



NRC NEWS

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**IG PLANNING CONFERENCE
KEYNOTE ADDRESS**

BY

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U.S. NUCLEAR REGULATORY COMMISSION
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Good morning, and thank you for providing me the opportunity, once again, to address your Annual Planning Conference. I was pleased to learn that the theme for this year's conference is "NRC's New Regulatory Approach and How Effective Communication is Key." The subject is singularly important.

I believe that we cannot accomplish our mission to protect public health and safety and the environment without public confidence and trust in the decisions the Commission and its staff make. The most significant way we can instill public trust and confidence is to engage our stakeholders in effective communication. The two most important aspects of effective communication are clarity and openness.

In our efforts to build public confidence, I believe the existence of an independent office such as yours is a valuable asset. While we may believe that we are communicating clearly and openly, the external perspective may be quite different. Thus, the OIG, through your audit and investigative programs, provides the Commission valuable insights on how well we are communicating and, in the end, whether we are fostering public trust and confidence. I will return to the important role you play in a moment.

However, let me first explain why clear and open communication is essential to increasing public confidence in NRC and in the decisions we make. I will also explain what we are doing to achieve it.

Why Open and Clear Communication?

The regulation of the civilian uses of radioactive materials is a highly technical activity, involving scientific analysis and engineering judgment. It might, therefore, be easy to conclude that, because most members of the general public do not understand such concepts as conditional core damage frequency, special treatment requirements, or emergency core cooling systems, it is, therefore, counterproductive to expend time and energy to involve the public. This conclusion is simply wrong.

First of all, many of our stakeholders, either through formal training or through their involvement with the NRC over a period of time, are quite well-versed in the technical details of the facilities we regulate and are familiar with the NRC's regulations. And for those who are not, our challenge is to explain these details in terms that are understandable. It is not enough to be technically precise in what we say; we must also say it in a way that the public will understand. In other words, we must speak in plain English.

Perhaps one of the greatest challenges we face in communicating with the public is effectively conveying the true risk from nuclear power. Although one recent poll indicates that a majority (65%) of those polled think that nuclear power plants are safer now than they were 10 years ago,¹ there are segments of our population that remain concerned that the risks are too great and that the technology represents a significant threat to the public health, safety and the environment. Others worry about the collective ability to safeguard nuclear materials so that untoward uses of them are avoided. And others are worried about the risks attendant to nuclear waste and the potential hazard that these materials present to future generations. If nuclear power is to remain an option in the mix of energy sources, these concerns must be confronted. And, given the enhanced public and political interest in energy, most recently reflected in the Administration's Energy Policy Report,² the pressure to confront these matters has recently been magnified.

I mean the words "must be confronted" quite literally. Although our regulatory decisions may have a veneer of technical detail, at core they usually implicate embedded social judgments about the acceptability of risk and the balance of costs and benefits. These social judgments are matters on which the public has a stake and on which the affected public is entitled to have its concerns addressed. There is thus a substantive imperative for the regulator to involve the public in its decision-making. Indeed, the public may on occasion bring to light issues that deserve careful attention that otherwise would not have been examined.

Equally important, there is a procedural imperative to make such licensing decisions through processes accessible to the public. In the absence of such transparency, skeptics who do not have access to the regulatory process cannot be blamed for suspicions that their concerns have not been considered. No matter how careful a job we may do, if our work is performed behind a veil of secrecy, the public will not have confidence that the result is fair, objective, honest, or in the public interest. In the end, it is likely that the public will not accept the decision. There always will be the corrosive suspicion that decisions made outside the sight of the public serve to protect those favored by the decisions, to conceal dangers, or to cloak imprudent, unethical, or illegal acts.

¹ Associated Press Poll on Nuclear Power, April 25, 2001.

²"Reliable, Affordable, and Environmentally Sound Energy for America's Future," Report of the National Energy Policy Development Group, May 17, 2001.

