

STATEMENT SUBMITTED  
BY THE  
UNITED STATES NUCLEAR REGULATORY COMMISSION

TO THE  
SUBCOMMITTEE ON CLEAN AIR, CLIMATE CHANGE,  
AND NUCLEAR SAFETY  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
UNITED STATES SENATE

FOR THE  
OVERSIGHT HEARING

SUBMITTED BY  
DR. NILS J. DIAZ  
CHAIRMAN

SUBMITTED: MAY 20, 2004

## **Introduction**

Mr. Chairman and members of the Subcommittee, it is a pleasure to appear before you today with my fellow Commissioners to discuss the Nuclear Regulatory Commission's programs. We appreciate the past support that we have received from the Subcommittee and the Committee as a whole, and we look forward to continue working with you.

As you know, the NRC's mission is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment. The Commission does not have a promotional role -- rather, the agency seeks to ensure the safe application of nuclear technology if society elects to pursue the nuclear energy option. The Commission recognizes, however, that its regulatory system should not establish inappropriate impediments to the application of nuclear technology. Many of the Commission's initiatives over the past several years have focused on maintaining or enhancing safety and security while simultaneously improving the effectiveness and efficiency of our regulatory system.

With your permission Mr. Chairman, I will highlight a few of our ongoing initiatives and achievements.

## **Reactor Safety Programs**

The past three years have seen the maturing of the reactor oversight process. We believe that this program is a significant improvement over the former inspection, enforcement, and assessment processes. We received external recognition of the effectiveness of our

Reactor Inspection and Performance Assessment program when the Office of Management and Budget evaluated it using its Performance Assessment Rating Tool (PART) and awarded the top rating, "effective," a rating achieved by only 11% of the Federal programs assessed. One of its strongest attributes is its transparency and accessibility to members of the public. You will find performance indicators and inspection findings for every power reactor on NRC's public web site page, as well as our current assessment of each reactor's overall performance. The transition to the reactor oversight process has gone well, and we will strive to make further improvements.

Overall, the industry has performed well. As of the end of CY 2003, there were two plants designated for the highest level of scrutiny under the reactor oversight process, the Cooper plant in Nebraska and the Point Beach plant in Wisconsin. In addition, the Davis-Besse plant in Ohio has been treated under our Manual Chapter 0350 Startup Oversight Process. The Cooper and Point Beach plants have received significant attention from our regional and headquarters offices, and we are confident that these plants are on a path to resolving long-standing problems.

Over the past two years, the NRC staff has devoted significant resources for enhanced regulatory oversight of the Davis-Besse plant following the discovery of extensive degradation of the reactor vessel head. After an extensive plant recovery program and comprehensive corrective actions by the licensee, FirstEnergy, and considerable NRC inspection and assessment, the staff determined that there was reasonable assurance that the plant could be safely restarted and operated. This decision was made in a deliberate manner, based on sound regulatory and technical findings, and in accordance with the requirements of Federal

statutes and NRC regulations. On March 8, 2004, the NRC staff gave approval for the restart of Davis-Besse. In addition, the staff issued a confirmatory Order requiring independent assessments and inspections at Davis-Besse to assure that long-term corrective actions remain effective. The NRC's oversight panel will continue to coordinate the inspection and regulatory activities for Davis-Besse until plant performance warrants resumption of the normal reactor oversight process.

We acknowledge the extensive interest in, and concerns about, the restart of Davis-Besse by area residents; public interest groups; Federal, State, and local officials; and others. We have conducted our regulatory responsibilities in an open and candid manner, keeping the public informed to the maximum extent possible at each step of the process. We have not been able to share the results of our Office of Investigations' reports because those have been referred to the Department of Justice for its consideration. Those reports have, however, been fully considered by NRC staff prior to restart. We have had extensive communication with our stakeholders, including establishing a web site and issuing monthly newsletters. Also during the past two years, the NRC staff conducted 75 public meetings on Davis-Besse – most of these meetings were held in the vicinity of the plant – and held 50 briefings for Federal, State, and local government officials. The oversight panel will continue to hold periodic public meetings near Davis-Besse with FirstEnergy officials to review the status of ongoing activities at the plant.

