

July 13, 2001

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director /s/ Linda Portner for **IRA**
Office of Congressional Affairs

SUBJECT: SENATE ENERGY HEARING ON S. 472, NUCLEAR
ENERGY SUPPLY ASSURANCE ACT, 7/12/01

The Senate Energy and Natural Resources held the second in a series of six hearings on energy issues before it proceeds to markup of a comprehensive energy bill; the markup is anticipated to occur the first week of August. This hearing focused on both oil and gas issues as well as on S. 472, Senator Domenici's Nuclear Energy Supply Assurance Act. Ashok Thadani testified for the NRC.

Chairman Bingaman (D-NM) noted his interest in moving to a markup, and Ranking Minority Murkowski (R-AK) emphasized that the energy crisis has not gone away, referencing the lack of recent construction of nuclear or coal-fired plants and increasing reliance on foreign sources of oil. He criticized the "radical environmental community" for opposing efforts to develop more resources at home, specifically at the Arctic National Wildlife Refuge (ANWR).

Senator Dorgan (D-ND) questioned why so much time was being devoted to discussion of ANWR, which he characterized as not going anywhere, which then meant less time was devoted to more important issues. He suggested that the country needs to be less dependent on the oil industry and rejected President Bush's energy plan which mainly focuses on "dig and drill." He challenged the Administration witnesses to describe what the nation's energy picture should look like in fifty years; DOE Deputy Secretary Blake said a study this fall would provide an answer, and Interior Secretary Norton replied that the goal was to change trends, rather than identify specific targets.

Former Senator and Committee Chairman Bennett Johnston testified on behalf of his consulting firm. He advocated the early reauthorization of the Price-Anderson Act, with its consideration separate from an energy bill, so that action could occur before the Act's expiration in August 2002. He stated that "you can't get there" on global warming without nuclear power. Mr. Fertel of NEI testified in support both of reauthorization of Price-Anderson and enactment of S. 472. He referenced the human resource needs of the industry and commented that all operating nuclear power plants were expected to pursue license renewal. Ashok Thadani provided the NRC's comments on pertinent titles of S. 472 and described the agency's strong support of and historical benefits derived from its nuclear research program. Ms. Aurilio testified on behalf of

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PIRG that nuclear power was uneconomic, unreliable, and generated radioactive waste for which there was no sound solution. PIRG opposed legislative provisions providing incentives to run nuclear plants longer, referencing aging concerns. If nuclear was so safe and clean, she questioned why the industry still needed the subsidy of Price-Anderson's limit on liability and why NEI was suing to weaken radiation protection standards at the repository. She found S. 472's language describing nuclear power as an "environmentally preferable product" amusing because it would "legislate away the waste issue." Due to a series of votes on the Senate floor, the hearing was adjourned without an opportunity for questions for the third panel.

The witness list is attached; testimony is available in OCA.

Attachment: As stated

cc: SECY
OGC
OGC/Cyr
EDO
NRR
NMSS
RES
OIP
OCAA
OPA
OIG
CFO

Witness List

Hearing:

To receive testimony on provisions to protect energy supply and security (Title I of S. 388, the National Energy Security Act of 2001); oil and gas production (Title III and Title V of S. 388; and Title X of S. 597, the Comprehensive and Balanced Energy Policy Act of 2001); drilling moratoriums on the Outer Continental Shelf (S. 901, the Coastal States Protection Act; S. 1086, the COAST Anti-Drilling Act; and S. 771, a bill to permanently prohibit the conduct of offshore drilling on the Outer Continental Shelf of the State of Florida, and for other purposes); energy regulatory reviews and studies (Title III of S. 597); S. 900, the Consumer Energy Commission Act of 2001; and provisions to promote nuclear power (sections 126 and 128-130 of Title I, and Titles II and III of S. 472, the Nuclear Energy Electricity Supply Assurance Act of 2001); S. 919, a bill to require the Secretary of Energy to study the feasibility of developing commercial nuclear energy production facilities at existing Department of Energy sites; and S. 1147, a bill to amend Title X and Title XI of the Energy Policy Act of 1992.

Date and Time: Thursday, July 12, 2001, 9:30 a.m.

Location: Senate Dirksen Office Building, Room 366

Witness Name and Title:

Panel I

The Honorable Gale Norton, Secretary, Department of Interior, Washington, D.C.

The Honorable Francis S. Blake, Deputy Secretary, Department of Energy, Washington, D.C.

Panel II

The Honorable Bennett Johnston, Chairman, Johnston & Associates, LLC, Washington, D.C.

Bill Burton, Partner, Jones Day, Houston, TX

Chuck Clusen, Senior Policy Analyst, Natural Resources Defense Council, Washington, D.C.

Jerry Hood, Special Assistant to the General President for Energy; Principle Officer of Local 959 in Alaska Intl. Brotherhood of Teamsters Anchorage, Alaska

Tom Young Vice President - Business Development Mariner Energy, Inc. Houston, TX

Panel III

Marvin Fertel, Senior Vice President, Business Operations, Nuclear Energy Institute, Washington, D.C.

Ashok Thadani, Director, Office of Nuclear Regulatory Research, Nuclear Regulatory Commission, Rockville, MD

Ms. Anna Aurilio, Legislative Director, US PIRG, Washington, D.C. 20003