, this means creating an effective regulatory environment in which plants still capable of additional years of safe operation may continue to operate. The NRC has developed a sound and sensible licensing process to handle plant life extension -- 10 CFR Part 54. But even with this framework, there are a number of technical problems which need to be addressed. Two that are of great importance are (1) reactor pressure vessel embrittlement and (2) steam generator tube integrity.

Let me address reactor pressure vessel embrittlement first. The integrity of the reactor pressure vessel is essential to ensuring the long-term safe operation of nuclear power plants. Reactor pressure vessels become embrittled due to neutron irradiation during operation. Those constructed with materials with high traces of copper and nickel are especially susceptible to this phenomenon. Certain combinations of susceptible materials and the accumulated effect of neutron irradiation can cause a few reactor vessels to reach embrittlement screening criteria set forth in our regulations before the end of their license terms or to limit the possibilities of plant life extension. Thermal annealing has the potential for restoring the ductility and toughness of the vessel steel to very near the original, unirradiated condition, thus enabling licensees to "reset the clock" on vessel irradiation embrittlement and to increase the

safe operating life of the reactor vessel. However, thermal annealing of a reactor vessel is a complex process which has not yet been attempted at a commercial nuclear power plant in the U.S., although the Palisades Nuclear Plant in Michigan is seriously considering annealing its pressure vessel. It involves significant engineering issues and financial risk to utilities. The Commission recently considered the regulatory framework within which the NRC could eventually assess reactor pressure vessel integrity following annealing. It is important that this framework not be unnecessarily burdensome to licensees, but it is equally important that the public is informed and obtains assurance that public health and safety are protected. The Department of Energy is currently planning to conduct two annealing tests in conjunction with a coalition which includes EPRI, the Electric Power Research Institute. The NRC will carefully observe and evaluate these tests to inform our regulatory process in this area.

A second aging issue is steam generator tube degradation. The thin-walled tubing of steam generators comprises more than one-half of the primary coolant system boundary in a pressurized water reactor, and as a result, steam generator tube failures represent a failure of one of the principal fission product boundaries in this type of nuclear power plant. The Commission is now considering a generic approach for dealing with steam generator tube degradation that will reduce plant specific regulatory decisions, yet ensure defense in depth through a balance of protection, inspection, and mitigative measures. Even with this comprehensive approach, steam generator tube integrity will be an issue that will demand increased attention as nuclear plants age. In the end, however, many plants may have to replace the steam generators, and indeed a number have, in order to continue to operate safely.

Implications of Electric Utility Economic Deregulation

As I said earlier, I do not believe that we fully understand all of the implications of economic deregulation and the challenges that this will bring. We already are seeing a number of different business reorganization decisions emerging. In addition, public utility commissions (PUC's) have continued to press for economic performance improvements in the electric utility sector with an objective of controlling electricity rates to consumers and, more recently, for new rate and organizational structures to enhance competition. Policy decisions of the PUC's and the Federal Energy Regulatory Commission will drive much of this activity, and PUC's in different states are approaching the new possibilities in quite different ways. The NRC must keep abreast of how deregulation, economic constraints, and

competitive environments affect reactor licensees from a safety standpoint. As utilities consolidate, the NRC will need to pay close attention to ensure that licenses are transferred, as necessary, to new owners of record, and that any new management teams assigned to existing licensed reactors have the requisite safety consciousness and adequate resources to operate nuclear facilities safely. For now, the NRC has enhanced its inspection program to ensure an appropriate focus on safety, is monitoring performance indicators, and studying trends in an attempt to better monitor economic "stress" on safe operations. In addition, the Commission, in recognition of possible safety impacts of economic performance incentives, has issued a policy statement directed toward ensuring that programs established by state commissions regulating electricity utilities do not detract from safe nuclear operations.