Concurrently, we have undertaken a significant and critical review of our programmatic and oversight activities to evaluate our own actions associated with the reactor vessel head degradation at Davis-Besse. These actions have considered the Davis-Besse Lessons

Learned Task Force Report. The Task Force completed its review in September 2002 and issued a report that contained a number of recommendations for improvements to the reactor research, oversight, and licensing programs. These recommendations are being implemented as part of four action plans, encompassing: (1) stress corrosion cracking, (2) operating experience program effectiveness, (3) inspection, assessment and project management guidance, and (4) barrier integrity requirements. Of the 49 recommendations, 16 were completed in 2003, including all seven high priority items scheduled to be completed that year. Inspection program guidance was revised to address the high-priority recommendations regarding follow-up to long-standing equipment issues and oversight of plants in extended shutdowns. Enhancements to inspector training programs were initiated. Guidance was issued regarding the adequate documentation of certain decisions. We continue to work on addressing the remaining recommendations and are making significant progress. Except for three items, all other high-priority recommendations will be completed by the end of 2004. The remaining high priority items will be completed during 2005.

In April 2004, we completed an examination of reactor vessel cladding and structural analyses. Based on these efforts, the staff concluded that near-term vessel failure was unlikely and that it was highly likely the vessel could have operated safely for at least several more months following the February 2002 Davis-Besse shutdown. As you are aware, the plant restarted with a new reactor vessel head; thus, the degraded condition no longer exists.

The NRC's Office of the Inspector General conducted an inquiry into our oversight of the Davis-Besse reactor vessel head degradation. The issues identified in the IG's report are similar to a subset of those identified by the Lessons Learned Task Force; and as such,

corrective actions have either been completed or are in progress for each of the IG's findings. The IG was particularly concerned with the flow of information within the agency -- communication between headquarters, the regional offices, and the resident inspector staff. We are committed to improving this communication and have already witnessed a lowering threshold for raising issues. For example, there has been a significant increase in the scope and level of detail discussed during daily status meetings among NRC regional, headquarters, and site offices, as well as improvements in internal communications. We have also placed renewed emphasis on improving communication with the international nuclear community to ensure that new issues are promptly communicated as they arise. Going forward, we are dedicated to improving our inspection and assessment programs to prevent recurrence of this or similar significant challenges to safety.

### **Reactor Licensing Programs**

Let me now turn to significant achievements in our reactor licensing programs. The reactor licensing program ensures that operating nuclear power plants maintain adequate protection of public health and safety throughout the plant's operating life. NRC licensing activities include reviewing license applications and changes to existing licenses, reviewing reactor events for safety significance, and improving safety regulations and guidance. In FY 2003, the NRC met or exceeded all established measures for the timeliness and quantity of completed nuclear power plant licensing-related actions.

The reactor licensing program's timeliness in responding to licensee requests has improved dramatically since 1997. At the end of FY 2003, 96 percent of licensing actions in the

working inventory were less than one year old and 100 percent of licensing actions in the working inventory were less than two years old. We also completed 500 other licensing activities, most of which were associated with identification and resolution of emerging technical issues. For example, we issued generic communications to the industry alerting them to emerging issues such as leakage from reactor pressure vessel lower head penetrations, the potential impact of debris blockage on emergency sump recirculation at pressurized-water reactors, and control room habitability. We will not be able to sustain this level of timeliness in FY 2004 because of a very large volume of security licensing actions which we are giving the highest priority. We are managing our licensing action inventory to ensure that appropriate timeliness goals are being established for each action, and that no safety-significant issue is left untreated.

A significant type of reactor licensing action, called a power uprate, is a request to raise the maximum power level at which a plant may be operated. Improvement of instrument accuracy and plant hardware modifications have allowed licensees to submit power uprate applications for NRC review and approval. The focus of our review of these applications has been and will continue to be on safety. In addition, we continue to monitor operating experience closely to identify issues that may affect power uprate implementation.

