



# NRC NEWS

**U.S. NUCLEAR REGULATORY COMMISSION**

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No. S-09-001

**“New Opportunities to Invest in Nuclear Safety”  
Prepared Remarks for**

**The Honorable Gregory B. Jaczko, Commissioner  
U.S. Nuclear Regulatory Commission**

**at the**

**5<sup>th</sup> Annual Platts Nuclear Energy Conference  
Bethesda, MD  
February 12, 2009**

I appreciate the opportunity to welcome you to Bethesda today. Your conference this week is Platts’ fifth annual event to discuss the potential growth of the nuclear industry, and I am pleased to be able to give you my own perspective on nuclear policy as one of the members of the Nuclear Regulatory Commission.

It is certainly a relevant time to talk about these important issues, but before I give you my perspective, I wanted to start with a brief discussion about the state of the NRC to put this in context. I believe it is important to reflect on the dramatic change the agency has been through during the last four years, including a ramp-up in staff, budget, and office space. During my tenure on the Commission, the agency budget has seen more than a 50% increase, and the number of NRC employees we have on board has gone up by more than 25%. This has required us to rent space in four new interim buildings around Montgomery County and to manage significant staff movement within the agency caused by the creation of two new offices.

Even more dramatic, almost half of our workforce has been at the agency for five years or less. In the New Reactors office alone, almost 60% of the staff is new to the agency. What that means in concrete terms is that most of our staff joined the agency after September 11, 2001. Most did not experience Davis Besse in 2002, let alone Three Mile Island in 1979, as regulators. Commissioner Lyons spearheaded an effort to have a model of the cavity in the pressure vessel head at Davis Besse built and put on display at the agency as a reminder of the vigilance we must have for safety. This was a worthy effort that I supported, but it is startling to realize this model is now the closest that most NRC employees will get to experiencing that event from the regulator’s perspective and learning the lessons first hand.

These demographic changes provide the NRC with an unprecedented opportunity to refocus on safety. Our challenge is to take advantage of the ability these new employees have to look at issues from a fresh perspective to make us an even better agency, while making sure all our staff continues to understand the mistakes of the past. I will return to this idea in a few moments but wanted to set the stage for my talk here today by opening with this perspective on the NRC.

I know you have gathered this week to discuss the potential for new nuclear power in this country, and as should already be clear, I approach this topic strictly from the perspective of a safety regulator. From that perspective, it is clear to me that the effort to get to the point of having approved licenses for new nuclear power plants has run into some challenges, but I believe the attendees here today can look at those challenges as opportunities.

Applicants have introduced uncertainty about schedules into the NRC safety review process. That is evident just from looking at the raw numbers. The agency has received 17 applications for 26 new reactors over the last year and a half, but four of those 17 have been put on hold by applicants. Similarly, vendors are revising all four of the new plant designs under NRC review. Challenges exist with the quality and completeness of many of these applications.

Of course, nuclear power plants are complex machines and applications to build them are therefore complex as well. A push to submit applications was also partly caused by the deadlines for incentives included in the 2005 Energy Policy Act. Applications had to be submitted by the end of 2008 to be eligible for incentives, and that led utilities that are probably not as close to a decision about whether to build, to at least apply.

Because of this flurry of activity, we now find ourselves again making some of the same mistakes of the past. One of the challenges in the 1960s, 70s, and 80s was that applicants, vendors and the regulator were attempting to do everything – designs, site/environmental issues, and applications – all at once. By developing Part 52, the Commission created a more predictable application process that allowed utilities to go through those steps sequentially. The idea was that utilities could get a plant design completed and certified and a site reviewed first. They could then submit an application that simply references an already certified design and an approved early site permit. But almost no one is following that ideal process. Instead, we are once again doing everything in parallel. We have received 17 applications before designs are complete and certified. We have approved three early site permits, but for sites where utilities have not yet decided to move forward aggressively. All of this is certainly allowed under our regulations, but I do not believe it is the most efficient or predictable path forward.

For applicants and vendors, these challenges provide an opportunity to take a breath and invest in short term efforts to get applications complete and accurate. I think there are four things the industry should focus on during this period:

- 1) Most importantly, applicants and vendors must get their plant designs completed.
- 2) They must also provide the NRC with sufficient detail regarding important technical issues.

- 3) They should prioritize the most forward leaning utilities from those looking only to potentially build in the long term. This would help both the NRC, the industry and the public determine where efforts will be most productive.
- 4) Finally, they should redouble efforts to resolve design, safety, and technical issues.

Focusing on these four things will pay dividends in the long term by enabling the agency to conduct more effective licensing reviews on more realistic schedules.

All of the extraordinary growth at the NRC that I detailed earlier was undertaken to be able to meet an industry schedule that now appears to have been a best case scenario, not necessarily a realistic one. Therefore, the agency must level off its growth and focus on four crucial things in the area of new reactors:

- 1) Improving our public outreach and communication;
- 2) Continuing to make sure the focus is on safety;
- 3) Prioritizing the agency's resources where they can be most effective;
- 4) Continuing to enhance the skills of our workforce, and remembering the lessons of the past.

One example of an important lesson about too much focus on schedule pressures can be found by considering a proposal the staff recently sent up to the Commission to further streamline the design certification rulemaking process. The intentions here are good – developing templates, optimizing processes, providing better information earlier – but the goal of this effort is grounded simply in achieving a shorter schedule. While efficiency is good, the magnitude of the time savings staff is looking at is dwarfed by the delays being caused by incomplete applications and technical issues. Again, many of those delays are caused by things external to the people in this room – including the current financial crisis. But the NRC should take advantage of the opportunity those delays give us to reinvest in safety.

In conclusion, I firmly believe the benefit of the more reserved atmosphere we find ourselves in today is that everyone involved in this journey has an opportunity to look at their core mission, refocus on what matters, and plan for a safe and efficient long term future. Applicants can get their designs completed and provide the technical details the staff needs to do an adequate safety review. The new-look NRC can focus on strengthening the implementation of its safety and security mission. I trust we will all meet the challenges we will face over the coming years, and I look forward to our continuing dialogue on nuclear safety issues.

Thank you to you and to Platts – both for their journalistic interest in our agency, and for inviting me to speak today. I would be happy to answer any questions you may have.