In an effort to get our arms around this rapidly changing landscape, I have specifically requested the NRC staff to examine closely how electric utility restructuring may impact the nuclear operations of the various reactor owners and whether current NRC oversight processes and regulations are adequate to ensure continued safe operation of these facilities. As an input to this effort, the Commission is planning a meeting with a panel of high-level representatives from various segments of the electric industry, government agencies, and the financial sector to discuss what they see as the future for the electric utility industry -- with emphasis on the implications for nuclear power. We may only be able to carry out a very broad assessment at this time, but I think it is important to get out ahead of the curve and understand what the impact of deregulation and competition will be.

Industry Facing Difficult Decisions of License Renewal, Decommissioning, and New Capacity

In the context of addressing aging plants, I briefly addressed license renewal and premature plant shutdown. The NRC has developed a sound and sensible regulatory process to handle license renewal in 10 CFR Part 54 and stands ready to review an application when one is received. However, despite meetings with industry groups in recent years to discuss generic license renewal programs, no license renewal application has yet been filed. What the NRC is seeing is, that as utilities face major investment decisions, they must evaluate how many more years they plan to operate their plants and whether the investment is worthwhile. In cases where the existing licensed life of the plant, or even the potentially extended life of the plant, is not worth the investment, utilities are facing premature shutdown and early decommissioning. Both the Yankee Atomic Electric Company and Portland General Electric Company elected premature shutdown and early decommissioning of Yankee Rowe and Trojan when these plants were affected by the economics of other competing power

sources and by degradation of the reactor vessel and steam generators -- the two aging issues I spoke of earlier.

Although new nuclear capacity does not seem to be on the industry's horizon at the moment, the possibility that utilities will consider a standard nuclear power plant as a source for new generating capacity still exists. The NRC has issued final design approvals for two standard reactor designs and is in the process of certifying these designs by rulemaking. The use of certified standard reactor designs is expected to enhance safety, reduce cost and streamline future licensing of new nuclear generation capacity. We expect that the certification of the two standard reactor designs -- the General Electric Advanced Boiling Water Reactor and the Combustion Engineering System 80+ -- for which we are currently assessing public comments, will be completed next year. The NRC also is reviewing two additional standard design applications for novel light water reactor designs which employ passive safety features and greater use of modular construction--the Westinghouse AP600 and the General Electric Simplified Boiling Water Reactor (SBWR).

RADIOACTIVE MATERIALS

The materials area is somewhat different than reactor regulation in that the NRC must have a regulatory program to cover a wide variety of materials licensees. The challenge here is for NRC to ensure public health and safety through a regulatory program that addresses this wide range of licensees in as efficient a manner as possible. How we ultimately handle this regulatory program then feeds back to the issues these licensees need to address. Some of the issues are the same as those faced by reactor licensees. Here too, licensees are under economic pressure and when making decisions must consider safe and economic operations. One could argue that it is even more important to maintain a safety consciousness with materials licensees who are frequently small businesses under economic pressure. Although the NRC continues to focus on the safe use of radioactive materials by approximately 7000 medical, academic, industrial, and commercial users, the NRC is also expanding efforts to improve our regulatory effectiveness in our relationships with other regulatory entities in the materials area. One area where improvement has been made is in the interface between NRC and the Agreement States. The Agreement State program covers approximately two-thirds of the nuclear materials licensees in the U.S. (i.e., ~ 15,000 licensees). Working closely with the States, licensees, and citizen groups, the NRC developed a policy statement on Agreement State Adequacy and Compatibility with the NRC regulatory programs. The NRC also developed a program, in consultation with the Agreement States, for improved data collection and the use of common performance indicators to

evaluate both the Agreement States and the NRC materials programs. These data and indicators provide NRC and Agreement State management with a more systematic and integrated approach for evaluating the strengths and weaknesses of their nuclear material licensing and inspection programs.

As some of you may know, in March 1995 the Commission, in an effort to provide greater equity in assessing license fees, made a policy decision not to fund Agreement State training, travel, and technical assistance beginning in fiscal year 1997. This decision will be reconsidered as part of the ongoing NRC strategic assessment and rebaselining effort.