Power uprates range from requests for small increases of less than two percent based on the recapture of power measurement uncertainty, to large increases in the range of 15 to 20 percent that require substantial hardware modifications to the plants. In all instances, the NRC must be satisfied that appropriate safety margins remain. To date, the NRC has approved 101

power uprates which have safely added approximately 4175 megawatts electric to the nation's electric generating capacity and is the equivalent of about four large nuclear power plants.

Currently, the NRC has four power uprate applications under review and expects to receive an additional 25 applications through calendar year 2005. This would add approximately 1760 megawatts electric to the nation's electric generating capacity. The NRC recently issued a Review Standard for Extended Power Uprates (i.e., uprates that increase the current power by 7 percent or more), which is available publicly, that enhances the NRC's focus on safety and improves consistency, predictability, and efficiency of these reviews.

As stated earlier, the NRC monitors operating experience at plants that have implemented power uprates. Cases of steam dryer cracking and flow-induced vibration damage affecting components and supports for the main steam and feedwater lines have been observed at some of these plants. We conducted inspections to identify the causes of several of these issues and evaluated many of the repairs performed by the licensees. We continue to monitor the industry's generic response to these issues and will consider additional regulatory action, as appropriate.

License renewals are another significant type of licensing action. In 2003, thirteen units -- North Anna Units 1 and 2 and Surry Units 1 and 2 in Virginia, Peach Bottom Units 2 and 3 in Pennsylvania, Saint Lucie Units 1 and 2 in Florida, Fort Calhoun in Nebraska, McGuire Units 1 and 2 in North Carolina, and Catawba Units 1 and 2 in South Carolina -- had their licenses extended for an additional 20 years. Thus far in 2004, 2 units -- H.B. Robinson, Unit 2 and V.C. Summer, Unit 1 in South Carolina -- have had their licenses renewed. That brings the



total of renewed reactor licenses to twenty-five. The staff currently has license renewal applications under review for seventeen additional units. In every instance, the staff has met its timeliness goals in carrying out the safety and environmental reviews required by our regulations. If all of the applications currently under review are approved, approximately 40 percent of the nuclear power plants in the U.S. will have extended their operating licenses. We expect that almost all of the 104 reactors licensed to operate will apply for renewal of their licenses. The staff will continue to face a significant workload in this area with the sustained strong interest in license renewal by nuclear power plant operators due to many benefits of license renewal.

While improved performance of operating nuclear power plants has resulted in significant increases in their electrical output, it is expected that continuing increased demands for electricity will need to be addressed by construction of new generating capacity. As a result, industry interest in new construction of nuclear power plants in the U.S. has recently emerged. The NRC is ready to accept applications for new power plants. New nuclear power plants will likely utilize 10 CFR Part 52, which provides a stable and predictable licensing process. This process ensures that all safety and environmental issues, including emergency preparedness and security, are resolved prior to the construction of a new nuclear power plant. The design certification part of the process resolves the safety issues related to the plant design, while the early site permit process resolves safety and environmental issues related to a potential site. The issues resolved in these two parts can then be referenced in an application which would lead to a combined construction permit and operating license, referred to as a combined license. This license contains inspections, tests, analyses, and acceptance criteria that must be attained before the facility can commence operation.

As you know, the NRC has already certified three new reactor designs. These designs include General Electric's Advanced Boiling Water Reactor and Westinghouse's AP600 and System 80+ designs. In addition to the three advanced reactor designs already certified, there are new nuclear power plant technologies which some believe can provide enhanced safety, improved efficiency, and lower costs. The NRC staff is currently reviewing the Westinghouse AP1000 design certification application. The staff has met all scheduled milestones for the AP1000 design review and is on track to issue its recommendations to the Commission this fall on whether the final design should be certified. This recommendation would be followed by the design certification rule in 2005. The NRC staff is also actively reviewing pre-application issues on two additional designs and has four other designs in various stages of pre-application review.

