

WRITTEN STATEMENT
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TO THE
OVERSIGHT AND GOVERNMENT REFORM COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
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Chairman Issa, Ranking Member Cummings, and Members of the Committee, I appreciate the opportunity to appear before you to provide an overview of the management and operations of the United States Nuclear Regulatory Commission.

The year 2011 has been an exceptionally challenging and productive year for the NRC. The NRC staff has done an outstanding job over the past year under what have been, at times, challenging circumstances. The Commission never loses sight of the fact that our effectiveness as a safety and security regulator depends first and foremost on the staff's hard work and dedication.

Even with the pressures of the past year, the NRC once again scored among the top tier of Federal agencies in the 2011 Best Places to Work in the Federal Government rankings, conducted by the Partnership for Public Service. The NRC scored number one in all four major indices, including leadership and knowledge management, results-oriented performance culture, talent management, and job satisfaction. These rankings were determined through an analysis of the 2011 Federal Employment Viewpoint Survey conducted by the Office of Personnel Management.

At the agency, we anticipated that this past year would be busy, but several unexpected issues - most notably, the Fukushima Dai-ichi nuclear emergency in Japan - raised substantial

new challenges. Added to that, a spate of multiple natural disasters, including flooding in the Midwest in June; the earthquake on the East Coast in August; as well as hurricanes and tornadoes, created additional pressures. These natural disasters required close coordination with states, federal agencies and licensees, and involved the efforts and expertise of numerous staff at NRC's headquarters and regional offices.

During the past fiscal year, we have performed thousands of hours of inspections at nuclear power plants and materials sites. We have taken hundreds of enforcement actions, reviewed more than a thousand licensing actions and tasks, and issued a number of proposed and final rules. We also issued a final Safety Culture Policy Statement, establishing for the first time the Commission's expectations for individuals and organizations involved in NRC-regulated activities to establish and maintain a positive safety culture proportionate to the safety and security significance of their activities.

While many plants have performed very well this year, there are two plants in Column Four, on a five-column scale, of the Reactor Oversight Process Action Matrix after experiencing issues that the NRC views as safety significant. There are also two plants in Column Three, which indicates declining performance. The NRC has conducted a greater number of special inspections in the past year - 21 to date - than at any point in recent memory.

These developments, of course, are concerning for the specific plants involved, but as a regulator, we must be on guard to the possibility that they could be indicative of broader issues for the industry. Also, there are currently two units in extended shutdowns, one, Fort Calhoun, due to circumstances related to external events and the other, Crystal River, due to problems resulting from maintenance activities. Additionally, two units at the North Anna plant, in Virginia, were in extended shutdown this year due to the East Coast earthquake in August. Neither the Crystal River nor North Anna extended shutdowns were the result of declining licensee performance, and, in its current assessment of industry trends, the NRC staff has not identified any statistically significant adverse trends.

During the past year, we completed the safety and environmental reviews of the first two new reactor combined license applications for the Vogtle site in Georgia and the Summer site in South Carolina, and held mandatory hearings on both applications. We expect to make decisions on those applications within the next several weeks. We issued the final safety evaluation reports for the AP1000 and ESBWR design certifications, and issued eight reactor license renewals. We successfully completed the review and approval of two pilot applications for transitioning to National Fire Protection Association (NFPA) 805, a risk-informed, performance-based standard for fire protection at nuclear power plants, and worked with stakeholders to establish a submittal and review schedule for 29 anticipated transition applications.

We issued three new uranium recovery licenses, authorized the restart of one uranium recovery facility, and issued the license for the AREVA Eagle Rock centrifuge enrichment facility to be built in Idaho, the first such license approval issued in almost 5 years. And, in line with our responsibilities to ensure the safety and security of nuclear materials, we continued implementation of the License Tracking System and the National Source Tracking System. We also issued a final policy on the protection of sealed radiation sources containing cesium-137 chloride, which are used in blood irradiation, bio-medical and industrial research, and calibration of instrumentation and radiation measuring instruments.

We also continued to focus on moving forward and resolving long-standing safety issues such as; Generic Safety Issue (GSI)-191, concerning the potential for the blockage of boiling water reactors' suction strainers and pressurized water reactors' containment sump screens, due to debris accumulation; and GI-199, the updates to seismic hazard estimates for the Central and Eastern United States.

