

ONE HUNDRED THIRTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

November 21, 2013

The Honorable Allison Macfarlane  
Chairman  
U.S. Nuclear Regulatory Commission  
11555 Rockville Pike  
Rockville, MD 20852

Dear Chairman Macfarlane,

We commend the Commission for directing the staff to proceed with completion of the Yucca Mountain Safety Evaluation Report, a long-overdue action for which the Commission has stated it has adequate resources. However, the Commission's vote took place 97 days after the District of Columbia Circuit Court issued its Writ of Mandamus compelling the Nuclear Regulatory Commission to resume its consideration of the Yucca Mountain repository license application. The pace of the agency's decision-making has prompted questions concerning the agency's use of its staffing and resource, something we would like to understand more fully as we prepare for a hearing examining this and other issues on December 12, 2013.

The NRC's role in protecting public health and safety and the environment is a vital one: one that we strongly support and one that should be adequately funded. In 10 years, the NRC's annual budget has grown from \$626 million to \$985 million and its staff from 3,040 Full Time Equivalent (FTE) in fiscal year 2004<sup>1</sup> to 3,931 FTE<sup>2</sup> for fiscal year 2014. The staffing increase is at 29 percent and the appropriated funds, 90 percent of which are recovered by fees on licensees (and their customers), have increased by 58%.

We are aware that a portion of the NRC's budget increase was justified by the need to review the Yucca Mountain license application. Growth in the NRC's budget was also justified by the need to review new reactor applications at a time when licensees anticipated more than 20 new reactor licenses would be submitted. The NRC articulated

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<sup>1</sup> <http://pbadupws.nrc.gov/docs/ML0423/ML042360006.pdf>

<sup>2</sup> <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1350/>

these factors in the agency's Congressional Budget Justification for Fiscal Year 2009<sup>3</sup>, the first year the agency's request exceeded one billion dollars:

*"This fiscal year (FY) 2009 budget request reflects an increase in the agency's regulatory activities, driven primarily by an anticipated interest in constructing new nuclear power facilities, oversight of existing reactors, and materials and waste licensing. The agency expects to review 21 uranium recovery applications, which produce the raw materials for nuclear fuel, to receive two applications for new facilities that will enrich uranium to produce the nuclear fuel used in reactors, and to receive an application from the Department of Energy (DOE) to construct and operate a geologic repository at Yucca Mountain in Nevada. During FY 2008, the agency expects to initiate the review of 14 Combined Operating Licenses (COL) applications. During FY 2009, acceptance reviews are anticipated to be performed on seven additional COLs. Commencement of the reviews of these seven COL applications will occur within an 8-month timeframe following the acceptance of the applications. It is the agency's responsibility to review the applications in a timely manner so that our licensees will be able to build and operate facilities that produce electricity needed for our Nation's economic growth. To fund these license application reviews, as well as the many other activities necessary to meet the agency's mission, the agency requests \$1.02 billion for FY 2009." (Emphasis added.)*

As you know, the NRC ceased the review of the Yucca Mountain license and has only recently voted to resume its work in keeping with the DC Circuit's mandamus decision.

NRC has accepted applications to build 28 new reactors. At this time, licenses have been issued for only four of those 28 new reactors. Applications for another 15 reactors have been suspended. That leaves applications for only nine reactors still undergoing review, one-third of the previous workload.

In 2004, the NRC oversaw 104 reactors. In the past year, licensees have announced decisions to prematurely close five reactors. By the end of 2014, only 99 reactors will be operating and additional reactors may close prematurely which would further decrease the agency's oversight workload.

In 2004, the NRC oversaw nearly 5,000<sup>4</sup> materials licensees. Today, that number is down to less than 3,000<sup>5</sup>.

Despite this declining workload, the NRC's schedule discipline appears to be eroded. The NRC has delayed the schedules for all but one license review indicating:

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<sup>3</sup> NUREG -1100, Volume -24, February 2008

<sup>4</sup> <http://pbadupws.nrc.gov/docs/ML0303/ML030380431.pdf>

<sup>5</sup> <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1350/v25/facts-at-a-glance.pdf>

*“Recently imposed budget constraints have resulted in substantial impacts on licensing activities associated with combined license and early site permit applications.”*

Of the new plant license applications currently under review, six will have been pending for seven years or longer before being issued.

Since the Office of New Reactors was established in 2006, the NRC has failed to issue any new design certifications and has only issued one design amendment. Prior to establishing the Office of New Reactors, the NRC approved design certifications for four new, advanced reactors; the ABWR, the System 80+, the AP600, and the AP1000. The office is currently reviewing three new designs, two renewals, and one amendment. According to the NRC’s current schedule, two of them will have been pending for over eight years and one for more than seven years before receiving certification.

We would expect to see any decrease in workload lead to more timely reviews but that does not appear to be the case here. While we heartily support the NRC’s mission to protect public health and safety and the environment we feel compelled to ask: Is the NRC functioning as efficiently as it should and are its actions focused on matters that are safety significant?

