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REMARKS BY
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1996 TLG DECOMMISSIONING CONFERENCE

CAPTIVA, FLORIDA
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**Current Issues in the Regulation of Decommissioning and
Radioactive Waste**

Good morning, ladies and gentlemen. I am delighted to join you at this decommissioning conference so that we can meet and share our thoughts on current issues in the regulation of decommissioning and radioactive waste. I will focus my remarks on the importance of decommissioning and closing the fuel cycle, decommissioning issues, high-level waste and low-level waste issues and strategic assessment and rebaselining.

I would like to begin by stressing:

I. The Importance of Decommissioning and Closing the Fuel Cycle

Decommissioning involves removing radioactive contamination to such levels that a facility can be released for unrestricted or perhaps restricted use. Over the last several decades, an increasing number of power plants, fuel cycle facilities, and other operations involving radioactive materials have ceased licensed activities, either because they have reached the end of their useful life, or because other pressures have forced their shutdown. Because of this, decommissioning has become a significant part of the nuclear industry in recent years and has received increased attention by NRC. Given this trend, it is important that NRC focus on decommissioning to ensure that it is performed safely and consistently with the commitments made when these facilities began operations years ago. It is also important to demonstrate that the entire cycle of radioactive materials use, from initiation to termination, is safe and protects the public and the environment.

Of course, the nuclear fuel cycle cannot be closed until after the U.S. resolves other waste management challenges, including the disposal of spent nuclear fuel and high-level waste (HLW).

In the U.S., the long term solution to HLW has been, and remains, development of a geologic repository, which is not yet available. At present, the nuclear utilities are maintaining spent fuel rods either in pools on site or in dry cask storage. Pressure remains, however, for the timely development of a repository. After all, it may be difficult for utilities to complete decommissioning at individual sites if they have not first transferred their spent fuel to a suitable offsite storage facility or repository, as several utilities have discovered since 1992.

Another issue related to nuclear facility decommissioning is the disposal of low-level radioactive waste (LLW), with which I have a great deal of personal experience. Although commercial disposal facilities for LLW are available today for most generators, two years ago some generators were forced to store LLW despite the best efforts of Federal and State governments to promote safe and economical disposal. The future of LLW disposal in the U.S. is uncertain due to delays in developing new disposal facilities, institutional challenges, and economics. An effective solution to LLW disposal is important to ensuring that facilities can decommission in timely, cost effective, and safe manner.

As we move forward in resolving these issues, we, as regulators, must also cope with reduced resources and pursue more efficient approaches that ensure protection of the public and environment. All indications from Congress are that, in future fiscal years, we should expect a continuing downward trend in available funding. Within this tighter fiscal environment, it becomes more critical to prioritize our activities, while working to help the Congress and the Office of Management and Budget understand our core mission and all the essential elements of that mission.

II. Decommissioning Issues

I would like to turn now to some major decommissioning issues we face. These issues include release criteria, costs, recycle and reuse and power reactor decommissioning.

In these roles, I was fortunate in getting a broad view of LLW and all of its associated issues and concerns in the U.S. [In fact, my staff tells me that I'm referred to as "the waste Commissioner" by some people. I'm not sure I deserve or even want that title, but I will take it as a compliment.] As the compact Chair, I could see firsthand the many interests of the different groups involved--the generators wanting new disposal capacity developed quickly and economically; the host State wanting a thorough review by the regulatory organizations to ensure public health and safety, control of the operations, and limits on long-term liability; the public wanting information and

openness by the State and compact officials, and a chance to have its concerns addressed thoroughly; and the compact members wanting a regional facility so that their generators could safely and economically dispose of their waste.

As a member of the LLW Forum, I was fortunate to be exposed to the full range of national issues that could affect the design, public acceptance, cost, and licensing of a LLW disposal facility. These included utility plans for decommissioning---when they would occur and how much waste they would generate, "Below Regulatory Concern," modeling of future performance of sites to demonstrate compliance with NRC regulations, and "acceptable risk" and related issues.

