

April 1, 2006

The Honorable Jon S. Corzine  
Governor of New Jersey  
Trenton, New Jersey 08625

Dear Governor Corzine:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of February 10, 2006, in which you requested that an independent assessment be performed as part of the license renewal process for the Oyster Creek Nuclear Generating Station (Oyster Creek). You also requested that the assessment be performed by individuals of the caliber of the National Academy of Science's National Research Council.

The Commission believes that the license renewal process, coupled with the inspection regimen implemented through the Reactor Oversight Process (ROP), provide strong oversight and the necessary independence, making an assessment by the National Academy of Science's National Research Council unnecessary. The NRC was established by Congress as an independent regulatory agency and has established clear requirements, codified in Title 10 of the *Code of Federal Regulations* (10 CFR) Parts 51 and 54, to ensure safe plant operation during 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 rigorous reviews of license renewal applications and prepares safety evaluation reports to document the results of the reviews. 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. The NRC staff has accumulated a great deal of experience in the license renewal process, having completed 39 reviews.

In addition, the Advisory Committee on Reactor Safeguards (ACRS), which was established by Congress in 1957 to provide analysis of safety standards and facility license applications, will conduct an independent review of the Oyster Creek license renewal application and the NRC staff's safety evaluation report before making a recommendation to the Commission. The ACRS is a body of technical experts with unique expertise in reactor safety, security, and regulatory matters. The ACRS is independent of the NRC staff and reports directly to the Commission. The ACRS fully complies with the Federal Advisory Committee Act, which means, in part, that all ACRS meetings on Oyster Creek's license renewal application will be public. The license renewal review performed by the staff and the independent review by ACRS ensure that a rigorous safety assessment has been conducted.

The NRC encourages public participation in the license renewal process. Shortly after the Oyster Creek license renewal application was received, the NRC issued a notice in the *Federal Register* indicating the receipt of the application and its availability to the public. The NRC held a public meeting near the plant on August 24, 2005, to describe the license renewal process and to provide the opportunity for local citizen involvement. Additional public meetings

will be held by the NRC staff and the ACRS during the review of the application. The NRC's evaluations, findings, and recommendations will be published when completed. In addition, an adjudicatory hearing on the Oyster Creek renewal application has been granted by the Atomic Safety and Licensing Board (ASLB). The Commission will serve in an appellate capacity in the matter before the ASLB.

Finally, as an integral part of the ROP, the NRC conducts strict and comprehensive safety and security oversight, including baseline, supplemental, and event follow-up inspections at all nuclear plants. The inspections and assessments carried out through the ROP, which is now in its seventh year of implementation, have been greatly enhanced, in part, by incorporating the insights gained from independent safety assessments such as the one performed at Maine Yankee in 1996.

The ROP inspection plan now includes the performance of an extensive engineering team inspection at each reactor facility every two years. Recently, after completion of a pilot program as part of the NRC's continuing efforts to improve the ROP, the engineering inspection effort was significantly enhanced to ensure more effective reviews of the plant design and operational configuration of components that are important to safety. This inspection process uses operating experience, risk assessment, and engineering analysis to select safety-significant components and operator actions to verify that the selected components are capable of performing their intended safety function and that operating procedures are consistent with the design and licensing bases. An important aspect of the engineering team inspection is that it focuses inspection resources on areas of greater safety significance and components that play a significant role in either reducing the probability of an accident occurring or mitigating the consequences of an accident if one were to occur. The combination of the risk-informed overall baseline inspections, with the improved engineering-focused inspections, provides a more safety-focused review of significant plant components. This improved engineering team inspection was pilot-tested at four sites, including Vermont Yankee in the Fall of 2004, and proved to be an excellent inspection process. This engineering inspection is performed by a multi-disciplinary team consisting of NRC inspectors as well as outside contractors and is scheduled to be performed at Oyster Creek in the Spring of 2007. The inspection is expected to last seven weeks, including four weeks of on-site time and involve approximately 700 hours of direct inspection effort. New Jersey inspectors are welcome to observe NRC inspections at Oyster Creek. The NRC will continue these inspections during the period of extended operation if the Oyster Creek Nuclear Generating Station license is renewed.

The Commission believes that the established, practiced license renewal process, the inspection regimen implemented through the ROP, and the assessments undertaken by the NRC provide strong oversight and the necessary independence. Thus, we believe an assessment by the National Academy of Science's National Research Council is not necessary. If you have further questions or would like a briefing on these issues, please contact me.

Sincerely,

/RA/

Nils J. Diaz