For the NRC's medical regulatory program we have implemented a medical management plan to guide our licensing, inspections, and rulemaking improvements. Our objective is to ensure that public health and safety is protected in the medical use of radionuclides without undue interference by us in the practice of medicine. To help us evaluate the effectiveness of regulation of the medical uses of byproduct radioactive materials, we have drawn on the expertise and experience of our Advisory Committee on the Medical Uses of Isotopes, Agreement States, professional organizations, other regulatory agencies, and the medical community. We have also asked the National Academy of Sciences to conduct an independent review of our regulation of the medical use of byproduct material. The NAS expects to issue their final report in early FY 1996. The Commission intends to consider the findings of this report as we evaluate possible changes to our program for regulating the medical use of byproduct material.

In other areas the Energy Policy Act of 1992 conferred new responsibilities on the NRC to oversee the operations of the U.S. Enrichment Corporation (USEC). We issued the final regulations for certification of two uranium enrichment facilities in September 1994. Although USEC's initial application failed the NRC's acceptance review, a second application was received and accepted by the NRC for review last month. The NRC will assume regulatory oversight of the facilities after completion of the first certification. As part of our regulatory oversight, we now have two resident inspectors on site at each of the facilities.

With regard to cleaning up contaminated sites, some progress has been made in resolving the technical and regulatory obstacles in the decommissioning program. The NRC has published a proposed rule on radiological criteria for decommissioning, intended to establish a predictable and reasonable regulatory framework for decommissioning while ensuring protection of the public and the environment. This rule was developed through a public participation process described to maximize public involvement. Through this enhanced participatory rulemaking process, we encouraged a wide range of interested parties to discuss their

views on the issue associated with radiological decommissioning criteria. The Commission expects to receive a draft final rule from the staff for consideration in 1996.

The NRC has also successfully removed a number of sites from the site decommissioning management plan (SDMP). Our efforts continue in screening thousands of sites whose licenses were previously terminated and which might not have been adequately remediated prior to release years ago. As we work to clean up contaminated sites and remove them from the SDMP program, we expect that some additional sites will be added.

MANAGING WASTE

One of the most important matters facing the nuclear industry is nuclear waste storage and disposal. Without satisfactory resolution of this issue, the role of nuclear energy in the nation's overall energy mix in the future will be severely constrained.

The Commission believes that a deep geologic repository is a sound and technically feasible solution to the problem of permanently disposing of spent fuel and other high-level radioactive waste. This responsibility rests with the Department of Energy, DOE. Based on what we know today, we are also confident that the NRC will be able to determine, with reasonable assurance, that spent fuel and other high-level waste can be disposed of safely in a geologic repository provided: (1) that NRC receives a high-quality application from DOE; (2) that NRC requirements are met; and (3) that NRC can maintain its technical capabilities for licensing a deep geologic repository in the face of budget constraints.

I toured the Yucca Mountain site in Nevada this summer. At the DOE Exploratory Studies Facility there, I had the opportunity to go more than three quarters of a mile into the mountain, and to observe first-hand the tunnel-boring machine that is currently progressing at a rate of about 100 feet per day, depending on geologic conditions. I visited alcoves within the tunnel that are, and will be, used to conduct experiments and to collect site-related data. I saw thermal, hydrologic, and mechanical experiments, and field laboratories that are being used to characterize the site. Notwithstanding the progress I saw there, DOE still confronts many scientific and technical challenges before site characterization is complete, but ensuring that the NRC is prepared to review a DOE license application for a mined geologic repository in a timely manner is one of my priorities. NRC continues to maintain an independent regulatory research and development center, the Center for Nuclear Waste Regulatory

Analyses in San Antonio, Texas. The Center is conducting research in areas important for developing our technical abilities and for supporting the development of regulatory tools the NRC will need for reviewing a license application from DOE for a high-level waste repository.