Proposed Rule on Radiological Criteria for License Termination for Nuclear Facilities

Out of this spectrum of issues, I want to focus today first on the ongoing rulemaking on radiological criteria for decommissioning. Decommissioning is a statutory responsibility under the Atomic Energy Act (AEA). NRC terminates about 300 licenses each year. Most of these terminations are routine licensing actions that do not involve complex issues such as groundwater contamination, mixed wastes, large waste quantities, or financially troubled licensees. Radiological criteria used today to judge the adequacy of decommissioning are based on guidance documents that have been used for more than 20 years. Despite this extensive experience, however, difficult issues remain to be resolved in establishing binding requirements on acceptable levels of residual contamination.

As directed by the Commission, the NRC staff initiated an Enhanced Participatory Rulemaking (EPR) process to resolve these issues in early 1993 through a series of public workshops involving a broad range of interests. This unprecedented process, in which I participated as a representative of State interests, culminated in NRC's proposed rule in August 1994. The proposed rule announced NRC's intent to amend 10 CFR Part 20 of its regulations to include specific radiological criteria for the decommissioning of lands and structures. These criteria would address the adequacy of remediation of residual radioactivity resulting from the possession or use of source, byproduct, and special nuclear material. The intent of the rulemaking is to provide a clear and consistent regulatory basis for determining the extent to which lands and structures must be remediated before decommissioning of a site can be considered complete and the license terminated.

In developing the proposed radiological criteria for license termination rule, the staff also considered changes in basic radiation protection standards, improvements in remediation and radiation detection technologies, and costs and benefits involved in alternative dose criteria.

The public comment period for the proposed rule closed in January 1995. Over 100 organizations and individuals, representing a variety of interests, submitted comments on the proposed rule. Comments were received from Federal and state agencies, electric utility licensees, material and fuel cycle licensees, citizen and environmental groups, industry groups, native American organizations, and individuals. The reaction to the rule was varied, and for nearly every rule provision, commenters expressed viewpoints both in support of or in disagreement with the provision. The public comments are being factored into the Commission's decision-making on the rule and into the technical basis for guidance documents implementing the final rule. The following is a summary of the principal public comments received on the proposed rule:

1) Adequacy of 15 mrem/yr as a criterion for unrestricted use:

The proposed rule indicates that a facility could be released for unrestricted use if the level of residual radioactivity distinguishable from background results in a dose (actually the total effective dose equivalent (TEDE)) to an average member of the critical group of less than 15 mrem/yr, and has been reduced to levels that are ALARA.

This proposed criterion engendered the most public comment. Some commenters (including EPA) agreed that 15 mrem/yr is acceptable because it is attainable, provides an ample margin of safety, and is not unjustifiably costly. However, most commenters did not agree with the 15 mrem/yr criterion, although for opposite reasons. Some commenters felt that 15 mrem/yr was too high, and preferred alternatives that reduced the contamination level to lower levels, including pre-existing background. Others felt that 15 mrem/yr was too low and gave alternatives which generally included increasing the limit to 25, 30, 50, or 100 mrem/yr with further reduction based on ALARA. The commenters had differing views on: (1) the health risks associated with 15 mrem/yr; (2) the cost to remediate and survey to 15 mrem/yr versus the benefit obtained; (3) the ability to measure 15 mrem/yr; (4) the amount of risk which a single source (i.e., a decommissioned facility) should contribute; and (5) the need for consistency with national and international standards and other NRC/EPA regulations.

2) Restricted use as an alternative: The proposed rule also states that a site would be considered acceptable for

license termination under restricted conditions provided: (1) institutional controls provide reasonable assurance that the dose to the average member of the critical group would not exceed 15 mrem/yr; (2) if the controls were no longer in effect, there is reasonable assurance that the dose would not exceed 100 mrem/yr; and (3) it is demonstrated that achieving unrestricted use would be prohibitively expensive, result in net harm, or not be technically achievable.

The reaction to this provision was also mixed. Some commenters agreed that inclusion of restricted use would add flexibility and result in possible cost savings while still protecting public health and that institutional controls could be relied upon to afford protection. Other commenters disagreed with allowing restricted use, principally because the use of institutional controls are uncertain or can become ineffective, especially over the long time periods associated with radioactive decay. Other commenters felt that the 100 mrem/yr "cap" should be higher because the institutional controls will not fail, while others said it should be lower (15 - 75 mrem/yr) because the long-term durability and effectiveness of the controls are uncertain. Some commenters stated that the requirement for demonstrating that unrestricted use is prohibitively expensive, results in net harm, or is not achievable and should be deleted or modified so that restricted use can be more readily selected by licensees.

