



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

Office of Public Affairs

Telephone: 301/415-8200

Washington, D.C. 20555-0001

E-mail: opa@nrc.gov

Web Site: <http://www.nrc.gov>

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**Remarks by Dr. Nils J. Diaz, Chairman
U. S. Nuclear Regulatory Commission**

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Good Morning. Thank you Vic and Jim, for your warm welcome and kind introduction and for the invitation to address the 2006 American Nuclear Society Annual Meeting. It is indeed my great pleasure and privilege, one more time, to address this very familiar gathering at a time when our Nation is, and many other Nations are, addressing national security, energy security, and economic security, and their nexus, with urgency. The connection, interconnection, ties, links, however you would like to refer to them, between these three critical needs of our Nation are as obvious as they are challenging. Also, we all realize that the nexus of public support is essential for nuclear technology to maintain or increase its role among mankind's solutions to the socio-political and economic issues confronting the global community of Nations.

Nuclear energy is being given serious consideration today for several reasons, including its strategic and environmental worth. Today, the U.S. nuclear industry tells us that utilities intend to submit multiple COL applications to the NRC for three different light-water reactor designs beginning next year. The Department of Energy and the industry are developing applications for the AP1000 and the ESBWR, and AREVA is working on pre-design certification and COL preparations for the EPR. We are told that utilities are working together to use standardized designs to the extent possible, that reactor vendors are mobilized, that architect-engineers are engaged, and that all are working on the supply infrastructure and financial arrangements. The nuclear industry, as a whole, enabled the present expectations for new plants by the safe, reliable, and secure operation of their facilities, by aggressively pursuing license renewals and power uprates. The President of the United States and the Congress enabled it by enacting the Energy Policy Act of 2005. And, the NRC continues to exercise its strategic objective to:

“Enable the use and management of radioactive materials and nuclear fuels for beneficial civilian purposes in a manner that protects public health and safety and the environment, promotes the security of our Nation, and provides for regulatory actions that are open, effective, efficient, realistic, and timely.”

The Nation is faced with decisions that must take into consideration the impact that safe, reliable, and economical nuclear power generation can have on the well-being of our people, on energy independence, on security and the environment, and on the American way of life. Therefore, I submit to you that the stakes of continued safe operation of the nuclear fleet and the anticipated new reactor deployment are high, and deserve the best of the NRC, and the best of the entire nuclear community. “The best” must focus on the major interfaces involved in the decision-making processes that are occurring and that will appear in the near future, and the nexus in and between them. Always present, never to be forgotten, is that the people of this country are owed factual and responsive communications on the key issues that are their concern: safety, security, and economics. It is NRC’s job to ensure the protection of public health and safety, the environment, and the common defense and security. We will continue to work at ensuring the public is well informed. We have made significant progress and will keep working to improve communications. I personally continue to emphasize a key area that needs to be communicated well: there is no such thing as zero risk, not for nuclear nor for any other endeavor of mankind. The standard the NRC uses is a good one that has stood the test of time and the courts: reasonable assurance of adequate protection. One need is to explain how this standard is meant to serve this Nation.

I hope you know that I consider strong, focused, clear communications essential to the discharge of the responsibilities of a nuclear regulator, and that I have talked the talk and walked the walk. Furthermore, I have worked to ensure the effective use of communications as a management tool for the NRC. Communication makes the nexus of predictability, connectivity, and accountability visible, usable, and then functional. It makes uncertainty an issue to be managed, not feared. Uncertainty is a reason for action, not inaction. This is true for the majority of issues, be it science, engineering, technology, PRA, or regulation. A key recent example: although as of today, no new plant has been ordered in the U.S. and no license application has been received, the NRC could not wait for certainty to act. We use sound evidence of the industry’s intention to submit COL applications to launch an aggressive preparation program for new reactor licensing reviews. This preparation, costly in manpower and resources, required the support of the Congress and benefitted from the seriousness of the industry to do it right this time.

The NRC must be, and will be, ready to exercise its responsibilities under the law for comprehensive and timely reviews of new plant applications. The NRC will conduct these reviews in accordance with our statutory responsibilities, following due process, in an open manner, while protecting national security interests. The agency is aggressively working to put in place the regulatory infrastructure necessary to effectively and efficiently conduct the technical and legal reviews for the anticipated new plant license applications. We are reorganizing, hiring, enhancing existing programs and processes, and developing new ones to meet the workload. We are breaking the old reactor licensing mold and building a well-planned, rigorous, and disciplined, new reactor licensing review organization that befits the needs of our Nation and fulfills the responsibility assigned to the NRC. As it changes, the NRC is, in its thinking as well as in its structure, more focused, more open, more responsive, and of course, more risk-informed.

The tripling, in less than a year, of the number of potential applications that the NRC is expected to review and act on presents a significant challenge to our preparatory activities. Importantly, the NRC has and continues to receive the budgetary support needed to establish the infrastructure to conduct our licensing reviews for the anticipated applications. The NRC is establishing new and practical approaches to conduct the necessary reviews of multiple applications in

parallel, in an effective and efficient manner. I am referring to the design-centered review approach, which I believe is critical for better and timely safety reviews. The approach is based on the use of “one issue - one review - one position for multiple applications” to optimize the review effort and resources needed to perform the necessary regulatory reviews. The viability of this approach, centered on a better Part 52, will depend upon multiple entities working together to provide standardized applications to support timely licensing decisions. I believe that we are on a success path, and that standardization will provide significant benefits to the quality and timeliness of new reactor reviews, and will also provide significant safety enhancement to new reactor designs.

I am convinced that the approaches we’re considering today will result in significant benefits not only in relation to NRC’s initial licensing reviews, but also in relation to industry’s operation and maintenance of the plants and NRC activities during the operation phase.

As you surely noticed, I used the work “nexus” from the theme of this meeting to play my own tune. Let me play an old song, and then a new one. “I survived the road to Hana” is a popular slogan used in Hawaii to describe the hellish road many have traveled. Many old timers here can justifiably say: “I survived the 70s and 80s; survived the incomplete designs, the double-digit inflation and interest rates, the construction delays and work-stops; survived the two-step and a thousand-cuts licensing process and an NRC without much experience and without the benefits of much advanced preparation for the large number of plants; survived the overwhelming number of change orders, the new “generic” safety issues, TMI and its lessons, Chernobyl, and so on; survived the uncertain energy policy, uncertain electrical demand, and fluctuating economics. And we have been surviving, complaining, and improving ever since. Believe me, there is enough blame to go around; better, there is enough experience to make sure it does not happen again. That’s the old song - time for a new one.

One new song is that there is no such thing as “your fault,” in this new chapter. I submit to you, it is time to wrap up the lessons, and have solutions in hand. We are all responsible, in distinct but frequently converging ways, for the tasks that lie ahead. Uncertainty exists not only in NRC’s domain but everywhere, and it needs to be managed and resolved, well and on schedule. There is no credible industry without a credible regulator. There is no predictable industry without a predictable NRC. There is a nexus, it is known, and it will be even more open to all. It comes down to using state-of-the-art technology, and managing the uncertainty, the predictability, the connectivity, of knowing each one’s role and executing that role. It comes down to accountability.

You are accountable. The NRC is accountable. Different roles, one accountability: to one Nation, under God, indivisible, with liberty and justice for all.