

May 25, 2001

The Honorable W. J. "Billy" Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing in response to your April 26, 2001, letter, in which you expressed concern with the Nuclear Regulatory Commission's (NRC) ability to respond to the significant increase in licensing activities at operating nuclear power reactors, as well as potential future licensing activities associated with applications for new site permits and new reactor licenses.

As you know, the NRC's mission is to ensure adequate protection of public health and safety, to promote common defense and security, and to protect the environment in the civilian use of nuclear materials. I want to assure you that these obligations remain our highest priority.

With respect to nuclear reactor licensing activities, we are confident that we have sufficient resources in FY 2001 and FY 2002 to respond to power uprate applications and license transfer applications. Additionally, we expect to realize efficiencies as a result of lessons learned from the review of the first few license renewal applications, and thus we believe that our FY 2001 and FY 2002 budgets are sufficient to support the concurrent review of the five renewal applications that are expected in each of those years. We believe this increased level of interest in license renewal is, in part, a reflection of our success in efficiently and effectively reviewing the applications received, along with our efforts to capitalize on lessons learned through development of regulatory guidance documents. Further, the Commission continues to encourage early notification by licensees, in advance of their application for license renewal and power uprates, in order to allow adequate planning.

Serious industry interest in new construction of nuclear power plants has only recently emerged. As a result, after a mid-year budget review, we have reprogrammed approximately 12 full-time equivalent (FTE) staff in FY 2001 to evaluate and assess our technical, licensing, and inspection capabilities. These resources have been made available through efficiencies and through postponing work that in the short-term should have no impact on our ability to meet our Strategic Plan goals, metrics, and program requirements. This evaluation and assessment of our capabilities will help us to identify any enhancements that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with early site permit applications, pre-application and license reviews for new standard designs, and the construction of a new nuclear power plant. The new initiative will not affect our ability to continue to ensure the adequate protection of public health and safety at existing operating facilities in FY 2001.

The preliminary estimate of resources needed in FY 2002 to review early site permit applications, conduct pre-application and license review activities, and begin to assess the advanced technologies being considered by industry, is approximately \$15-18 million. Since there was no indication of serious industry interest in future licensing activities at the time our FY 2002 budget was developed, the budget now before Congress does not include resources which may be needed for these activities. We note that there are significant demands on NRC budget resources to ensure safety of existing operating facilities and continue important ongoing initiatives, such as renewal of existing reactor licenses, and moving toward a more risk-informed regulatory environment.

We appreciate the continued opportunity to work with the Committee on these issues and look forward to meeting with you to discuss the issues described in this letter.

Sincerely,

/RA/

Richard A. Meserve

cc: Representative John D. Dingell

May 25, 2001

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing in response to your April 26, 2001, letter, in which you expressed concern with the Nuclear Regulatory Commission's (NRC) ability to respond to the significant increase in licensing activities at operating nuclear power reactors, as well as potential future licensing activities associated with applications for new site permits and new reactor licenses.

As you know, the NRC's mission is to ensure adequate protection of public health and safety, to promote common defense and security, and to protect the environment in the civilian use of nuclear materials. I want to assure you that these obligations remain our highest priority.

With respect to nuclear reactor licensing activities, we are confident that we have sufficient resources in FY 2001 and FY 2002 to respond to power uprate applications and license transfer applications. Additionally, we expect to realize efficiencies as a result of lessons learned from the review of the first few license renewal applications, and thus we believe that our FY 2001 and FY 2002 budgets are sufficient to support the concurrent review of the five renewal applications that are expected in each of those years. We believe this increased level of interest in license renewal is, in part, a reflection of our success in efficiently and effectively reviewing the applications received, along with our efforts to capitalize on lessons learned through development of regulatory guidance documents. Further, the Commission continues to encourage early notification by licensees, in advance of their application for license renewal and power uprates, in order to allow adequate planning.