- 3) Groundwater Protection Criteria: The proposed rule indicates that the EPA drinking water standards in 40 CFR 141 should be used in evaluating the level of radioactivity in groundwater as a separate provision in addition to the 15 mrem/yr unrestricted use dose criterion.

40 CFR 141 contains Maximum Contamination Limits (MCLs) for various nuclides and nuclide categories with some expressed as dose limits and some as concentration limits. The MCL for the sum of beta-gamma man-made nuclides is 4 mrem/yr. The MCLs for gross alpha (except uranium and radon) and radium are 15 pCi/L and 5 pCi/L, respectively. The dose associated with these MCLs varies with nuclide mix but could range from less than 1 mrem/yr to about 25 mrem/yr. There is no MCL for uranium; however, EPA has indicated in several meetings with NRC that a dose of 15 mrem/yr could be used as the MCL for uranium.

A number of commenters disagreed with the inclusion of a separate groundwater requirement. Many of these commenters stated that a separate requirement for groundwater was not necessary if the rule included a 15 mrem/yr all-pathways standard. That is, there is no reason from the standpoint

of protection of public health and safety to have a separate criterion for one of the pathways as long as, when combined, the results for all pathways do not exceed the total dose standard established in the rule. Other commenters supported the establishment of a separate groundwater requirement consistent with the EPA position that groundwater is a unique resource and deserves pollution controls separate from other environmental media.

- 4) Public Participation: The proposed rule requires licensees to solicit, as part of allowing restricted use of a site, advice on the institutional controls for restricted use from the affected community by convening a site-specific advisory board (SSAB).

The commenters reactions to the use of SSABs was mixed. Some commenters objected to the use of SSABs, expressing concern that use of SSABs would delay decommissioning and was inconsistent with the timeliness rule, that a need for SSABs has not been demonstrated, and SSABs are inconsistent with the Federal Advisory Committee Act, the Administrative Procedure Act, and the Atomic Energy Act. These commenters suggested options to SSABs which would provide more flexibility in deciding when to use SSABs. Other commenters favored use of SSABs as a means for providing public input and also indicated that there should be an extension of the use of SSABs to unrestricted use of sites.

The NRC staff continues to evaluate the comments and different alternatives suggested in the public comments. This evaluation includes in all cases health impacts, consistency with other standards, cost-effectiveness, and potential for net detriment. Many of the comments surface concerns from the fuel cycle facilities that have been heightened due to the relative radiotoxicities of uranium, thorium, and decay products; long half-lives of these radionuclides; large volumes of contaminated soil, waste, and groundwater at these facilities; and the difficulties with detecting very low levels of residual radioactivity for these radionuclides. To assess these concerns, the NRC staff has conducted two pilot surveys at two different fuel facilities using the new survey methods and statistical techniques.

Last January, NRC staff met with the Fuel Cycle Facilities Forum, Nuclear Energy Institute, and other interested parties in an open "table top" exercise, in which the proposed decommissioning rule and guidance were applied at a actual fuel cycle facility to identify potential problems in the process logic and specific approaches for compliance. The NRC has also participated in an interagency task force with EPA, DOE, and the Department of Defense (DOD) to develop guidance on measurement methods in the

Multi-Agency Radiation Site Survey and Investigation Manual (MARSSIM). The agencies are currently completing an internal review of the draft of the MARSSIM and plan to issue the guidance for public comment late this year or early in 1997.

Throughout this process, NRC has continued to work with EPA in the development of data and in the resolution of issues. As many of you are aware, EPA has the statutory authority to promulgate generally applicable environmental standards for radiation, including standards on residual radioactivity. Using this authority, EPA has developed a proposed rule that would establish generally applicable environmental standards for the cleanup of radioactively contaminated sites. Under the 1992 General Memorandum of Understanding between the agencies, EPA agreed that it would not apply its decommissioning standards to NRC- and Agreement State-licensed facilities provided that NRC's standards ensured sufficient protection of the public and the environment. Throughout this process, the agencies have closely cooperated to achieve this result. If EPA cannot make the sufficiency finding, NRC will be obligated to implement and enforce any final standards that might result from the EPA rulemaking for NRC and Agreement State licensees. Currently, the EPA proposed rule is under review by the Office of Management and Budget (OMB). NRC staff has met with EPA and OMB staff to better determine the impact of that proposed rule on both the criteria and schedule related to promulgation of a final NRC rule. Based on those meetings, the schedule for the issuance of the NRC final rule is under review. In the interim, the NRC staff is continuing to evaluate the inclusion of real world data in its cost-benefit analyses and to develop implementation guidance for conducting final surveys and for modeling residual radiological contamination at NRC licensed facilities.