The NRC staff also completed the orderly close out of the Yucca Mountain high-level waste repository licensing program and the Department of Energy's license application. As part of this process, the staff conducted a comprehensive effort to collect and capture knowledge to

ensure that the agency's many years of technical work are preserved. This included documenting the agency's review and other knowledge about the program through three technical evaluation reports, over 40 other topical reports, as well as videotaped interviews of technical staff.

Cybersecurity is a serious concern for all agencies across the Federal government. In Fiscal Year 2011, we approved cybersecurity plans for all nuclear power plants and established an implementation plan to have all plants at a high level of cyber protection by the end of Fiscal Year 2012.

Approximately 30 NUREGs - reports or brochures on regulatory decisions, research, investigations and other technical and administrative information - were published on a wide variety of topics, such as degradation of core internals due to neutron irradiation and groundwater contamination. We sponsored the 23rd annual Regulatory Information Conference for government, nuclear industry, international agencies, and other stakeholders to meet and discuss nuclear safety and security topics and significant regulatory actions. More than 3,000 individuals registered for the March 2011 conference. We also hosted the first Integrated Regulatory Review Service mission to the United States to assess our regulatory infrastructure against international safety standards and good practices. The mission was coordinated by the International Atomic Energy Agency and concluded that the NRC has a well-established national policy and strategy for nuclear safety.

Transparency and openness are part of our formal NRC Organizational Values, and they are integral guiding principles in everything we do, both internally and externally. After the challenges we have faced over the past year, and the bright spotlight that has been shined on nuclear regulation, nuclear safety, and nuclear power plants by the Congress, the media and the public, the NRC continues to be accessible and open, and to make sure that all of our stakeholders understand what we are doing and why we are doing it.

The NRC has held many public meetings throughout the past year, noticing more than 1,030 public meetings in Washington, D.C., and around the country, addressing a full range of NRC issues. During fiscal year 2011, my colleagues and I held 38 public Commission meetings, 10 closed commission meetings, and 14 sessions to set the Commission agenda and issued 92 staff requirements memoranda (SRMs) on substantive Commission voting matters. This was 30 more SRMs than we completed in Fiscal Year 2010. And of the 381 requests submitted to the NRC for information under the Freedom of Information Act, we have closed out 338.

The NRC redesigned the agency's public website to improve navigation, content and accessibility, and substantially improved our web-based document management system to enable the public to more easily and quickly access all public documents. And, the agency has successfully begun to utilize new social media tools - including a public blog, Twitter and YouTube accounts - to enhance our outreach efforts.

As we have worked to fulfill our responsibilities for our safety and security mission, we have also been working to increase our effectiveness and efficiency as an agency. We have more efficiently executed the appropriations that Congress has given us by successfully working to reduce our carryover funds this year.

Construction of our new third headquarters building, Three White Flint North, is on schedule for opening in late 2012. One of the valuable lessons we learned after Three Mile Island was the importance of being co-located. The new building will allow headquarters staff to once again work in one central location to better support the agency's critical health and safety mission.

A summary of agency activities over the past year must, of course, include the tremendous agency efforts in response to the March 11, 2011, earthquake and tsunami and the resulting nuclear emergency at Fukushima Dai-ichi in Japan. In addition to our round-the-clock monitoring activities, at the request of the Japanese government, and through the United States

Agency for International Development, the NRC also sent a team of technical experts to provide on-the-ground support to the U.S. Ambassador in Japan.

The Fukushima Dai-ichi accident is clearly one of the most significant events in the history of nuclear power. The Japan nuclear emergency led national regulators worldwide to question whether such an accident could occur in their own country, and whether additional steps need to be taken to ensure that it does not. These concerns caused the NRC - less than two weeks after the nuclear accident in Japan - to launch a systematic and methodical review of our regulatory framework to determine whether changes need to be made to our own regulations.

The agency's Near-Term Task Force, which was established on March 21, 2011, was directed to review the insights gained from the Fukushima Dai-ichi accident and make recommendations to the Commission for enhancing reactor safety. Within 90 days, the Task Force reported back to the Commission with a comprehensive set of 12 safety recommendations that they believe are needed to strengthen nuclear safety.

