



NRC NEWS

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A Regulator's Perspective on the Challenges of Today and Tomorrow

Prepared Remarks for

The Honorable Gregory B. Jaczko

Chairman

U.S. Nuclear Regulatory Commission

at

Nuclear Energy Assembly

Washington, D.C.

May 11, 2011

Thank you for the introduction. I am pleased to be here today to share my thoughts on the important issues facing the Nuclear Regulatory Commission (NRC) and the nuclear industry. Due to recent events in Japan, the public, elected officials, and other stakeholders are more closely following developments at the NRC and within the nuclear industry. In the two months since the earthquake and tsunami struck Japan, the agency staff or the Commission have appeared at nine separate Congressional hearings.

Despite the significant and understandable concerns that have been raised by the public, the Commission remains confident about the effectiveness of the NRC's regulatory program and in the safety of the nation's nuclear power plants. While the NRC fulfills a critical safety role in overseeing the nuclear industry, we never forget that you have the primary day-to-day responsibility for ensuring the safety of your facilities.

I am pleased to report that in 2010 there were no statistically significant adverse trends in overall industry performance identified based on long-term trending. On an industry-wide basis, the performance indicators that we trend remained significantly improved compared to 10 or 15 years ago. We should not grow complacent. There were developments in the past year that are cause for some concern, including an increase in the number of automatic scrams for a second consecutive year, a notable increase in the number of significant reactor events after seeing none in 2009, and the presence of six plants in Column 3 of the ROP Action Matrix at the end of 2010. Right now, there are four plants in Column 3, and one plant in Column 4.

My fundamental message today is the same message I delivered to the Regulatory Information Conference just days before the tragic events in Japan began to unfold, and that is that safety must always remain the No. 1 priority. Whether you are a regulator, an operator, or a

vendor, everyone involved in the use of nuclear materials or the construction and operation of nuclear power plants must prioritize safety above all other considerations.

In keeping with that commitment, the Commission has launched a comprehensive review of our nation's nuclear safety program, in light of the natural disaster and the nuclear situation in Japan. There is no question that the accident at the Fukushima-Daiichi site is one of the most serious nuclear accidents ever to occur, and will be regarded as a seminal event in the history of nuclear power. We have the responsibility to the American public to fully understand the situation in Japan and take the necessary measures to continue ensuring the protection of the public and the environment.

To ensure a comprehensive and effective review, the Commission has created a senior-level task force, comprised of some of the agency's most experienced and expert staff, to conduct the review. Their efforts will assist the Commission, as we seek to fully understand the events in Japan, identify the range of questions and issues that we need to answer, and develop the appropriate responses. I can assure you that the comprehensive safety review we have launched will be systematic and methodical, and will be conducted with an appropriate sense of urgency.

The task force review will be conducted on a short-term and a longer-term timeframe. The short-term, 90-day review has already begun. In a public meeting tomorrow, the Commission will receive a 30-day status report on the task force's short-term review. Although the time constraints of the short-term review have not allowed public participation in this part of the task force's work, the Commission is committed to ensuring that we keep the public informed of our progress.

At tomorrow's Commission meeting, the task force will review actions the agency has already taken as a result of their recommendations. Those include temporary instructions for inspectors to review the Severe Accident Management Guidelines, as well as the public release of guidance for developing Extensive Damage Mitigation Guidelines. The task force also will discuss significant issues that they are examining as part of their comprehensive review. Those issues include the safety margins for seismic, flooding, and other natural hazards, the survivability of A/C power during these types of events, mitigation strategies in the event of the loss of power, and emergency preparedness. In examining this broad range of issues, the task force is taking a defense-in-depth approach that focuses on prevention, mitigation, and emergency response.

In response to the NRC's oversight and inspections, the agency also will issue a Bulletin today to licensees, requesting information on their compliance with requirements to deal with the potential damage of large areas of the plant. Plants have until June 10 to respond to the Bulletin with information confirming that their mitigative-strategy equipment is in place and available, as well as that the mitigation strategies can be carried out with current plant staffing. Plants have until July 11 to respond to the Bulletin with information in other areas including: how essential resources are maintained, tested, and controlled to ensure availability; how strategies are re-evaluated if plant conditions or configurations change; and how arrangements are reached and maintained with local emergency response organizations. The NRC will review the plants'

responses to determine if additional efforts are needed to ensure compliance with existing requirements, as well as whether to enhance those requirements and related guidance. The task force also will consider those responses as part of its ongoing review of agency requirements.

The task force's longer-term review will begin as soon as we have sufficient information from Japan, and we plan for it to be completed in six months from the beginning of the evaluation. During this longer-term review, we expect to engage the public, licensees, and other key stakeholders in a way that the time constraints of the short-term review have not allowed. You and other stakeholders have a great deal of information, a diverse range of perspectives, and—as I well know—no shortage of strong opinions about the important issues before the agency. For those reasons, I believe the NRC's licensees and the agency's other stakeholders have a vital role to play in this process and in helping the Commission reach the best decisions for nuclear safety.