In September and October of last year, we received three early site permit applications for sites in Virginia, Illinois, and Mississippi where operating reactors already exist. The staff has established schedules to complete the safety reviews and environmental impact statements in approximately two years. The mandatory adjudicatory hearings associated with the early site permits will be concluded after completion of the NRC staff's technical review. As with design certification rulemaking, issues resolved in the early site permit proceedings will not be revisited during a combined license proceeding absent new and compelling information.

### **Security**

During the past year, the Commission has continued to enhance security of licensed nuclear facilities and materials through close communication and coordination with other

agencies in the intelligence and law enforcement communities and with the Department of Homeland Security. For commercial nuclear power reactors, we issued Orders in April 2003 to impose a revised design basis threat (DBT) and enhanced requirements for security officer work hour limits (to ensure officers remained fit for duty) and standards for their training and qualification. With these requirements, we have established an enhanced set of security requirements for power reactors that is appropriate in the post-9/11 threat environment. The work-hour limits and the previously imposed access authorization enhancements have been fully implemented. Revisions to site security plans (including training and qualification) and site modifications to provide protection against the revised DBT have been submitted to the NRC for review and implementation. The review is in progress with full implementation scheduled for October 2004. We have redefined our baseline inspection program for security and are phasing in the new inspection program consistent with the new requirements. As a complement to licensee security measures, NRC is working with the Department of Homeland Security and the Homeland Security Council, and other partners to enhance the integrated Federal, State, and local response to threats.

We continue to conduct force-on-force exercises to evaluate licensees' defensive capabilities and identify areas for improvement. During 2003, we implemented a pilot force-on-force exercise program and conducted exercises at 15 power plants to evaluate the significance and impact of enhanced adversary characteristics and associated compensatory measures and to develop program improvements to enhance the realism and effectiveness of the exercises. In 2004, we are conducting exercises roughly twice a month to evaluate the effectiveness of program enhancements including the use of Multiple Integrated Laser Enhancement System (MILES) equipment, adversary force standards, improved controller

training, and other enhancements to improve the realism of the exercises while maintaining safety of both the plant and personnel. In November of this year, we will begin full implementation of the triennial force-on-force exercise program for power reactors.

In the area of materials security, we have coordinated closely with State agencies and affected licensee groups to develop additional security requirements for two classes of materials licensees who possess high-risk radioactive materials (irradiator licensees and manufacturers and distributors of radioactive materials). We are preparing proposed Orders for other materials users. We are developing enhanced import and export controls for high-risk sources. In addition, we have developed an interim database for high-risk sources and, with the assistance of other Federal agencies as well as the States, we are laying the foundations for the national source tracking system. We are also engaged with other Federal agencies to increase security involving transportation of large quantities of radioactive materials and are conducting a comprehensive review of material control and accounting requirements and practices.

The NRC has completed most of its work on vulnerability assessments and identification of mitigation strategies for a broad range of threats to NRC-licensed activities involving radioactive materials and nuclear facilities. Thus far, the results of these studies have validated the actions NRC has taken to enhance security. These efforts have continued to affirm the robustness of these facilities, the effectiveness of redundant systems and defense-in-depth design principles, and the value of effective programs for operator training and emergency preparedness. Our vulnerability studies confirm that the likelihood of damaging the reactor core and releasing radioactivity that could affect public health and safety is low. Further, the studies

confirm that even in the unlikely event of a radiological release due to terrorist use of a large aircraft, NRC's emergency planning basis remains valid. The aircraft vulnerability studies also indicate that significant damage to a spent fuel pool is improbable, that it is highly unlikely that the impact on a dry spent fuel storage cask would cause a significant release of radioactivity, and that the impact of a large aircraft on a transportation cask would not result in a release of radioactive material. Thus, we believe that nuclear power plant safety, security, and emergency planning programs continue to provide reasonable assurance of adequate protection of the public health and safety.