Some of you may be aware of proposed legislation (in the House of Representatives, as well as the Senate) that would place greater emphasis on the development of a centralized interim storage facility. The NRC has taken the position that the proposed legislation contains the necessary basic elements of an integrated high-level waste management plan. The three fundamental elements of an integrated plan are, first, interim on-site storage; second, centralized interim off-site storage; and, third, deep geologic disposal of high-level nuclear waste, primarily spent fuel. The NRC continues to believe that the overall, long-term success of this nation's program to manage spent fuel and other high-level radioactive waste is dependent on developing a permanent repository for this material. However, Congress makes the ultimate decision on how the country will deal with high-level waste. What is important now is that this decision be made as soon as possible so that utilities as well as NRC have clear direction on handling high-level waste so that we can plan our respective courses of action. For the NRC, that means developing appropriate regulatory and licensing processes to review applications for high-level waste facilities.

The disposal of low-level radioactive waste also presents an important issue. As many of you are probably aware, the responsibility for identifying sites and developing disposal facilities rests with the states and compacts. And it appears that most, if not all, low-level radioactive waste disposal sites will be licensed by Agreement States, states with which NRC has entered into agreements allowing state regulatory oversight of certain nuclear activities. NRC continues to provide technical support and guidance to these Agreement States.

The premature shutdown and decommissioning of nuclear facilities could add, in a compressed time frame, to the already projected quantities of low-level radioactive waste requiring disposal in this country. For now, facilities in South Carolina, Washington and Utah are open for disposal of low-level radioactive waste. The National Academy of Sciences recently issued a favorable report on the Ward Valley site in California. The report reviewed seven technical issues related to the site, and did not identify any reasons for not proceeding with the site licensing process.

NRC APPROACH TO DEALING WITH CHANGE

Strategic Assessment and Rebaselining

Changes in the regulated industry ultimately affect the regulator, and NRC is no exception. Although I believe that the NRC has earned its reputation as the foremost nuclear regulatory body in the world, we still need to develop a strategic vision that allows us to respond to a changing environment and budgetary constraints, to carry out our regulatory program more effectively, to conduct effective resource planning, and to remain responsive to our customers. Therefore, I have initiated a strategic assessment and rebaselining at NRC. This initiative does not have as its primary objective the achievement of a preferred "numbers" outcome. The resource "numbers" are being driven by OMB and the Congress.

The first phase of the initiative, the "strategic assessment," involves identifying and examining the sources of the mandates that make up our regulatory mission - statutes, executive branch directives, and Commission decisions, so that we can establish a mutual understanding of what the NRC missions are and what is required of us. Also included in this phase is a process of looking at agency activities to determine whether they are being conducted in response to a specific mandate or whether these activities have some other rationale for their existence, and whether there are areas where we should establish programs to implement a specific mission. This phase is, as the title implies, essentially a review, categorization, and assessment. This phase is also meant to begin to surface key strategic issues, questions and decision making points.

The subsequent phases -- rebaselining and strategic planning -- will address what our programmatic needs are and what resource levels should be assigned to them. The first phase provides input to the following phases and ultimately to budget and human resource planning, which is the final phase. I believe that this review is necessary to position us to meet effectively the challenges we face and to guide intelligently our activities and decision-making in the future.

Regulatory Reform

Finally, I would like to express my view of how the regulatory environment should be changed. If you read the newspaper or watch TV news, I'm sure you've heard about regulatory reform, the National Performance Review, or other initiatives being undertaken or considered by government. I believe the objectives of all of these initiatives can be summed up, for the NRC, by what I like to refer to as "regulatory effectiveness." What do I mean by "regulatory effectiveness"? It goes to the heart of how we do business: It means looking not only at whether a particular old or new regulation or set of regulations is

