

November 30, 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 April through September 2010. During this time, no additional renewed reactor licenses were issued; however two Safety Evaluation Reports and two final Supplemental Environmental Impact Statements for license renewal applications were completed. Fifteen license renewal applications covering 21 units currently are under review. The NRC also has 13 combined license applications for new reactors under active review. This cover letter includes additional information to keep you informed of the breadth of ongoing activities at the NRC.

In April 2010, George Apostolakis, William Magwood, and William Ostendorff were sworn in as members of the Commission, which brought the Commission up to its full complement of five members.

On June 10, 2010, the NRC authorized Louisiana Energy Services (LES) to operate a gas centrifuge uranium enrichment plant in Eunice, New Mexico. LES had received its license to build on June 23, 2006, and began construction shortly thereafter. NRC Operational Readiness Review inspections to approve authorization to operate commenced in December 2009 and were successfully completed. Thus far, cascades 1- 3 have been authorized to operate and introduce uranium hexafluoride. Over the next several years, construction inspections will be ongoing as the licensee operates the initial cascades and continues to construct additional cascades and auxiliary buildings and processes.

Also in June, an internal NRC Groundwater Task Force charged with reviewing the agency's oversight in the area of groundwater protection from radiological effluents issued its final report. The Task Force made a number of recommendations that fall into four broad categories: (1) reassessing the NRC's regulatory framework to better include groundwater protection, (2) maintaining the barriers designed to confine tritium and other licensed material, (3) creating more reliable NRC responses, and (4) strengthening trust. A senior management review group has been established to decide how best to act upon the conclusions and recommendations contained in the final report. On October 4, 2010, shortly after the close of this reporting period, the NRC held a public workshop to discuss potential policy issues and regulatory changes flowing from this report.

In late June, the Office of Nuclear Material Safety and Safeguards (NMSS) held two significant public events. The first was a conference on the spent fuel storage and transportation licensing process. This conference was part of the agency's continuous effort to improve the process for licensing and certifying spent fuel storage facilities and the safe transportation of radioactive material. The second event was the fifth annual Fuel Cycle Information Exchange. This conference brought together NRC staff, industry representatives, licensees, certificate holders, and other stakeholders to openly discuss regulatory issues of mutual interest as they relate to the nuclear fuel cycle.

On July 1, the agency announced the award of nearly \$5 million to 37 different institutions for nuclear curricula development across a range of disciplines. Recipients included Minority Serving Institutions and Historically Black Colleges and Universities located in 22 states, among others. This program has introduced thousands of students to the nuclear field and helps to prepare a workforce for the future.

On July 12, the NRC sent to Congress its Annual Report on Abnormal Occurrences. An accident or event is considered an abnormal occurrence if it involved a major reduction in the degree of protection of public health and safety. For FY 2009, there were no abnormal occurrences at the 104 NRC-licensed nuclear power reactors. There were nine events that occurred at licensed medical facilities. Three of the nine abnormal occurrences involved NRC licensees and the remainder involved Agreement State licensees. The report details investigations of each incident by the NRC, Agreement States, and licensees, as well as measures taken to ensure such incidents do not recur.

In early August, the agency submitted to President Obama and the Congress the second report of the Radiation Source Protection and Security Task Force, outlining the federal government's efforts over the past four years to enhance the security of radioactive sources. The report presents the status of the recommendations and actions from the 2006 report, as well as new recommendations regarding coordination and communication improvements among government agencies and the public, advances in the security and control of radioactive sources, recovery and disposition of unused radioactive sources, and alternative technologies that could perform all or some of the functions of radiation sources.

As noted above and discussed in the enclosed report, draft and final Environmental Impact Statements (EISs) were issued during the April – September period for several reactor license renewal and new reactor applications. In addition, a final EIS was issued in August for a uranium recovery project at the Moore Ranch In-Situ Leach facility in Wyoming.

Also in August, the agency published its Regulatory Agenda: Semiannual Report, January – June 2010 (NUREG-0936, Volume 29, Number 1). This publication is a compilation of the agency's recent rulemaking activities. It contains a summary and the status for each ongoing rulemaking and petition for rulemaking received by the agency.

On August 31, 2010, the agency submitted to the International Atomic Energy Agency the United States of America's Fifth National Report for the Convention on Nuclear Safety (NUREG-1650, Revision 3). This report, which was prepared by the NRC staff and by

members of the Institute of Nuclear Power Operations, addresses the safety of land-based commercial nuclear power plants in the U.S. The report demonstrates how the U.S. government achieves and maintains a high level of nuclear safety worldwide by enhancing national measures and international cooperation, and by meeting the obligations of all the articles established by the Convention.

On September 15, the Commission approved final revisions to the agency's "Waste Confidence" findings and regulation, expressing its confidence that the nation's spent nuclear fuel can be safely stored for at least 60 years beyond the licensed life of any reactor and that sufficient repository capacity will be available when necessary. The Commission also made clear that the revisions of the waste confidence findings and rule are not intended to signal an endorsement of indefinite storage of spent fuel at reactor sites.

From April through September 2010, the agency's Public Meeting Schedule noticed 523 public meetings addressing a full range of NRC issues that were scheduled to be held in the Washington, D.C. area and around the country. The meetings included Commission, Advisory Committee, Licensing Board, and staff-sponsored events. Also during this time, the NRC received 159 Freedom of Information Act (FOIA) requests and closed 184 FOIA requests.

In other matters, the agency held a groundbreaking ceremony in mid-May for Three White Flint North, a new building across the street from our current White Flint complex, which will complete our White Flint campus. This will increase efficiency as we will once again have all headquarters employees working in close proximity, but more importantly, it will support our critical mission to protect public health, safety, and the environment. This event would not have been possible without Congressional support, particularly from you and your colleagues on our Oversight and Appropriations Committees. We expect to occupy the new space in 2012.

Finally, I am pleased to report that the NRC continues to be recognized as an exemplary employer in the federal government. In June, the NRC received a *Best Employers for Healthy Lifestyles* award for its commitment to promoting a healthy workplace from the National Business Group on Health, a non-profit association of large employers. In September, the NRC was recognized for the third time in succession as the *Best Place to Work* in the federal government by the Partnership for Public Service. The selection, in cooperation with the American University Institute for the Study of Public Policy Implementation, also marked the first time since the inception of the survey of federal employees that any agency has ranked at the top in all four survey categories, i.e., Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Job Satisfaction.

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