The Cost of Decommissioning

Cost is clearly a factor for consideration in developing and implementing NRC's framework for decommissioning. Our first and most fundamental mission is to ensure the protection of the public health and safety and the environment. Our experience in nuclear regulation, however, has taught us that there are many ways to achieve this mission. Consequently, considering other factors, including cost, may be useful to NRC, the nuclear licensees, and the public in selecting from among the viable alternatives to ensure safety. Once we have assured ourselves and the public we serve that our regulations are sufficiently protective, we also need to ensure that they will not be unreasonable or prohibitively expensive, including either restricted or unrestricted release. The release criteria will affect these decisions and the costs.

Analyses of costs and benefits of alternative dose criteria in the range of 0.1 to 100 mrem/yr are contained in the Draft GEIS (NUREG-1496) and the Draft Regulatory Analysis supporting the proposed rule, and indicate that most NRC licensees could meet the requirements for unrestricted use.

However, it was also recognized in the DGEIS that a number of NRC licensees, because of site-specific conditions (e.g., type of nuclide, extent of contamination, etc.), might have difficulty in meeting an unrestricted use condition. Therefore, the proposed rule permits facility license termination under restricted use conditions.

It was also recognized in the proposed rulemaking that there might be other facilities which contained large quantities of materials contaminated with naturally occurring radionuclides, for which site-specific determinations would be the most appropriate means for ensuring protection of public health and the environment. The Supplementary Information to the proposed rule indicated that these facilities might fall outside the scope of the rulemaking.

The intent of the analyses supporting the proposed rulemaking was to provide a technical basis for establishing criteria that both protect the public health and safety and are cost-effective. Modification of existing NRC regulations to include restricted use and consideration of possible site-specific determinations for certain facilities are examples of these considerations. As I noted earlier, a number of public comments were received on the technical basis for the criteria in the proposed rule. As part of its review of public comments, the NRC is reviewing the technical basis for the rule, the rationale for restricted use, and how to deal with facilities with significant contamination of low levels of radioactivity.

In the interim until the rule is completed, of course, utilities and other licensees continue to make progress in decommissioning their facilities on a case-by-case basis. Experience gained since the promulgation of NRC's general decommissioning requirements in 1988 suggests that decommissioning costs may be higher than the 1988 projections based on variables such as waste disposal costs, termination surveys, and other factors.

Recycle and Reuse Rule

If safe and acceptable alternatives to disposal can be found for the large volumes of low-activity wastes generated in decommissioning, the cost of decommissioning could be reduced. With projected costs in the vicinity of \$200-400 million per unit, shaving several percentage points off the price tag could result in significant savings. In his July 10, 1996, letter to

Chairman Jackson, Paul Pomeroy, Chairman of the Advisory Committee on Nuclear Waste, wrote, "A basic principle of risk-informed regulation is to prevent a situation in which scarce resources are misspent to avoid negligible risks, while significant risks remain unattended for want of resources to deal with them." In view of this statement, I would next like to briefly mention NRC and EPA plans to pursue a recycle and reuse rule.

Over the last couple of years, NRC has been developing the technical basis for a recycle and reuse rulemaking. At the direction of the Commission, the staff submitted a rulemaking plan (SECY-94-221) in August 1994. The major elements of that plan were: (1) initiate a recycle rule after finalization of the radiological criteria for license termination rule; (2) cooperate with EPA in the development of the rule; (3) develop the technical basis and regulatory products needed to support a rule on recycle and reuse; and (4) conduct public enhanced participatory rulemaking (EPR) workshops similar to those used in the decommissioning rulemaking process.

