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Introductory Remarks by Ivan Selin, Chairman
U.S. Nuclear Regulatory Commission
at the All Employee's Meeting
Rockville, MD
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The Commission is very happy to welcome all of you to the more or less annual meeting of the Commission with NRC employees. This is the third all-employees meeting we've had in the last 4 years. Today's meeting will be primarily in a question and answer format with the Regions tied in by telephone. I have a few remarks to make and then we'll get to the question and answer session.

I'd like to start with a short report. In 1991 I stated in my confirmation hearings that I thought that the reactor objectives for the next few years should be looked at as being Openness and then One Plus Four. The one was the safety of operating reactors, the plus four were: waste storage and disposal, license renewal, certification of advanced reactor designs, and the fourth was the single-step or Part 52 licensing.

Since then a number of other major issues have arisen -- the question of whistleblowers, international nuclear safety, fee and resource issues, and then a host of materials management issues. As far as openness goes, our basic principle is that since we work for the general public, we should give the public all the information they may need without making them ask. A reasonable shorthand line is that if it's available under the Freedom of Information Act, then we should give it out ourselves and not wait to be pushed.

And as examples of openness that we've seen in the past few years:

We've had numerous workshops both in Washington and around country on a wide variety of topics.

We've had an enhanced participatory rulemaking on decommissioning standards, which is now in its final stages. This has been quite a successful experience.

We've also expanded the use of Internet electronic bulletin boards, and other electronic means to communicate with the general public.

We're coming to the end of a 2-year experiment with open enforcement conferences, which appears to have been quite successful. About one quarter of our enforcement conferences were open under the pilot program, which has been such a positive experience that I expect it will be extended.

Regional Administrators now hold press conferences every quarter and in general we've made the NRC much more available to the media than in the past.

As far as the safety of operating reactors is concerned, overall safety performance is quite good as measured by the performance indicators that AEOD compiles, by availability figures, and by the record number of plants on the good performance list, but the improvement seems to be reaching a plateau.

The conclusion we've drawn is that in the short run, safety will not be improved by across-the-board generic solutions, although there are a few exceptions to this. The real challenge is to raise weaker performing plants to the level of top performers and to keep any of the plants from degrading under the competitive pressures that utilities will be facing in the next few years.

Plant specific problems are very often caused by poor management and so we pay a lot of attention to the management at reactor sites when we see problems. In fact we are starting to see a significant generic problem -- apparently under competitive pressure, management seems to be focusing more and more on cost and production at the expense of safety. One example is what I consider to be abuse of limiting conditions of operation. Plants, for instance, are allowed to take certain safety-related components if necessary out of operation for 24, 48 or 72 hours without closing down, and we see more and more plants using these not just for emergency situations or for preventive maintenance, but to get more maintenance done during the operating period, so that the plants will be available more often, without really considering the effect on safety. And this is an unhealthy trend -- I think we'll see some other trends if we don't put some pressure or counter-pressure on as the plants react to a fierce competitive situation in which they find themselves.

The NRC is taking measures for early identification of declining performance at specific plants. We're adding risk analysis to our traditional deterministic approach, for example, and we're undergoing more comprehensive inspections, with diagnostic evaluation-like features. There are a number of other things we're doing to get an earlier look at plants before its obvious that they've gotten into trouble.

In license renewal, I think we have a success story - the proposed license renewal rule is published for comment. I'd like to stress that we're not talking about a new license, but the extension of the existing license, so the question to be answered is "if the plant is safe at 39 years what do we have to do to make sure it'll continue to be safe at 41 years", as opposed to saying, "would we build this plant today if it were a new plant?" And the reason we've been pretty successful with this license renewal rule is that the focus has shifted -- the original rule called for identifying aging conditions for every plant and seeing if they will be a problem. If they are a problem, see if we can come up with a program to manage the aging related deterioration, so that meant a huge amount of analysis. Instead the rule now has shifted to see if we have an effective program to handle aging if there is aging -- if the answer is yes, the licensee doesn't have to go through all that analysis. This allows the focus of attention to be on the relatively small number of systems that are likely to be subject to serious deterioration through aging which are not taken care of through the normal maintenance program.