Serious industry interest in new construction of nuclear power plants has only recently emerged. As a result, after a mid-year budget review, we have reprogrammed approximately 12 full-time equivalent (FTE) staff in FY 2001 to evaluate and assess our technical, licensing, and inspection capabilities. These resources have been made available through efficiencies and through postponing work that in the short-term should have no impact on our ability to meet our Strategic Plan goals, metrics, and program requirements. This evaluation and assessment of our capabilities will help us to identify any enhancements that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with early site permit applications, pre-application and license reviews for new standard designs, and the construction of a new nuclear power plant. The new initiative will not affect our ability to continue to ensure the adequate protection of public health and safety at existing operating facilities in FY 2001.

The preliminary estimate of resources needed in FY 2002 to review early site permit applications, conduct pre-application and license review activities, and begin to assess the advanced technologies being considered by industry, is approximately \$15-18 million. Since there was no indication of serious industry interest in future licensing activities at the time our FY 2002 budget was developed, the budget now before Congress does not include resources which may be needed for these activities. We note that there are significant demands on NRC budget resources to ensure safety of existing operating facilities and continue important ongoing initiatives, such as renewal of existing reactor licenses, and moving toward a more risk-informed regulatory environment.

We appreciate the continued opportunity to work with the Committee on these issues and look forward to meeting with you to discuss the issues described in this letter.

Sincerely,

/RA/

Richard A. Meserve

cc: Representative Rick Boucher

May 25, 2001

The Honorable James C. Greenwood, Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing in response to your April 26, 2001, letter, in which you expressed concern with the Nuclear Regulatory Commission's (NRC) ability to respond to the significant increase in licensing activities at operating nuclear power reactors, as well as potential future licensing activities associated with applications for new site permits and new reactor licenses.

As you know, the NRC's mission is to ensure adequate protection of public health and safety, to promote common defense and security, and to protect the environment in the civilian use of nuclear materials. I want to assure you that these obligations remain our highest priority.

With respect to nuclear reactor licensing activities, we are confident that we have sufficient resources in FY 2001 and FY 2002 to respond to power uprate applications and license transfer applications. Additionally, we expect to realize efficiencies as a result of lessons learned from the review of the first few license renewal applications, and thus we believe that our FY 2001 and FY 2002 budgets are sufficient to support the concurrent review of the five renewal applications that are expected in each of those years. We believe this increased level of interest in license renewal is, in part, a reflection of our success in efficiently and effectively reviewing the applications received, along with our efforts to capitalize on lessons learned through development of regulatory guidance documents. Further, the Commission continues to encourage early notification by licensees, in advance of their application for license renewal and power uprates, in order to allow adequate planning.

Serious industry interest in new construction of nuclear power plants has only recently emerged. As a result, after a mid-year budget review, we have reprogrammed approximately 12 full-time equivalent (FTE) staff in FY 2001 to evaluate and assess our technical, licensing, and inspection capabilities. These resources have been made available through efficiencies and through postponing work that in the short-term should have no impact on our ability to meet our Strategic Plan goals, metrics, and program requirements. This evaluation and assessment of our capabilities will help us to identify any enhancements that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with early site permit applications, pre-application and license reviews for new standard designs, and the construction of a new nuclear power plant. The new initiative will not affect our ability to continue to ensure the adequate protection of public health and safety at existing operating facilities in FY 2001.

The preliminary estimate of resources needed in FY 2002 to review early site permit applications, conduct pre-application and license review activities, and begin to assess the advanced technologies being considered by industry, is approximately \$15-18 million. Since there was no indication of serious industry interest in future licensing activities at the time our FY 2002 budget was developed, the budget now before Congress does not include resources which may be needed for these activities. We note that there are significant demands on NRC budget resources to ensure safety of existing operating facilities and continue important ongoing initiatives, such as renewal of existing reactor licenses, and moving toward a more risk-informed regulatory environment.

We appreciate the continued opportunity to work with the Committee on these issues and look forward to meeting with you to discuss the issues described in this letter.

Sincerely,

/RA/

Richard A. Meserve

cc: Representative Peter Deutsch