Although much of the focus in recent weeks has been on the potential implications of the task force review for operating reactors, I understand that many of you are thinking about the possible impacts on the license renewal and new reactor applications. I also recognize the broad range of views among licensees and other stakeholders about how the Commission should proceed on these applications, in light of the developments in Japan. At this time, the Commission has not determined that there is a need to adjust the schedule or otherwise modify our approach for reviewing license renewal or new reactor applications. If we discover new information, however, that establishes a safety need for adjusting those schedules or making other changes, we will of course do so. Although it is always an agency priority to review applications as efficiently as possible, the touchstone of our work always remains safety—not schedules.

Due to the hard work of the staff and the responsiveness of applicants, the agency has made considerable progress in reviewing both design certification and combined license applications. We remain on schedule to take final action by the end of the summer on the AP1000, ABWR, and ESBWR design certification rules, as well as to conduct the first mandatory hearing on a new reactor license application since the 1970s. As we approach the final stages of these two processes, I believe it's important that we continue to move forward in an open and transparent manner. While new reactor issues have always elicited a high level of attention from the public, elected officials, and other stakeholders, we can expect an even a brighter public spotlight on these issues in light of the events in Japan.

In moving forward with the design certification rules, the agency must adequately evaluate and address any legitimate public concerns about the safety of the proposed designs raised during the public comment period. The number of public comments—over 13,000 on the AP1000 design certification amendment alone—speaks to the tremendous level of public interest on these issues. If additional analysis or additional changes are required for the proposed rule, we should move forward in an open and transparent manner that builds public confidence in both the process and the ultimate decision that the agency reaches. By failing to do so, we risk creating more work for the applicant and the agency.

As the staff nears completion of the safety and environmental hearings, we are also actively preparing for the conduct of the mandatory hearings required by the Atomic Energy Act. These hearings likely will draw a tremendous level of public attention. It's been approximately fifteen years since a new reactor entered operation in this country, and over twice that long since the agency held a mandatory hearing on a new reactor application. Although the public does not have the right to intervene in these hearings, as they do in contested hearings, it is very important that they be conducted in an open and transparent way that allows the public to understand the basis of our decision and builds public confidence in whatever decision we ultimately reach.

As this will be the first time that the Commission, rather than the licensing boards, conducts the mandatory hearings, we have been working hard to develop procedures that will ensure open, fair, and efficient hearings. Our goal has been to serve as an effective check on the staff's work by focusing on the most safety-significant issues without needlessly replicating what they have done. Since an application's length is along the lines of a full A-to-Z set of encyclopedias—for those of you who remember encyclopedias—conducting the mandatory hearings will require discipline on the part of my colleagues and myself.

From what steps to take in response to the events in Japan to the reviews of new reactor applications, it is clear that the Commission has many important decisions to make over the next year. In light of this, I believe it's imperative that the agency continue working to strengthen our rulemaking process so that we are in the best possible position to tackle important policy questions as they emerge.

I have always believed that the agency should try to conduct as much of its policymaking responsibilities as possible through our rulemaking process. This process is embedded with extensive opportunities for public and stakeholder participation, and is far more open and transparent than other regulatory tools, such as exemptions and orders. I recognize that there may be limited occasions where it is necessary to fine-tune rules through exemptions if the individual circumstances of a licensee warrant one for the sake of safety. But to the greatest extent possible, I believe that significant changes to the agency's rules should be implemented through the agency's existing rulemaking procedures, which provide ample flexibility to make adjustments in an open and transparent manner.

The Commission has taken the opportunity presented by the revisions to Part 26's fatigue management requirements to demonstrate the flexibility and effectiveness of our rulemaking process. In this instance, the Commission has authorized an expedited, limited-scope rulemaking to make the needed change to the minimum-days-off requirement. Unlike the exemption process or enforcement discretion, this targeted rulemaking includes a public notice-and-comment period, and will enable us to make the needed changes to Part 26 through the same type of open and transparent rulemaking that provided the basis for the original regulation. This is an opportunity for us to demonstrate that the agency can—despite a near-universal belief that we cannot—conduct a targeted rulemaking with a clearly defined technical basis and clearly established safety need in a few months or less.

Successfully conducting this type of targeted rulemaking will be a sign that the agency can move forward with future rulemakings more efficiently than we have at times in the past. I

recognize that the longer our rulemakings take, the greater the burden on our stakeholders to participate and contribute to the process. By completing this expedited rulemaking on time, the NRC will send a strong signal to the public that we value their participation in our policymaking process and that we can efficiently and effectively address the important policy issues ahead of us.

There is clearly a great deal of important work ahead of us related to the Japan task force, new reactor applications, as well as many other issues that I unfortunately do not have time today to discuss. The public salience of many of these issues has been magnified by recent events in Japan, which have demonstrated in all too stark terms the potential implications of a nuclear safety accident. Whether you are a regulator or an operator, everyone involved in nuclear safety has the responsibility to tackle the important issues facing the industry with a focus on safety above all other concerns. There is simply no more important priority. Thank you.