As far as advanced reactor certification is concerned, the staff has issued two final design approvals for evolutionary designs -- for the General Electric Advanced Boiling Water Reactor and for the Combustion Engineering System 80+. Certification by rulemaking will start imminently. We hope to see FDA's being converted to certification by rulemaking by the end of 1995.

The two passive systems, the Westinghouse AP600 and the General Electric Simplified Boiling Water Reactor, have been slowed down because of weaknesses in the vendor test programs. Certification, we now realize, is something that the vendors value for itself, whether or not it leads to the construction of one of these plants in the United States in the near future.

Which brings me to the single-step licensing issue where I think all we can say is, "so far, so good". We haven't found any fatal flaws in the process, but the process hasn't really been tested, and there aren't any prospects for ordering of a new reactor in the near future; therefore, the process doesn't look as if it will be tested in the next few years. The United States just doesn't need more baseline electricity for the time being.

I would say that the public workshops that we've held on this process have been of inestimable value in working out the implementation of the Part 52 rule.

As far as high level waste and spent fuel disposal and storage are concerned, the Department of Energy has a promising new concept, which was favorably reviewed by Advisory Committee on Nuclear Waste, but the concept is still very incomplete. We are not sure whether this concept will lead to a better program for determining the licensability of Yucca Mountain, and we're not sure that Yucca Mountain will turn into a repository. The one thing that is sure is that it will require a host of changes in our regulatory work and a lot of work for the high level waste staff of NMSS.

On low-level waste, we continue to work with the states and the compacts on development of low-level waste disposal facilities. The process is slow; it's much too expensive, but victory is in sight. I'm very confident that within the next few years, the various compacts will be well underway to building low-level waste sites adequate to handle all of the low-level waste generated in the United States. The reason for my confidence is mostly that there isn't that much low-level waste; two or three sites could handle all the waste if it weren't for the politics.

And then there's the issue of interim spent fuel storage. The Commission has taken an important step in the last few months in expressing preference for dry storage rather than wet storage for old fuel on site. The public is concerned about what's going to happen to the fuel in 1998 or in the next few years, and the statute contains an unfortunate link between interim and long-term storage in a repository. It's very hard to get an interim facility built until a satisfactory solution has been demonstrated for long term disposal, which is just the opposite of what good engineering practice would call for. Failure to find a way to store this fuel off site will be the single biggest contributor to utilities' closing down prematurely in the next 10 - 15 years.

On whistleblowers I'd like to say just a few words. The agency has done more in the past 2 years to recognize the importance of whistleblowers and to try to protect, encourage, and reward them, than we have in all our previous history. We're to the point where further major improvements will require either Department of Labor actions or statutory changes. There is some preliminary evidence to suggest that the improvements have started to take hold. In other words, the number of allegations that come to the NRC is about the same as in the past few years but fewer of them are harassment and intimidation allegations and more of them are technical allegations. So I would say that we

can be encouraged that whistleblowers probably feel a little bit more protected now than they did a few years ago. But still, it's very, very tough to be a whistleblower - it's very tough on the whistleblowers, and therefore I plead with you all to show some patience when they complain about the NRC or they do silly things like call for the resignation of the Chairman or things like that. It's a tough life for them so we should be patient and tolerant. They do a lot of good; they may be hard to take every now and then, but on balance they're really a great asset to us.

As far as the nuclear materials program is concerned, there are some success stories in the making. We have a pilot program underway to develop common performance indicators to ensure analogous coverage of materials programs whether regulated by the NRC or the Agreement States. We have a policy statement out for comment on agreement state adequacy and compatibility. In general, a lot more resources and effort have gone into management of the Agreement States program than was true a few years ago.

With respect to the medical uses program, we have a program management plan in place and have requested the National Academy of Sciences to review our program. NAS will also provide recommendations on possible options for regulating the medical use of radionuclides.