Let me give you a specific example. Although the primary objective of the NRC is to protect public health and safety, we have established certain other performance goals. One of these goals, of course, is the one I've been discussing, increasing public confidence. We also have a goal of reducing unnecessary regulatory burden. Based on four decades of experience with operating nuclear power reactors and on improved techniques of probabilistic risk assessment, we now recognize that some regulations imposed in the past may not serve their intended safety purpose and, therefore, may not be necessary to provide adequate protection of public health and safety. Where that is the case, we should revise or eliminate those regulations, because they are not required to achieve our mission. (Of course, insights about risk can also reveal shortcomings in the current regulatory system and these are also being addressed.) However, some members of the public may view these activities as aimed solely at relaxing our safety regulations so as to make life easier for our licensees. Although this is not the case, it does challenge us to communicate effectively how these changes actually will improve our focus on safety.

At the same time that the NRC is using insights about risk to examine the regulatory program, the U.S., as I am sure all of you are aware, is experiencing a dramatic change in the economic conditions within which the nuclear electric power industry operates. Until recently, the rates that generators received for their service were regulated, state by state. Licensees could readily recover the costs of meeting safety requirements in the state-regulated rate base. Within the last year or two many states have deregulated electricity prices and many more are expected to do so in the future. (California may cause some delay, but the general trend is still clear.) The result is that nuclear-generated electricity now must compete in an open market with other sources of electric power. The costs of our regulatory system now come directly off the economic bottom line, and affect the economic competitiveness of nuclear power.

Although the effort to risk-inform the regulatory system started long before the change in the economic climate, the juxtaposition of the two activities can invite skepticism. How is the public to be assured that the changes in safety regulations that we adopt are not merely intended to promote the economic interests of the industry? Of course, the NRC does not promote nuclear power; that is the responsibility of the Department of Energy. However, this fact does not prevent the question from being asked. And the only way we can satisfy the skeptics is by fully revealing the substance of our efforts to revise our regulatory program so as to show that our actions are reasonable and appropriate. Without a clear and open process, the public cannot be assured that our focus is indeed on health and safety, as it must be, and not on the financial interests of our licensees.

Let me mention one other demand for clear and open communication that arises from the current economic changes. The new climate of economic competitiveness holds the danger of creating an environment in which heightened concerns about nuclear power might fester if not addressed forthrightly. Some may fear, for example, that the new economic environment creates incentives for licensees to cut corners on safety in order to improve the bottom line. It is our responsibility to ensure that such actions are not taking place. And it is equally our responsibility to keep the public informed of our findings so that there can be an accurate factual foundation for the public's perceptions. Fortunately, our review to date has shown the improved economic performance and improved safety performance go hand-in-hand. The changed economic environment, in fact, may be providing increased incentives for safety because a safe plant is also one that is reliable. Ultimately, however, we must ensure that the public is fully and accurately informed of licensee performance so that needless fears are avoided.

Recent Initiatives

I have tried thus far to provide an explanation for the importance of clear and open communication. Let me now turn to some of the ways in the which the NRC is working to achieve this objective.

One fundamental way to achieve clear and open communication is to ensure access to information. We maintain a Public Document Room in which materials are made available to the public. We are also trying to harness information technology so that these materials will be more readily available electronically, offering the prospect for timely and easy access throughout the world. Most of you are familiar with ADAMS and the problems we've had both internally and externally. We are implementing an Action Plan to address these problems and we recently received an independent assessment of ADAMS conducted by the Harvard Computer Group. I am hopeful that we can make significant improvements in our document management system over time. Since we are constrained by software, improvements will not be as rapid as we all would like.

In addition, the Commission is making use of technology to facilitate the hearing process on a potential application for a license to construct a high level waste facility at Yucca Mountain. Through the development and establishment of the Licensing Support Network (LSN), we also to hope increase effective public participation in the hearing process by ensuring timely public access to those documents of potential relevance to the application. Finally, we are working on redesigning the NRC's website. We recognize that the Internet has become an important vehicle for making information widely available. The feedback we have received has impressed us with the need to upgrade and redesign our site so that it is more user friendly, is more easily navigated, and provides a richer variety of current mission-related information about the NRC's regulatory activities. We hope to have the revised website in place by September of this year.