In summary, NRC licensees had robust private sector security programs long before the attacks of September 11, 2001, and those programs have been further enhanced over the past 30 months. We continue to ensure that our licensees implement effective security programs for the current threat environment. In addition, we continue to work closely with our Federal, State, and local partners and with the private sector to ensure an appropriate integrated response to threats to licensed nuclear facilities and materials.

### **Emergency Preparedness Program**

The events of September 11, 2001, highlighted the need to examine the way the NRC is organized to carry out its safeguards, security, and incident response functions. Consequently, the NRC has taken several actions in response to the new environment, including the issuance of compensatory measures and Orders to licensees, re-examination of the emergency planning basis, creation of the Office of Nuclear Security and Incident Response, and evaluation of reactor integrity to new threats. In addition, the NRC as well as our stakeholders have become

increasingly aware of the importance of emergency preparedness to mitigating the effects of potential security threats. Along with this increased awareness, the NRC recognizes the need for increased communication of our emergency preparedness activities with internal and external stakeholders, including the public; industry; the international nuclear community; and Federal, state, and local government agencies. As a result, the NRC established the Nuclear Emergency Preparedness Project Office. The Project Office is responsible for the continuing development and refinement of emergency preparedness policies, regulations, programs, and guidelines for both currently licensed nuclear reactors and potential new nuclear reactors. The Project Office provides technical expertise regarding emergency preparedness issues to other NRC offices and also coordinates and manages emergency preparedness communications with internal and external stakeholders including the public, industry, the international nuclear community, and Federal, State, and local government agencies.

### **Materials Program**

The NRC, in partnership with the 33 Agreement States, conducts a comprehensive program to ensure the safe use of radiological materials in a variety of medical and industrial settings. As some of NRC's responsibilities, including inspection and licensing actions, have been assumed by Agreement States, our success depends in part on their success, and we closely coordinate our activities with the States.

Recently, the Commission has completed a complex rulemaking on the medical uses of byproduct material -- a rulemaking in which there was significant interaction with Congress. We

are now implementing that rule and assuring that compatible regulations are adopted by the Agreement States.

The NRC is developing a web-based materials licensing system. The system is expected to provide a secure method for licensees to request licensing actions and to view the status of licensing actions on the Web. In addition, the NRC, with assistance from other Federal agencies and the States, is creating a National Source Tracking System that will be used to monitor radioactive sources in quantities of concern with respect to a radiological dispersal device (RDD) threat. The development of the National Source Tracking System will remain a high priority effort.

The Commission has also implemented a major rule change related to large fuel cycle facilities. This rule requires licensees and applicants to perform an integrated safety analysis that applies risk-based insights to the regulation of their facilities. Major licensing reviews currently underway, or soon to be submitted, will test the new rule. These licensing reviews include two new gas centrifuge enrichment facilities.

The first proposed enrichment facility would be located in New Mexico and the second in Ohio. Louisiana Energy Services submitted an application for its facility in Eunice, New Mexico, to the NRC in December 2003. U.S. Enrichment Corporation is expected to submit its application to the NRC for its site in Piketon, Ohio, in August 2004. The Commission has directed its staff to conduct reviews of the applications for the two proposed enrichment facilities in a timely manner. The Commission will endeavor to identify efficiencies and provide the necessary resources to reduce the time the agency needs to complete these reviews.

The staff is currently reviewing a request to authorize construction of a mixed oxide (MOX) fuel fabrication facility at the Savannah River site in South Carolina as part of the Department of Energy's program to dispose of excess weapons grade plutonium. The staff is also providing support to its Russian counterparts regarding the licensing of a Russian MOX facility that will have a design similar to the U.S. facility.

In addition to the new facilities discussed above, the NRC regulates several other existing fuel facilities. NRC's oversight of these facilities includes licensing actions, inspection, enforcement, and assessment of licensee performance. Our Fuel Facilities Licensing and Inspection program was the second of our regulatory programs assessed under the Office of Management and Budget's Performance Assessment Rating Tool (PART) and awarded the top rating, "effective," a rating achieved by only 11% of the Federal programs evaluated.