We have a Site Decommissioning Management Plan, and in the last few years, for the first time, we've made real progress at cleaning up some of these old sites that were used for manufacturing using radioactive materials and returning them to unrestricted use after years of lack of progress. We see five or six sites being returned every year, but it's a large list of 50 to 75 sites; and so only 10% of the sites are being cleaned up each year. We have a long way to go yet in this area.

And as I mentioned before, we have developed and put out a proposed rule setting criteria for decommissioning all kinds of contaminated facilities. We are prepared to take on responsibilities for safety oversight of the Uranium Enrichment Corporation. Nevertheless, there are a lot of holes left in the materials program, and the challenge is how do we improve the materials management program without raising the costs of the program significantly. The reason for that is we are a 100% fee recovery agency; all the costs that we incur have to be returned by the people that we regulate and being obligated to recover 100% of expenses is a very tough situation. It leads to some obviously unfair situations; it leads to higher license fees than your intuition would say are reasonable for some of the licensees to pay, and so we have sought legislation to reduce this 100% recovery base by removing selected activities from the fee base -

- the work we do for the Department of Energy, our international program where it has to do with international safety, and the Agreement State share of the materials program being the major areas that we believe should be removed from the fee base, but I don't expect any action on this anytime soon. Despite all the problems of being a 100% fee recovery agency, I have to admit that there are benefits to this approach. The NRC has clearly been shielded from arbitrary wholesale budget cuts such as those that have been visited on many other Federal programs, which honestly are equally as worthy as our programs are. We don't contribute to the deficit so there's no incentive to cut our program to reduce the deficit. Our individual programs still have to stand the scrutiny of OMB and the Congress, but we're not under pressure to reduce the overall figure inordinately. One of the ways we keep from getting this pressure is to take the initiative ourselves to manage our resources. We've cut our budget in real terms every year. We have undertaken to meet the President's goal of a 12% reduction of personnel for fiscal year 93 to fiscal year 99, and I think we'll be able to do that. We've consolidated some offices, closed the URFO office, and improved the procurement process to reduce costs.

One very important step that we've taken that I have explained a number of times but is still not very well understood is that at the same time as we are reducing SES positions and supervisory GG-15 positions in an attempt to reduce management overhead and lead to a leaner agency, we are expanding positions in the senior level system, the SLS. We're also expanding technical and professional GG-15 positions so that the overall shape of the agency will be the same. In other words, the percent of positions in the senior services, the percent of total positions in the 13 to 15 levels will remain the same, although more of these senior positions will be occupied by people whose leverage comes from technical and professional work rather than from supervising other people.

Much to my surprise, we have a significantly improved management-union relationship in the last few years, as a result of the partnership called for in the National Performance Review. Where we have restructured offices and worked with the union and labor representatives, we've ended up with better organizations, not just from the employees' point of view but from the management point of view as well.

As far as international nuclear safety is concerned, we've worked very hard to improve reactor safety in former Soviet Union and in Eastern Europe. I think safety in Eastern Europe is a success story. There have been significant and I think permanent improvements in nuclear safety in these countries. But serious problems remain in the former Soviet Union; we are engaged as part of the U.S. Government effort in a struggle to close

Chernobyl, the more unsafe reactors in both Russia and Ukraine, and three Russian production reactors. We have major projects underway for the control of plutonium and weapons grade uranium in the former Soviet Union and have supported the creation or expansion of regulatory bodies in the former Soviet Union and Eastern Europe.

However, we haven't invested all of our time on these unfortunate legacies of the past. The big expansion in nuclear power is in the Pacific Rim, the western side of the Pacific. And we've put a lot of effort into programs in these countries to make sure that if there are to be expanded nuclear programs in China, South Korea, Taiwan, Indonesia, and, if you're to believe the papers this morning, North Korea, that these programs will be safe to begin with on the theory that an ounce of prevention is worth a pound of cure.

As far as new Commission appointments are concerned, the President has announced his intention to nominate three individuals to the two current and anticipated Commission vacancies. I expect the Commission will be at full complement in the spring of 1995. And in case you might be wondering, I expect to complete the last 2 years of my term as NRC Chairman.

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