Another important aspect of clear and open communication is face-to-face interaction with stakeholders through public meetings. In addition to our public hearing processes for licensing actions, the Commission and the staff routinely conduct public meetings so that the public has opportunities to learn about proposed actions and to express views about the proposals and NRC decisions. Many NRC staff meetings are held in the affected communities, often in the evening, so that all segments of the public can participate. These meetings are extraordinarily popular and usually result in important, mutually informative exchanges.

Finally, we will fail in instilling public confidence if the public fails to understand us. Thus, it is important to avoid using jargon and technical language when speaking to the public. We've have adopted a "plain language" initiative and provide formal training for both our managers and staff on the art of conducting public meetings. The ability to organize and conduct meetings that promote open, effective communications is not a natural one, but it is one that can be learned. Because public meetings often address controversial issues, our staff must be able to provide participants with clear and accurate information. Moreover, the staff must be mindful that half of communication is listening. And thus the staff must be trained to listen carefully and thoughtfully and to react responsively to the views and concerns of others. Our new training courses are aimed at reenforcing a cultural climate of openness and providing our staff with the skills to be responsible shepherds of honest open processes.

Another initiative is to develop explicit communications plans for important activities in our major programs, such as licensing, spent fuel storage, and inspection. The objective is to provide guidance to our staff who routinely work in these areas so their communications with the public are

consistently thorough and complete. We want to avoid, for example, inadvertent omissions that could be misinterpreted as attempts to conceal information, thus needlessly creating suspicions. We have already used a communications plan to explain our response to the failure of a steam generator tube at the Indian Point 2 plant. The plan provided a useful framework to guide public discussion of the relevant issues and to facilitate public access to the ongoing decision-making process.

Although I believe we have made great strides forward, I also recognize that we have not fully achieved our goal. In April, the staff conducted a public participation issues workshop. At that workshop, the staff heard concerns ranging from a general sense that the NRC does not listen or understand its stakeholders to problems encountered using ADAMS, and concerns regarding the timing and location of meetings, and the appropriate level of public participation in public meetings. We are working to address these and other matters raised at the workshop. The staff is developing an action plan which I expect to see by the end of July.

Role of OIG

As the NRC strives to be more open, we welcome the scrutiny that OIG provides. As I briefly mentioned in the beginning of my remarks, you are in a unique position to see the agency both as an insider and as an outsider. Your independent audits and evaluations provide valuable insight in areas where we have both achieved our objectives and, more importantly, where we may have failed. I note that OIG listed “clear and balanced communication with external stakeholders” as among the top management challenges that faces the agency.³ I couldn’t agree with you more. Recent OIG audits have also focused on specific issues associated with NRC’s efforts to improve its communication with the public, including a report on the NRC’s Quality Assurance Process for Official Documents⁴ and an evaluation of the status of NRC’s website.⁵ Both of these reports provided helpful information, and we look forward to more of these audits in the future, particularly the results of your planned audit of ADAMS during FY 2001.⁶

Conclusion

Let me reiterate my view that responsible openness is an essential ingredient in regulatory decision-making. As conscientious public servants, we cannot be successful if we are seen as being secretive. Clarity and openness are particularly important for decisions in highly technical areas because otherwise the public has scant opportunity to understand the issues or to participate in a meaningful way. We want the public to continue to have confidence that the NRC will carry out its mission to protect health and safety in the public interest, and we are investing in our staff and programs

³ Special Evaluation of NRC’s Most Serious Management Challenges, OIG-00-A-04 Audit Report January 31, 2001.

⁴ OIG-01A-02: Review of NRC’s Quality Assurance Process for Official Documents, February 23, 2001.

⁵ Special Evaluation of the Status of NRC’s website, OIG/OOE-08, April 20, 2000.

⁶ Office of the Inspector General FY 01 Annual Plan, Appendix B: Information Technology and Administrative Team Audits Planned for FY 2001, “Review of Agencywide Documents Access and Management Systems (ADAMS).”

to enhance that trust. I look forward to your continued scrutiny as we work towards increasing public confidence in our decisions.

Thank you for the opportunity to join you today.