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Tel. 301-504-2240

Remarks by Ivan Selin  
Chairman, U.S. Nuclear Regulatory Commission  
before the  
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Good afternoon. It gives me great pleasure to be here today to take part in the NRC's fourth Regulatory Information Conference. This conference provides a singular opportunity for the NRC and all of its licensees to meet and exchange views on present and future regulatory issues.

I will leave the specific insights into the technical issues to others during this conference. Instead, I thought it would be appropriate to share with you some of the thoughts and impressions which I have formed during my first year as Chairman. Today, I intentionally plan on taking a broad perspective -- I will cover topics of both international and domestic import. And, at the end of my presentation, I would be happy to address any questions which you may have.

As I look back on the past year, some particular perceptions stand out. First and foremost is the importance of concentrating on the safety of operating nuclear power plants. This issue has not been a uniquely domestic one. Let me start on a global level and then move closer to home.

I believe the most significant concern to the nuclear power community today comes from the plants located in Eastern Europe and the former Soviet Union. In my opinion, the RBMK reactors (and to a degree the VVER-440/230 reactors) are not particularly well-designed, especially when compared to Western standards. They possess inherent instabilities and are not nearly as forgiving of operator errors.

It is not startling news when I tell you that the political changes in the countries operating these reactors have created a myriad of problems in the past year. One of the most significant problems is the instability of the economies in the former Soviet Union and Eastern Europe. Past pricing policies for electricity

created an underpriced product -- the result being an inadequate revenue flow to maintain the infrastructure necessary to assure safe and reliable generation and transmission.

The fiscal uncertainty that has accompanied the political unrest has left little money for maintenance activities, plant modifications, or even prudent operations. At the same time, all of these countries desperately need electrical power. Consequently, authorities are reluctant to take aggressive actions, especially shutting down operating plants. What we have, from both short-term and long-term safety considerations, are nuclear programs that are marginal at best.

In the past year, the U.S. has been a leader in pursuing cooperative activities with the former Soviet Union, Bulgaria, Hungary, and Czechoslovakia. Along with the nations of Western Europe and Japan, we have supported numerous efforts to establish both a regulatory and technical framework for the safe management of the nuclear plants in these countries. While our philosophies for reaching appropriate assistance strategies differ somewhat, what is shared is a commitment to ensure only safe and responsible nuclear operations are allowed to continue.

There are three levels of assistance and support which, I personally believe, are needed to resolve the safety concerns of the forty-one Soviet-built reactors in Russia, Ukraine, and Lithuania. First, provide immediate, but low levels of support for operational safety and near-term technical improvements on the operating Soviet-designed reactors. Second, implement a larger program to improve safety on a triage basis -- close a portion of the plants, upgrade a portion, and complete construction of those plants with an acceptable safety design. And third, use the additional funds that would come from these broad reforms to help finance the completion of the unfinished plants.

I believe we should provide assistance, but the ultimate responsibility for improving the safety of the Soviet-designed reactors lies with the states of the former Soviet Union and the nations of Eastern Europe. Any, and all, plans which move toward attaining this goal must involve this responsibility and build upon it. Safety in design -- safety in construction -- safety in operations -- all will require that the countries utilizing these facilities accept their responsibilities and actively pursue the establishment of an appropriate safety culture.

As a final note on this topic, the Russians and Ukrainians have been sufficiently impressed by the U.S. model of an independent regulatory authority; one of their objectives is to establish regulatory bodies similar to the NRC. Naturally, we have been encouraging them with that as well through information

exchanges! -- They are visiting us today.

Closer to home, we are experiencing a time of less urgent issues. The recent past has been a time of relative quiescence for the nuclear industry -- no new nuclear plants have been ordered; and consequently, the disputes associated in the 70's and 80's with the initial licensing of commercial plants no longer consume the managerial and technical resources of the agency. This time of calm has been a fertile and productive time for implementing clearer, better balanced regulations.

The NRC some years ago created a Committee to Review Generic Requirements, the CRGR. This committee reviews both proposed regulations and those that are already in place. One of its purposes is to identify and accelerate initiatives that could eliminate unnecessary and inappropriate burdens on the regulated community.

Recently, the CRGR solicited comments from the public, the industry, other agencies, and the NRC as to where regulatory burdens could be reduced. The CRGR has concentrated on new requirements, but we need to winnow out unnecessary current requirements as well, to avoid a ratchet effect.

So, I encourage all of you to provide information to us in this area. More importantly, I encourage you to look for broader areas where redundancy can be eliminated and inefficiency reduced. Bring us the data. Show us how we can improve. We will not only consider your input, we will welcome the opportunity.

A second initiative being considered is in the area of SALP, the Systematic Assessment of Licensee Performance. The NRC staff has been reviewing SALP and is examining procedural changes and refinements to the process. The issues under consideration include reducing the number of SALP categories from seven to four, improving the convergence between SALP scores and reactor safety, and providing more cross-connections between the Regional and Headquarters senior management to ensure consistency and coherence in the process. But, whatever changes the staff may eventually propose, you can be assured that the regulated community and other members of the public will have the chance to make their views known before the recommendations are finalized and acted upon.