### **Nuclear Waste Program**

The NRC staff has made progress on a wide array of programs relating to the safe disposal of nuclear waste. A central focus of these programs is to ensure that the agency is prepared to review an application by the Department of Energy to construct a high-level radioactive waste repository at Yucca Mountain, Nevada. Progress has been made in our pre-application interactions with DOE in addressing technical issues that are significant to repository performance. The application is expected to be submitted to NRC in December 2004. The NRC would make a docketing decision on the license application, and, if docketed, review the license application and make a determination regarding to what extent the Yucca Mountain Final Environmental Impact Statement can be adopted.



We are also preparing to conduct a related licensing proceeding. Our preparations include the creation of an information technology system to handle the large number of complex documents that will be involved and the leasing of a hearing facility near Las Vegas, Nevada. This licensing proceeding will present the NRC with a formidable challenge and the technical issues involved will be substantial. Moreover, no single NRC decision or set of decisions, since the Three Mile Island accident, is likely to be scrutinized as closely as those concerning this one-of-a-kind facility.

In our waste program, the NRC staff also has a substantial effort underway in the area of dry cask storage of spent reactor fuel. Storage and transport cask designs continue to be reviewed and certified. Independent Spent Fuel Storage Installations (ISFSIs) continue to be licensed and inspected. The Atomic Safety and Licensing Board currently is expected to issue its final decision on the proposed Private Fuel Storage ISFSI in Utah early in 2005. The Surry ISFSI in Virginia is the lead facility for license renewal. Indeed, our workload related to ISFSIs and dry cask storage in general will increase substantially in the years ahead. This projection is based on licensees' plans to adopt dry cask storage at their sites. We are currently formulating a major research program, the Package Performance Study, which will include a demonstration test of the robustness of NRC-certified spent fuel transportation casks.

The NRC staff is also continuing to make significant progress in ensuring the decommissioning of contaminated sites. The staff identified several policy issues requiring Commission direction that will help expedite decommissioning under NRC's License Termination Rule, and the Commission has provided the necessary guidance. Complicated decommissioning sites that pose technical challenges include the Safety Light site near

Bloomsburg, Pennsylvania. We are currently working with the Environmental Protection Agency to have this site included on the National Priority List to make other Federal resources available for the cleanup of this site.

### **Human Capital**

The NRC is very dependent on a highly skilled and experienced work force for the effective execution of its activities. The Commission's human capital planning integrates strategies for finding and attracting new staff, and for promoting employee development, succession planning, and retention. The Commission has developed and implemented a strategic workforce planning system to identify and monitor its human capital assets and needs and to address critical skills shortages. This includes the use of an agency-wide online skills and competency system to identify gaps in needed skills; the ongoing review of NRC's organizational structure to align with its mission and goals; and the development of a web-based staffing system that includes online application, rating, ranking, and referral features. The agency has also implemented two leadership competency development programs to select high-performing individuals and train them for future mid-level and senior-level leadership positions. In addition, the agency has continued to support its fellowship and scholarship programs and identified a significant number of diverse, highly qualified entry-level candidates through participation in recruitment events and career fairs.

NRC is utilizing a variety of recruitment and retention incentives to remain competitive with the private sector. So far we have been successful in attracting and retaining new staff, particularly at entry levels. Nonetheless, it is likely to become more difficult for NRC to hire and retain personnel with the knowledge, skills, and abilities to conduct the safety reviews, licensing,

research, and oversight actions that are essential to our safety mission. Moreover, the number of individuals with the technical skills critical to the achievement of the Commission's safety mission is rapidly declining in the Nation, and the educational system is not replacing them. The maintenance of technically competent staff will continue to challenge governmental, academic, and industry entities associated with nuclear technology for some time to come.

