

May 17, 2010

The Honorable Thomas R. Carper  
Chairman, Subcommittee on Clean Air  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of the Commission, I am pleased to submit the U.S. Nuclear Regulatory Commission's (NRC's) semiannual report on the status of its licensing and other regulatory activities, as required by the Conference Committee Report on the Fiscal Year (FY) 2010 Energy and Water Development Appropriations Act 111-278. The enclosed report covers the period October 2009 through March 2010. This cover letter also includes additional information to keep you informed of the breadth of ongoing activities at the NRC.

In October 2009, the NRC completed the second part of a two-part special inspection of multiple medical errors during prostate cancer treatment at the Philadelphia Veterans Affairs Medical Center. The NRC received notification of a potential event from the U.S. Department of Veterans Affairs (VA) in May 2008, followed by the discovery of more medical events at the Philadelphia facility that involved delivery of a dose that was either 20 percent higher or lower than the prescribed dose or delivery of a dose to an unintended area. In March 2010, the NRC proposed a \$227,500 fine against the VA for violations of NRC regulations associated with an unprecedented number of medical errors. This is one of the largest fines the NRC has ever proposed to a medical licensee.

On October 23, 2009, the General Services Administration, acting on behalf of the NRC, signed a lease for a 14-story office building to be built adjacent to the NRC's Rockville, Maryland, headquarters office. Groundbreaking is scheduled for May 17<sup>th</sup>, with occupancy anticipated in late-2012. This new building will permit the reconsolidation of staff displaced by agency growth in recent years.

Also, in October 2009, NRC published NUREG-1925, "Research Activities 2009." NRC's Office of Nuclear Regulatory Research (RES) develops technical tools, analytical models, and experimental data with which NRC assesses safety and regulatory issues for operating reactors as well as for new and advanced reactor designs. The NUREG provides a collection of information on various topics and specific projects that summarizes the programs in progress. A few examples of research areas include fire safety, digital instrumentation and control, human factors, materials performance, risk analysis, and severe accident research.

On November 12, 2009, the agency published the NRC's draft Safety Culture Policy for Nuclear Facilities and Nuclear Material Users in the *Federal Register* for public comment. This draft policy statement proposes the Commission's expectation that all licensees and certificate holders will establish and maintain a positive safety culture that protects public health and safety and the common defense and security. The NRC held a public stakeholder workshop on February 3, 2010, and additional workshops will take place this year. The staff will submit the draft final policy statement to the Commission by March 2011.

On November 30, 2009, the NRC signed a memorandum of understanding (MOU) with the U.S. Department of Interior/Bureau of Land Management (BLM). The MOU defines the cooperative working relationship that will be used to support the common goals of each agency's preparation of the National Environmental Policy Act (NEPA) documents related to the extraction of uranium and thorium on public lands administered by BLM. The MOU will improve interagency communications, facilitate the sharing of special expertise and information, and coordinate the preparation of studies, reports, and environmental (NEPA) documents. The NRC and BLM will participate either as lead agency, co-leads, or cooperating agency on the preparation of site-specific environmental documents in accordance with the MOU.

In November 2009, the NRC issued a revision to Regulatory Guide 1.189, "Fire Protection for Nuclear Power Plants." The regulatory guide provides guidance for analyzing and addressing fire-induced circuit failures.

Also in November 2009, the NRC issued its FY 2009 Performance and Accountability Report (PAR). This report provides performance results and audited financial statements that enable Congress, the President, and the public to assess the performance of the agency in achieving its mission and stewardship of its resources. In FY 2009, the NRC achieved all five of its safety goal strategic outcomes as well as its security goal strategic outcome. The NRC issued a summary of the PAR on February 17, 2010.

In December 2009, the NRC received a license application for the International Isotopes Fluoride Extraction and Depleted Uranium Deconversion facility to be located near Hobbs, New Mexico. In January 2010, agency staff conducted a public outreach meeting on the licensing process and met with local elected officials in the surrounding communities. The NRC completed its acceptance review, docketed the application, and issued a notice of opportunity for a hearing in March 2010.

The NRC staff responded promptly and fully to comply voluntarily with the Office of Management and Budget Directive on Open Government issued December 8, 2009, as a followup to the President's January 21, 2009, Memorandum on Transparency and Open Government. During the period covered by this report, the NRC met the Directive milestones to publish three high-value data sets on [Data.gov](http://Data.gov), designate a high-level official to be accountable for our publicly disseminated Federal spending information, and publish an open government web page. Shortly after the close of this reporting period, the agency met the final milestone, publishing on April 7, 2010, an Open Government Plan addressing, among other things, our current and planned activities in the areas of transparency, participation, and collaboration. These activities continue the NRC's long history of, and commitment to, openness with the public and transparency in our regulatory process.

In a related development, in early February 2010, the NRC added a search interface to its online Agencywide Documents Access and Management System (ADAMS) to improve the public's ability to find and obtain NRC documents. This Web-based interface (known as ADAMS PUBLIC) is the NRC's first step in upgrading the ADAMS operating platform as part of an overall Enterprise Content Management strategy.

