

May 15, 2001

MEMORANDUM TO: Chairman Meserve  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director */RA/*  
Office of Congressional Affairs

SUBJECT: SENATE NRC OVERSIGHT HEARING

On May 8, 2001, the Commission testified before the Senate Environment and Public Works' Subcommittee on Clean Air, Wetlands, Private Property and Nuclear Safety. The Commission was the first panel to appear before the Subcommittee. The second panel consisted of Joe Colvin, Nuclear Energy Institute; David Lochbaum, Union of Concerned Scientists; Oliver Kingsley, Exelon Corporation; Gary Jones, U.S. Government Accounting Office; and Steven Fetter, Fitch IBCA. The Members attending the hearing were Senator Voinovich (R-OH), Chairman, Senator Inhofe (R-OK), Senator Reid (D-NV), Ranking Member. Senator Thomas Carper (D-DE), and Senator Jon Corzine (D-NJ) came in for the second panel. The submitted statements from both panels were distributed by OCA prior to the hearing.

In his opening statement, Senator Voinovich said that change at the NRC, such as risk-based regulation and the focus on processing license renewal applications quickly, has helped create new interest in nuclear energy. He added that it is his intention as Chairman to continue the strong oversight began by his predecessor, Senator Inhofe, to ensure that nuclear energy remains a viable energy option and an important part of the national fuel mix. He said that: (1) most important is public safety -- nuclear power has a great safety record and we must continue to improve upon it; (2) the industry and NRC must address the human capital crisis; (3) NRC must continue to examine the relicensing process and its procedures to make sure the agency can process multiple applications at the same time; (4) NRC must continue to improve regulatory certainty; and (5) NRC must address how we can get more nuclear generation (from existing facilities - - and look at what the Federal government can do to encourage the building of new nuclear units). He added that the Federal government has a legal and moral obligation to solve the nuclear waste issue as quickly as possible.

In his opening remarks, Senator Inhofe said that the NRC needs to look at lessons learned during previous reform efforts to protect the public while simultaneously making the climate more favorable for bringing new nuclear facilities on line. He also added that any change in NRC's regulations takes a long time and asked what NRC is doing to expedite regulatory reforms. Senator Inhofe spoke of the need for more resources, but asked what the NRC is

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doing to redistribute existing resources before Congress starts to write checks for a larger workforce. He also said that he would like to get a better sense as to how the agency is accounting for its expenditures - - the money collected from license fees that is not for specific licensee activities. He added that you can't have a national energy policy without having nuclear energy as part of it. He addressed some of his concerns during the hearing and plans to submit the rest as post hearing questions.

Senator Voinovich emphasized the need to have the necessary human capital to do the work that must get done. Chairman Meserve responded that the Commission shared his concern and that the NRC is doing an assessment of the staff capabilities we need to have and will develop a program to identify how we're going to fill any gaps. Commissioner McGaffigan described a limited waiver authority that we are seeking with OPM that would allow NRC to bring back a small number of retirees with needed skills without a reduction to their annuities.

Senator Reid's main interest was NRC's comments on EPA's standard for Yucca Mountain. He asked Chairman Meserve if he agreed that EPA should be the lead agency in developing the standard. The Chairman replied that it is an issue for the Congress to decide. The statute provides that EPA is to have authority to set standards, and when and if EPA does issue its standards, the NRC will conform its requirements to them. Senator Reid said EPA would have issued the standard a long time ago but for the pressure of the NRC and the nuclear power industry. Chairman Meserve acknowledged our disagreements with EPA on a matter of principle, and said we are supported by the National Academy of Sciences and international organizations. Senator Reid asked why the NRC is trying to get EPA to change its standard before it is issued. Chairman Meserve said we had a right to submit comments to EPA. Senator Reid said that he thought the NRC went beyond providing comments to EPA. He added that he would provide questions for the record and would like answers to his questions in two weeks.

Senator Inhofe questioned the Commission on its recommendations for Price Anderson renewal. He asked for the information in writing, which was provided after the hearing. There were other questions for the record that were provided to the NRC staff for response.

The Commission's unedited transcript was provided earlier for review. The transcript of the second panel is available in OCA.

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