The staff has made progress in certain areas of its plan. In particular, NRC and EPA have cooperated in developing the technical basis for the rulemaking. Here again, EPA and NRC have plans to conduct complementary rulemakings in parallel, although in this case, EPA is leading the effort to initiate the rulemaking. An interagency team of NRC, EPA, and DOE technical experts and their respective contractors has been working collectively to develop scenarios and parameters to model doses and risks caused by recycling scrap metal. The Federal technical leads of this team are also representatives to the Recycle Subcommittee of the Interagency Steering Committee on Radiation Standards. The Department of Defense has been invited to participate in the interagency team. In the near future, EPA will be sponsoring a workshop of interested parties conducted by the Environmental Law Institute on recycling contaminated scrap metal.

Pending rulemaking on generic recycle and reuse criteria, the NRC will continue to consider existing guidance, criteria, and practices to determine whether materials and equipment are suitable for unrestricted release--or *clearance*, in the international parlance.

Power Reactor Decommissioning

I know that this audience will also be interested in another rulemaking on decommissioning that the Commission recently completed. In July, the Commission promulgated final requirements on power reactor decommissioning. These regulations amended NRC's "General Requirements for Decommissioning Nuclear

Facilities," which were promulgated in June 1988. The premature shutdown of several power reactors in the early 1990s prompted a reevaluation of the decommissioning process described in 10 CFR 50.82 to address issues that may arise when a plant permanently shuts down prior to expiration of the facility license. The Commission was able to successfully revise 50.82 by accommodating recommendations received from the staff, industry, and the public. The major premises used in developing the revised rule were: (1) recognition that risks associated with decommissioning reactor facilities are not the same as for operating reactors; (2) that there should be assurance that decommissioning will be conducted in a safe manner; (3) that adequate licensee funds will be available for this purpose; (4) that the public is properly informed of licensee decommissioning activities; and (5) that licensees who were competent to build and operate power reactors, are capable of dismantling them safely.

Completion of this rulemaking should clear the path for an improved decommissioning process that continues to ensure protection of the public, increases opportunities for public participation, and reduces review costs and unnecessary delays. With this rulemaking completed, the NRC staff turns its attention to other related rulemaking initiatives that may enhance the regulatory framework for reactor decommissioning, including financial assurance requirements, decommissioning costs, insurance coverage requirements, operator and plant staffing, physical protection for shutdown reactors, fitness-for-duty rule applicability, and storage of greater-than-class-C waste in independent spent fuel storage facilities. With the restructuring and deregulation of the utility industry, the NRC is focused on the potential impacts of these changes on nuclear safety, especially the assurance of funds to pay the costs of decommissioning.

III. Radioactive Waste Issues

There are three issues that I will discuss and these are Independent Spent Fuel Storage and Transportation, HLW Disposal and Compacts and LLW.

Independent Spent Fuel Storage and Transportation Issues

The next subject I would like to touch upon is the creation of a fairly new organization within the Office of Nuclear Material Safety and Safeguards, the Spent Fuel Project Office (SFPO). The SFPO directs the NRC program for the regulation and certification of transport canisters, package designs and interim storage of spent fuel, whether at reactor sites or at separate consolidated sites. It serves as the agency's focal point for design adequacy and safety issues for spent fuel storage and transportation packages, including testing requirements and is responsible for

licensing issues and regulatory policy. The SFPO is also responsible for the formulation and implementation of proposed agency policy on transportation safety and interim storage, including the development of licensing criteria and inspection guidance associated with the use of both storage and transportation casks.

Shortly after its formation, the SFPO reviewed recent experiences related to the construction and fabrication of Independent Spent Fuel Storage Installations (ISFSIs) at reactor sites throughout the country. One of the recommendations resulting from that review was that communications with reactor licensees on dry cask issues could be improved. Staff from SFPO and NRR have begun to meet periodically with an industry dry cask storage working group to discuss generic issues related to ISFSIs and NRC observations of industry performance in the area of dry cask storage of spent fuel at reactor sites. I understand that periodic meetings between the staff and the industry working group, conducted in the public forum, are planned for the foreseeable future. This is a good example of how we can coordinate on the identification and resolution of generic regulatory issues in a positive manner and I believe that this type of information exchange will do much to improve the licensing experience for dry cask storage and ISFSIs.

There are two issues in the area of dry cask storage which utilities planning to construct and operate an ISFSI must be prepared to address. These issues were identified through recent inspections of cask fabrication and pre-operational testing inspections.

