November 17, 2004

The Honorable Jim Saxton
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Saxton:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to your letter of September 14, 2004, to President Bush, in which you questioned whether the Oyster Creek Nuclear Generating Station, located in Ocean County, New Jersey, is "structurally sound to withstand continued operations for another 20 years beyond its initial life span." You also stated that an "extensive on-site analysis must be conducted by an outside party to guarantee there is an acceptable level of safety during the period of extended operation."

In your previous letter of February 24, 2004, to me you had requested information on the NRC's license renewal process. In my March 25, 2004, meeting with members of your staff, and in my April 14, 2004, letter I discussed the NRC's license renewal review process. Specifically that: (1) the review process involves a detailed assessment of a wide range of safety and environmental issues that will be important during the license renewal period; (2) the safety review focuses on aging management programs for structures and components; (3) an environmental impact statement will be prepared as part of the environmental review; and (4) the NRC will also conduct several public meetings near the plant to encourage public participation in the process.

Regarding your statement that "extensive on-site analysis must be conducted by an outside party to guarantee there is an acceptable level of safety during the period of extended operation," it is important to note that the NRC was established by Congress as an independent agency for that purpose. The NRC has established clear requirements, codified in Title 10 of the *Code of Federal Regulations* Parts 51 and 54, to assure safe plant operation for extended plant life. The NRC also follows an established license renewal application review process to guide the staff's evaluation of an applicant's compliance with license renewal requirements. The NRC staff conducts independent and thorough reviews of license renewal applications and prepares safety evaluation reports to document its review results. During these reviews, the NRC implements a license renewal inspection program to verify that licensees meet the requirements of applicable regulations, and have implemented license renewal programs and activities consistent with their applications for license renewal. In addition, the Advisory Committee on Reactor Safeguards conducts independent reviews of license renewal applications and staff safety evaluation reports, before making recommendations to the Commission. The Advisory Committee on Reactor Safeguards, established by Congress in 1957 to provide analysis of safety standards and facility license applications, is a body of experts representing many technical perspectives that is independent of the staff and reports directly to the Commission.

The NRC encourages public participation in the NRC's license renewal process. Shortly after an application is received, the NRC issues a notice of the receipt of the application and its availability to the public. The NRC holds a public meeting near the nuclear power plant to give the public information about the license renewal process. Additional public meetings are held by the NRC during the review of the renewal application. NRC evaluations, findings, and recommendations are published when completed. In addition, the NRC provides the public the opportunity to request adjudicatory hearings on license renewal applications.

Finally, as an integral part of its reactor oversight process, the NRC performs inspections (e.g., baseline, supplemental, and event-follow-up inspections) of nuclear plants based on safety performance. These inspections will continue during the period of extended operation if the Oyster Creek Nuclear Generating Station license is renewed. Both inspection results and performance indicator data are formally reviewed quarterly to determine if plant performance warrants a change in inspection effort or NRC regulatory oversight.

I hope this information is useful in addressing your concerns.

Sincerely,

/RA/

Nils J. Diaz