### **Budget**

The NRC has proposed a Fiscal Year 2005 budget of \$670.3 million. In developing the budget, the Commission has ensured that we continue only those programs that are effective in meeting our mission and goals. Even with our efforts to be more efficient in our utilization of resources, we must still request a Fiscal Year 2005 budget increase of approximately 7 percent (\$44 million) over the Fiscal Year 2004 budget for essential activities. This budget proposal will allow the NRC to continue to protect the public health and safety, promote the common defense and security, and protect the environment, while providing sufficient resources to address increasing personnel costs and new work. Approximately 32 percent (\$14 million) of the budget growth is for personnel costs, primarily the pay raise that the President has authorized for Federal employees. The remaining increase supports our High-Level Waste and Nuclear Reactor Safety programs. We are requesting an increase of approximately \$30 million for our High-Level Waste program to initiate the review of the anticipated DOE application to construct a high-level waste repository at Yucca Mountain and to conduct a Package Performance Study, which will confirm that our regulations provide for the safe transportation of spent nuclear fuel even under accident scenarios. We are also requesting an increase of approximately \$10 million for our Nuclear Reactor Safety programs primarily to keep pace with industry interest in new reactor initiatives and to strengthen our reactor inspection and performance

assessment activities. These increases are offset by a decrease of approximately \$10 million in our Homeland Security programs for completed homeland security activities.

### **Legislative Needs**

Over the years, the NRC has repeatedly expressed its support of enactment of legislation needed to strengthen the security of facilities regulated by the Commission. Although we did not support all the provisions contained in bills that addressed nuclear security in the first session of this Congress, we were encouraged by Congressional action on the subject. Although, the Commission has used existing authority to ensure robust security for nuclear power plants and high risk radioactive materials, provisions that the Commission supports would provide the statutory authority for steps that we believe should be taken to further enhance the protection of the country's nuclear infrastructure and prevent malevolent use of radioactive material. In particular, the Commission supports enactment of the nuclear security-related provisions contained in H.R. 6, as approved by the conferees on that bill in the last session of this Congress, and S. 2095, which has been introduced in this session.

The proposals that the Commission believes to be most important are: (1) authorization of security officers at NRC-regulated facilities and activities to receive, possess, and, in appropriate circumstances, use more powerful weapons against terrorist attacks, (2) enlargement of the classes of NRC-regulated entities and activities whose employees are subject to fingerprinting and criminal history background checks, (3) Federal criminalization of unauthorized introduction of dangerous weapons into nuclear facilities, (4) Federal criminalization of sabotage of additional classes of nuclear facilities, fuel, and material,

(5) authorization for NRC to carry out a training and fellowship program to address shortages of individuals with critical nuclear regulatory skills, and (6) extension of NRC's regulatory oversight to discrete sources of accelerator-produced radioactive material and radium-226. All but the last of these are included in H.R. 6 and S. 2095.

In addition, enactment of the following proposals would enhance the NRC's ability to protect the public health and safety:

(1) long-term extension of the Price-Anderson Act;

(2) authorization to charge Federal agencies fees for licensing and inspections, rather than recouping the costs of these activities through charges to other licensees;

(3) authorization for costs of security-related activities to be covered from the general fund (except for fingerprinting, criminal background checks, and security inspections);

(4) elimination of NRC's antitrust review authority over new power reactor license applications;

(5) clarification of the length of combined construction permits and operating licenses for new reactors;

(6) allowing rehired annuitants to receive full pay from the NRC for their services without reduction in pension payments;

(7) authorization to compensate individuals with critical skills at rates competitive with rates paid to persons with similar skills in the private sector;

(8) modification of the organizational conflict of interest provisions in the Atomic Energy Act to allow the agency to engage valuable expertise at a national laboratory that also performs work for the nuclear industry; and

(9) authorization to establish and participate in science, engineering, and law partnership outreach programs to increase the participation of Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribes.

All but the last three proposals are included in H.R. 6 and S. 2095. We look forward to working with you on the enactment of these proposals by this Congress.

### **Conclusion**

Mr. Chairman, I can assure you that the Commission will continue to be very active in managing the staff's efforts on ensuring the adequate protection of public health and safety, promoting common defense and security, and protecting the environment in the application of nuclear technology for civilian use.

We appreciate the opportunity to appear before you today. My colleagues and I welcome the opportunity to respond to your questions.