First, although individual cask designs have been certified and approved for use by the NRC staff, it remains the responsibility of the utility to ensure that cask components are fabricated to the specifications defined in the Certificate of Compliance for that particular cask. We have found that a number of licensees have not provided the necessary oversight of fabricator activities.

Second, the NRC staff has noted that changes to the cask designs, as permitted by Part 72, are not always being evaluated and documented properly. Recent inspection findings in this area revealed that the quality of the evaluations are often of insufficient depth and scope, and do not provide adequate technical justification for the change in question.

If so, the cask, as fabricated, may not meet all the safety and design requirements and consequently, may NOT be used for spent fuel storage as constructed.

Insufficient documentation and justification for changes to cask designs and fabrication procedures places the integrity of cask

components into question and has also resulted in significant delays in cask delivery to the site as well as heightened interest from members of the public regarding the level of utility oversight.

Licensees need to seriously consider the level of oversight and quality assurance that they apply to dry cask storage activities. I believe that application of an aggressive quality assurance program is critical to the acceptable, efficient and timely storage of spent fuel in dry cask storage.

High-Level Waste Disposal

Having addressed decommissioning, recycling, and spent fuel storage, I will next focus on closing another part of the nuclear fuel cycle -- disposing of spent fuel in a geologic repository for high-level waste. As you are all probably aware, the Federal program for high-level waste management was the subject of legislation that was pending before Congress adjourned. Both the House and Senate (§ 1936) bills contain fundamental elements of an integrated high-level waste management plan needed for the protection of the public health and safety and the environment. The elements of an integrated management plan are: (1) interim on-site storage; (2) centralized interim off-site storage; (3) deep geologic disposal; and (4) a transportation mechanism to tie the elements together. The overall, long term success of this Nation's program to manage spent fuel and other high-level radioactive waste is dependent on finding a permanent solution to the safe disposition of this material. The Commission continues to believe that deep geologic disposal is a sound and technically feasible solution to the problem of final disposition of spent nuclear fuel and other high-level radioactive wastes.

Compacts and Waste Issues

As I alluded at the beginning of my talk, there is another set of issues that need to be considered as part of NRC's efforts to ensure the safe use of nuclear materials and the decommissioning of nuclear facilities -- low-level waste disposal. There are many uncertainties in developing new LLW disposal facilities -- in licensing, public acceptance, changing administrations in the State and Federal governments, institutional barriers, and so forth. Some of the large, but manageable uncertainties, are those associated with decommissioning.

Waste streams from routine operations are relatively well known and characterized and, therefore, reasonably predictable for a LLW disposal facility developer, host State and/or compact. Unlike these routine waste streams, decommissioning presents more difficult unknowns. Decommissioning waste may be a large part of the volume and curies in a new LLW disposal facility, or a small

part, depending on how it's addressed by the utility. Thus, it can have a big effect on design, cost, and demonstration of performance. Utilities have the option of extending their operating license for a nuclear plant by as much as twenty years, which is about the design life of most new LLW disposal facilities under consideration. Thus, if utilities choose not to extend the license, or prematurely terminate their operations, the large volumes of waste may have to go to a regional disposal facility sooner rather than later.

Utilities might also choose the SAFESTOR approach, that is, to leave much of the LLW on site for an extended period of time after the reactor is shut down, allowing for decay and some reduction in the volume and activity of LLW that will require disposal prior to completion of decommissioning. SAFESTOR can be decades long, and thus delay shipments of decommissioning waste beyond the planning horizon for today's new disposal facilities, and put the LLW into the next generation of facilities. Utilities also have the option of sending at least some of the decommissioning waste to a private disposal facility, such as Envirocare. Regulatory criteria are changing, which may impact the volumes and activity of waste that may be allowed to remain on site or be sent for recycling. Finally, technology is changing and will certainly lead to improvements in processing, volume reduction, and recycling that will affect the nature of the decommissioning waste stream.

As is often the case, these concerns can be managed with good communication and negotiation--between and among the compact commissions, the States, the developers, the regulators, and the nuclear utilities and the public. I believe we will be able to plan for and achieve safe disposal of LLW from both routine operations and decommissioning.