necessary, but also considering the ease of its implementation, its internal consistency (unitary view), its consistency with other applicable statutes and regulations (contextual view), its fairness, and how well the regulation fits into the entire existing regulatory program. Regulatory effectiveness also means keeping our focus on the agency's overall and primary goal -- protecting public health and safety. The concept of "regulatory effectiveness" provides a broader picture of the impacts of regulatory reform, and not just reform for its own sake. In this regard, much has been said about risk-based regulation. I prefer to talk of risk-informed, performance-based regulatory approaches which should allow those who operate and own facilities to focus their resources to help them deal with the pressures they face and still meet safety standards in the most efficient and economic way possible. Risk-informed performance-based regulation, in turn, allows the NRC to focus on the most safety-significant aspects of reactor operations. That is also true for the other licensees that we regulate. A risk-informed approach, however, is a two-edged sword. If properly applied, it tends to relieve regulatory "burden" by focusing on those things that have the greatest safety significance. But once one starts on a risk path, there is always a possibility of revealing vulnerabilities. And that, in principle, could result in new requirements. But, on balance, a risk-informed, performance-based approach allows a sharpening of focus and a targeting of attention and resources in a way that ought to help everyone.

The NRC has taken some major initiatives relative to risk-informed, performance-based regulation, including amendments to containment leakage testing, the maintenance rule, and a draft proposed reliability data rule. These rules assume the use of Probabilistic Risk Assessments (PRAs) to risk-inform both regulation and licensee activity. The extent to which PRAs must be refined depends on the role they are expected to play as a tool to keep the focus on safety and reliability. The regulator has less of a role if industry uses PRAs for operating plants within the existing regulatory framework. But if industry desires regulatory changes and decisions based on risk insights, then the industry and the NRC must narrow the gap on such issues as PRA methodology, assumptions, consistency, level of detail, and reliability data; and there is a need for a Standard Review Plan to evaluate the PRAs. This is an area where the NRC and industry have been and are working together. This is an area I intend to push strongly.

The ultimate goal is not only to maintain safety while improving efficiency in implementation, but that once reform has taken place, there should virtually be no need to compensate for outdated unnecessarily restrictive requirements by issuing blanket exemptions from the regulations or, for reactor licensees, limited need for applying enforcement discretion to

allow deviations from operating technical specifications. With regard to our regulations I have requested the staff to examine those regulations for which we have granted routine exemptions and to determine whether we need to move to change the regulation, as was the case in making amendments to containment leakage testing.

For technical specifications, the NRC has implemented an improvement program that eliminates unnecessary license constraints, thereby substantially reducing the regulatory burden on licensees. Standard technical specifications approved by NRC are available for adoption by licensees. Some conversions to the improved standard technical specifications have been completed, and although there is substantial up-front cost in conversion, savings for completed conversions are estimated to be between \$150K to \$1M per unit per year, allowing cost recovery in a reasonably short time frame. In addition, line item improvement provisions exist whereby a licensee may request that only a portion of the standard technical specification be implemented. What is left to be done is for licensees to apply to NRC to make the conversion to the standard technical specifications or line item improvements, and for NRC to review and approve these submittals. A number of submittals are under review by the staff. I maintain that we, at NRC, should believe in our own regulatory framework, and that licensees should live within its requirements. The tools are in place to improve the technical specifications where they may be outdated or no longer make sense and are unduly burdensome. My advice to reactor licensees is to live within your technical specifications or move to change them. I would encourage you seriously to consider converting to standard technical specifications.

CONCLUSION

I hope my remarks have given you some insight into why I believe both the nuclear industry and the NRC are facing a series of interrelated challenges that, taken together, could change substantially how the industry continues to operate and how it will be regulated. How we solve today's challenges can, and will, affect the role that nuclear energy will play in the nation's energy mix in the future, and how nuclear material will be used in this country. Our mutual goal should be to view our challenges as opportunities, and to address them proactively rather than reactively. In that context, the most important--indeed, the most critical--step that you can take is to ensure that the link between safety and sound economics is clearly understood, and that it becomes a key element of the safety consciousness of your respective organizations. Thank you for your attention. I would be pleased to answer any questions that you might have at this time.