These recommendations touch on a broad range of important safety areas including the loss of power due to earthquakes, flooding, or other natural disasters, to issues related to spent fuel pools damage, the need for hardened venting, and emergency preparedness. The Task Force's recommendations include proposed new requirements for nuclear power plants to reevaluate and upgrade their seismic and flooding protection, to strengthen their ability to deal with the prolonged loss of power, and to develop emergency plans that specifically contemplate the possibility of events involving multiple reactors. In the report, the Task Force emphasizes that strong NRC oversight is essential in addressing these challenges.

The Task Force's recommendations have now undergone several additional reviews by the NRC staff and the Advisory Committee on Reactor Safeguards (ACRS) and have been discussed at multiple public meetings. Through these efforts, we have benefited from the insights and perspectives of industry leaders, nuclear safety and environmental groups, and the

public. In several public meetings, the Commission itself has heard directly from a diverse array of these stakeholders.

The staff review of the Task Force's recommendations was completed two months ago. That review endorsed nearly all of the Task Force's recommendations, and laid out a detailed plan for prioritizing and implementing them. The staff review also identified several additional issues for consideration beyond the Task Force's recommendations, including measures related to spent fuel storage and emergency planning. At the Commission's direction, the staff will be looking at the Task Force's first recommendation regarding the overall structure of our regulatory framework separately from actions that could be initiated without delay.

The ACRS has completed the first major part of its review. In its review, the ACRS endorsed all the Task Force recommendations that it has examined thus far, and - like the staff - also proposed additional steps beyond the Task Force's recommendations. In endorsing these measures, the ACRS emphasized that in its expert view none of those steps would be negated by any new information we might receive about the Fukushima Dai-ichi accident.

Of course, as we acquire more information about the accident, we will determine whether there are any additional lessons to be drawn. For example, the Institute of Nuclear Power Operations recently released a Special Report on the Nuclear Accident at the Fukushima plant (INPO 11-005), which provides a detailed timeline of events after the earthquake and tsunami in Japan. The Commission established a longer-term review specifically for this purpose - to examine those issues for which the Task Force did not have enough information to provide recommendations. That longer-term review is underway, although not yet complete.

To date, the Commission has directed the agency's staff to begin immediately implementing - partially or fully - five of the safety recommendations from the Task Force. These recommendations cover issues including the loss of all A/C electrical power at a reactor (station blackout), reviews of seismic and flooding hazards, emergency equipment, and plant staff training. The Commission also set a goal of completing a station blackout rulemaking

within 24 to 30 months from now, and to strive for completion of all actions that should be taken without delay, in response to the lessons learned from Fukushima, within five years – by 2016.

The NRC staff, as well as the ACRS, has done a tremendous amount of work on Fukushima Dai-ichi-related issues. But while a great deal of work has been done, the Commission still has much work ahead. Many of the Task Force's recommendations call for the development of orders or rules - which would take some time to develop and implement. For those approved recommendations, the agency will conduct the necessary analysis, develop the technical basis, and take other steps before promulgating the new requirements. That process may take weeks or months in case of an order, or potentially years in the case of a new rule. Given those timeframes, I believe it is all the more important for the Commission to move forward swiftly.

None of the agency's many achievements during the past year could have happened without support from the entire NRC team - those working on the budget and finance issues, the legal aspects, the personnel and administrative support, the technical side, and more. By no means does my testimony cover the full breadth of the agency's wide-ranging activities. But these accomplishments are indicative of an agency with a strong focus on our mission, and the staff's steadfast efforts, day-in and day-out, to maintain nuclear safety and security.

We have many important issues on our plate right now - both internally to strengthen our organization and externally to continue ensuring the safety and security of our nation's nuclear facilities and materials. We cannot predict with any certainty all the issues that might arise in the upcoming year. That makes it all the more important that we prudently manage the resources entrusted to us by the American people, take full advantage of all the talents and expertise that our diverse team brings to the table, and keep our focus - first and foremost - on our safety and security mission.

Chairman Issa, Ranking Member Cummings, and Members of the Committee, this concludes my formal testimony today. Thank you for the opportunity to appear before you.

I would be pleased to respond to any questions you may have on the management of the NRC and the Commission would be pleased to address any policy matters of interest to the Committee.