IV. Strategic Assessment/Rebaselining: Direction Setting Issues Addressing Decommissioning

With these issues and their resolution in mind, let me now focus our attention toward the future. In September 1995, NRC Chairman Shirley Jackson initiated a strategic assessment and rebaselining of the agency. The environment in which the NRC conducts its activities is rapidly changing as a result of many influences. These include changes in the industry that NRC regulates, and the potential for new and revised mission requirements. Also, efforts to balance the Federal budget will continue, which will result in resource constraints for the NRC.

Also, in order to accomplish regulatory effectiveness, the agency must continually reassess changing technology, accumulated safety experience and improved assessment techniques for both the reactor and materials programs. Only by being prepared for the

challenges of a changing environment will the agency continue to keep its health and safety mission in sharp focus. The Chairman established the Strategic Assessment and Rebaselining Initiative to help prepare NRC for the nuclear regulatory challenges of the 21st Century.

After reviewing over 4,000 NRC activities and the reasons behind them, the staff identified the predominant issues which are referred to as "Direction-Setting Issues," (DSIs) because their resolution, taken together, would establish NRC's strategic direction for the future. These issues affect the basic nature of NRC activities and the means by which this work is accomplished. Resolution of the DSI's will provide a strategy for the agency to meet its strategic vision and goals. Each of the DSI's was developed into a decision paper, which is referred to as an "issue paper". The issue papers address broad directions for the NRC. It is anticipated that Commission decisions on the DSIs will result in a rebaselining or a resetting of the agency's goals, assumptions and strategies.

Before reaching decisions on the issue papers, the Commission is actively seeking the viewpoints of its various stakeholders-- those who will be affected the most by the decisions. It opened a comment period with the publication of the issue papers on September 16, 1996; that period will close on November 15, 1996.

The NRC is utilizing various media in making the issue papers publicly available. Paper copies can be obtained through NRC's Public Document Room (PDR). Electronic versions can be obtained via NRC's Home Page on the World Wide Web. These sites also have directions on how to provide comments electronically. Further, the NRC plans to convene three public conferences to obtain comments from stakeholders. The dates and locations of the conferences are:

October 24-25
 Washington, DC--Washington Hilton
 October 31-November 1
 Colorado Springs, CO--Sheraton
 November 7-8
 Chicago, IL--Ramada O'Hare

To help the NRC better understand the viewpoints of its stakeholders, stakeholders are asked to consider several questions in formulating their responses:

1. What, if any, important considerations may have been omitted from the issue papers?
2. How accurate are the NRC's assumptions and projections for internal and external factors discussed in the issue papers?

3. Do the Commission's preliminary views associated with each issue paper respond to the current environment and challenges?

Additionally, the Commission is seeking comments on questions related to specific issue papers.

One of the DSI issues papers concerns materials licensee decommissioning. Most decommissioning actions are routine cases; however, about 50 current decommissioning cases involve complex issues that require significant NRC staff resources to resolve. In 1990, the NRC staff established the Site Decommissioning Management Plan (SDMP) to help focus staff resources on the resolution of difficult generic and site-specific decommissioning issues.

In decommissioning non-reactor facilities, NRC must balance the need to proceed expeditiously to provide assurance of long-term protection of public health and safety against the need to cost-effectively use its resources and, as appropriate, those of the licensees.

Three other related issue papers address LLW and HLW management and reactor decommissioning. Rather than going into further detail on these subjects, I encourage you to review these DSIs in your organizations and provide comments to the Commission.

The Strategic Plan will be developed from the agency's mission statement, its strategic vision, general goals, and the Commission's decisions on the issue papers. The development of the Strategic Plan will be guided by the requirements contained in the Government Performance and Results Act. The Strategic Plan will be the agency's tool for setting priorities and allocating resources consistent with the vision and goals of the agency. It is anticipated that the Strategic Plan will be completed in 1997.

Conclusion

Although NRC has done a great deal to address the decommissioning and waste issues that confront the agency and the nuclear industry, we need to do more to ensure that we have positioned ourselves to prepare for changing missions and budget, deal with economic pressures being faced by the nuclear industry, and improve the regulatory framework. It is my opinion that the NRC can help close the "fuel cycle loop," increase public confidence in the safety of nuclear energy, and achieve a high degree of credibility demanded by the public by arriving at its decisions in a fair and open process.

Thank you for your attention. I would be pleased to answer any questions that you might have at this time.