The NRC continued to provide heightened oversight of Nuclear Fuel Services (NFS), a fuel fabrication facility in Erwin, Tennessee, where all process lines were shut down in late December 2009 as a result of safety concerns. In January 2010, the NRC issued a Confirmatory Action Letter confirming that the licensee would complete certain safety enhancements prior to restarting fuel fabrication. In addition, the NRC enhanced outreach to local citizens and other stakeholders during the period, including a public exit meeting of the Augmented Inspection Team, a dedicated web page devoted to the oversight of NFS, and numerous responses to inquiries from local citizens and media outlets, and ongoing communication with Congressional staff. In March 2010, the NRC allowed NFS to resume operation of one process line (the Navy fuel process line).

In January of this year, tritium was confirmed in a monitoring well on site at the Vermont Yankee Nuclear Power Station in Brattleboro, Vermont. Since that time, the NRC has significantly increased its inspection oversight to ensure the licensee promptly takes all appropriate actions to identify and remediate the source of the tritiated water such that there will be no impact on the public health and safety. As a result of events at Vermont Yankee and related issues at other facilities, the Commission wants to ensure that the public fully understands all aspects of the tritium issues. Therefore, we are conducting public forums near Vermont Yankee and Washington, D.C. to discuss the tritium issue and hear from the public. In addition, the agency recently established a Groundwater Contamination Task Force to reevaluate the staff's actions in response to recent incidents with tritium released into groundwater at Oyster Creek, Oconee, and Vermont Yankee, and the staff's response to recommendations made in the Liquid Radioactive Release Lessons Learned Task Force Final Report dated September 1, 2006. The Task Force will, as appropriate, identify and recommend actions that need to be augmented. When this evaluation is complete, the Task Force may remain in effect to serve as a Steering Committee for the implementation of any identified recommendations.

Licensing and other regulatory activities related to commercial power reactors for the period of performance are discussed in detail in the enclosed status report. The report summarizes five open reactor generic issues the NRC is currently tracking. During the reporting period, the NRC issued renewed licenses for five units and is currently reviewing license renewal applications for an additional 19 units. The NRC currently has 13 combined operating license applications for new reactors under active review.

In early March 2010, the NRC held its 22<sup>nd</sup> Annual Regulatory Information Conference. This conference brought together more than 3,000 participants from 29 countries and provided an opportunity for government, industry, international agencies and other interested stakeholders, and members of the public to meet and discuss safety initiatives and regulatory trends. This year's conference, entitled, "Knowledge for Today and Tomorrow," included sessions focused on construction and licensing of new nuclear power plants, advanced reactor designs, security, safety research, domestic and international nuclear power plant operating

experience, and technical issues, including digital instrumentation and control, fire protection, operator training, safety culture, and safe disposal of nuclear waste.

On March 11, 2010, the agency published a proposed fee rule establishing the licensing, inspection, and annual fees it will charge applicants and licensees for FY 2010. Congress requires the NRC to recover 90 percent of its annual appropriated budget through fees. The proposed rule reflected an increase in fees for FY 2010, primarily due to increased activities for operating reactor oversight, new reactor programs, information technology support, homeland security issues, and licensing reviews for fuel facilities, nonpower reactors, and spent fuel storage. The NRC works diligently to ensure that its programs are conducted efficiently and effectively and requesting from Congress only the resources necessary to perform its mission to protect people and the environment.

From October 2009 through March 2010, the agency held 393 public meetings in the Washington, D.C. area, and around the country, addressing a full range of issues. Also during this time, the NRC received 187 Freedom of Information Act (FOIA) requests and closed 162 FOIA requests.

Finally, I would like to note that on January 28, 2010, the NRC celebrated its 35<sup>th</sup> anniversary. In conjunction with our anniversary celebration, the agency held a Knowledge Management (KM) Fair showcasing an impressive array of KM initiatives in use around the agency and a KM panel discussion that added historical perspective to the work we carry out today. While our work may change from year to year, our core mission of protecting public health and safety, promoting security, and protecting the environment remains unchanged. With approximately 50% of our employees being new to the agency in the past 6 years, KM is a priority of the NRC for sharing technical expertise and the core values that drive the agency's work. Events, such as this, promote continued learning.

Please contact me for any additional information you may need.

Sincerely,

*/RA/*

Gregory B. Jaczko

Enclosure:  
Semiannual Status Report

cc: Senator David Vitter

Identical letter sent to:

The Honorable Thomas R. Carper  
Chairman, Subcommittee on Clean Air  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator David Vitter

The Honorable Barbara Boxer  
Chairman, Committee on Environment  
and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator James M. Inhofe

The Honorable Henry A. Waxman  
Chairman, Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Joe Barton

The Honorable Edward J. Markey  
Chairman, Subcommittee on Energy  
and Environment  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Fred Upton

The Honorable Peter J. Visclosky  
Chairman, Subcommittee on Energy  
and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Rodney Frelinghuysen

The Honorable Byron Dorgan  
Chairman, Subcommittee on Energy  
and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Robert F. Bennett