This period of comparatively calm has also given the NRC an opportunity to hear more clearly from all sides of the nuclear debate in a less polarized atmosphere. It has allowed the industry (both the licensees and the nuclear vendors), the public (including environmental and interest groups), and the various regulatory agencies an opportunity to provide their input and be

heard. The NRC has been able to draw on this variety of expertise to help develop the regulatory structure of the future, for example, the rules and procedures for standardized designs, decommissioning, and license renewal.

In this regard, I believe the clash of competing views has been very valuable. It is my belief that to have sound decisions which will pass the test of time, we need the contribution not only of our staff, but also of industry, public interest groups, oversight committees, states, and other federal agencies. All of these contribute to the quality of the regulatory process. Just yesterday we conducted a successful workshop on public participation in the design certification process.

I recognize that the public is often skeptical as to whether the NRC actually takes their views into account. I would just mention several recent examples, the Yankee Rowe case and the Sequoyah fuels facility, where public interest groups raised concerns and the NRC responded.

I think we have made some progress in this regard in the past year and I urge industry to be open and forthright and provide the public with information also.

Operational improvements in the U.S. nuclear industry have occurred -- capacity factors continue to climb, while challenges to safety have declined. Dr. Murley addressed this in some detail this morning. But, unless the NRC and the industry continue to seek ways to improve their credibility, these operational improvements will go unrecognized.

The NRC has undertaken numerous initiatives, both formal and informal, in support of this precept. The most recent example is the trial program to allow public observation of our Enforcement Conferences with licensees. By allowing anyone to observe how the rules and regulations designed to assure nuclear safety are enforced, it is possible that public confidence will develop. Whether this initiative is successful remains to be seen, but its intent, to increase public confidence, will benefit all of the nuclear industry.

A second example of the agency's commitment to establishing this trust can be seen in the daily operations of our staff. Regional Administrators are now meeting periodically with the media to afford them opportunities to become more knowledgeable of the NRC and to understand how the regulatory process works. Resident inspectors frequently represent the NRC before local organizations, such as Chambers of Commerce, Lion's Clubs, etc. These outreach efforts are not an attempt to "win converts" for nuclear power. But they are an attempt to ensure that anyone who wants information has access to it and can understand what it

means.

I would like to change directions at this point and spend a few moments on what I see as the political environment for the nuclear industry over the next few years. In particular, I will quickly address two recent and relevant issues -- the National Energy Policy and the recent Supreme Court decision concerning the "take title" provision of the National Waste Policy Act of 1984.

With respect to the bills which have recently been passed in the House of Representatives and the Senate, the Commission is quite pleased with provisions which address licensing reform. The NRC has already promulgated 10 CFR Part 52, and has had the satisfaction of seeing it upheld in total by the DC Court of Appeals. Nevertheless, this legislation, if adopted, will put to rest potential challenges that could have been raised on the issue.

Additionally, in response to those critics who say that this process is inconsistent with NRC initiatives for public input in the licensing process, I offer the following. This process does not inhibit or preclude public interaction and participation. However, it does focus the participation into more appropriate time frames -- first, during the Design Certification rulemaking and, second, when the plant is being initially sited and the Combined Operating License is being sought.

At these points, the public has complete access to the system to raise concerns about the need for the facility, alternatives to the plant, the adequacy of the design, and the competency of the management. But once a licensing decision has been made, the questions must become more pragmatic and focus on the construction process. Has the plant been built in accordance with regulatory and license requirements? Has the construction been completed with an acceptable level of quality? In other words, has the "advertised product" been delivered on the "agreed upon conditions?" One-step licensing is not an attempt to remove the public from the licensing process, but rather an attempt to bring equity and focus to the process. One-step licensing will provide a more effective opportunity for the public to participate at early stages in the licensing process.

However, one-step licensing with advanced and safer reactors, and an effective framework for license renewal, are all options with futures clouded by uncertainties over the issue of nuclear waste disposal. As we have seen in recent events at Prairie Island, a lack of visible progress and confidence in a successful outcome of DOE's civilian high-level waste program can have very serious consequences, even for operating reactors. DOE must be encouraged and supported in its efforts to provide near

and long-term high-level waste solutions, and the NRC must conduct its regulatory functions fairly, fully, and openly, in a manner which fosters public trust and confidence.

Providing for low-level waste disposal is a State rather than a Federal responsibility. Here, considerable uncertainty has been removed by the recent Supreme Court decision on challenges to the Low-Level Waste Policy Amendment Act of 1985. While the court ruled the so-called "take title" provisions unconstitutional, at least for the six individual states not in compacts, the rest of the law has survived. Of all the possible outcomes, this one has the minimum impact on low-level waste disposal site development. States and low-level waste compacts continue to have strong incentives to develop sites, and these efforts are now more clearly necessary than before.

I have covered what I believe are the political influences affecting nuclear power on both the international and domestic scenes. I have shared my thoughts on some of the initiatives which are being pursued by the NRC to reduce unnecessary regulatory burdens. Most importantly, I have emphasized what I believe is the most important issue facing us in the industry -- the reestablishment of credibility with the public.

Conferences such as this one go a long way to meeting the goals of all members of the nuclear community. They provide forums for clear, effective, and open communications and allow for a true interaction between all concerned parties. I wish you all a productive and effective next two days.