We realize that part of the workload is the 56 ongoing rulemakings listed on Regulations.gov. This is in spite of the fact that the NRC’s own assessment of long term trends in the safety of U.S. reactors<sup>6</sup> indicated *“the staff did not identify any statistically significant adverse trends in industry safety performance”*, showing that safety is *improving* in ten out of fourteen categories with no discernable trend in the remaining four categories. Furthermore, their assessment of short term trends *“...did not reveal any emerging trends that warranted additional analysis or significant adjustments to the nuclear reactor safety inspection or licensing programs.”*

The agency continues to spend heavily on further safety enhancements based on lessons from the Fukushima accident, many of which we support. We are glad the NRC has repeatedly testified that U.S. reactors are safe and that work is well underway to make the safety enhancements that were prioritized as Tier One, the items considered most safety significant. However, as stated in the NRC’s *Principles of Good Regulation*: *“Regulatory activities should be consistent with the degree of risk reduction they achieve.”* As the NRC analyzes lower priority issues, the agency is struggling to justify further requirements as cost-beneficial, as we learned through our correspondence on the issue of filtered vents.

We hope to see nuclear energy continue to make a vital contribution to powering our nation’s economy; contributing to energy security and providing thousands of jobs supporting families across the country. However, we are concerned about the Commission’s inability to reconcile its declining workload and reduced number of

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<sup>6</sup> <http://www.nrc.gov/reading-rm/doc-collections/commission/secys/2013/2013-0038scy.pdf>

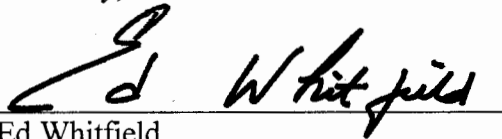
licensees with its erosion of schedule discipline. These dynamics compound the challenges to the economic viability of existing nuclear plants and inhibit future new plant development.

In order to better understand the NRC's budget and the apparent disconnect between improving industry safety trends, the decline in agency workload, and the decline in the timeliness of reviews. Please respond to the following questions by December 5, 2013:

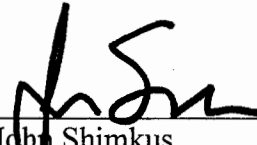
1. What steps is the agency taking to identify declining workloads and numbers of licensees and propose corresponding resource reductions?
2. What role does the Chairman's office play in the identification of declining trends in agency workloads?
3. How is the NRC redistributing its resources in light of the reduction in workload in some areas?
4. Please provide a schedule with the dates estimated for the release of each outstanding volume of the Yucca Mountain Safety Evaluation Report.
5. Please provide an estimate of the resources necessary to fully comply with the DC Circuit's mandamus decision, complete the review of the Yucca Mountain license application, and issue a decision regarding construction authorization as mandated in the Nuclear Waste Policy Act.
6. Has the NRC submitted a supplemental budget request to the Office of Management and Budget? If not, when do you expect to do so?
7. Please provide a list of the costs billed each year to each applicant for the review of license renewal applications for the past 10 years including ongoing reviews.
8. Please provide a list of the costs billed each year to each licensee for the review of new plant COL applications for the past 10 years including previously issued and ongoing reviews.
9. Please provide a list of the costs billed each year to each applicant for the review of new design certification applications, amendments, and renewals for the past 10 years including previously issued and ongoing reviews.
10. Please provide a copy of any "lessons learned" reports examining the NRC's performance in reviewing the first new plant licenses in over 30 years.
11. Please explain what actions the Commission is taking to address shortcomings in meeting performance metrics for reviewing power uprate requests. Please provide a list of the costs billed to each licensee for the review of power uprate requests for the past 10 years including ongoing reviews. Please provide a list of power uprate requests that have been withdrawn, including how long those requests were under consideration and the costs billed to each licensee.
12. Please provide a statement on what principles and factors will guide the Commission's FY '15 budget deliberations.
13. In what way does the Commission seek to ensure that the budget appropriately adheres to the NRC's *Principles of Good Regulation*?

If you have any questions or concerns, please contact Annie Caputo of the Majority Committee staff at 202-225-2927.

Sincerely,



Ed Whitfield  
Chairman  
Subcommittee on Energy and Power



John Shimkus  
Chairman  
Subcommittee on Environment and  
the Economy

Attachment

cc: The Honorable Fred Upton, Chairman

The Honorable Henry A. Waxman, Ranking Member

The Honorable Bobby L. Rush, Ranking Member  
Subcommittee on Energy and Power

The Honorable Paul Tonko, Ranking Member  
Subcommittee on Environment and the Economy

## RESPONDING TO COMMITTEE DOCUMENT REQUESTS

*In responding to the document request, please apply the instructions and definitions set forth below:*

### INSTRUCTIONS

1. In complying with this request, you should produce all responsive documents that are in your possession, custody, or control or otherwise available to you, regardless of whether the documents are possessed directly by you.
2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual named in the request has been, or is currently, known by any other name, the request should be read also to include such other names under that alternative identification.
4. Each document should be produced in a form that may be copied by standard copying machines.
5. When you produce documents, you should identify the paragraph(s) and/or clause(s) in the Committee's request to which the document responds.
6. Documents produced pursuant to this request should be produced in the order in which they appear in your files and should not be rearranged. Any documents that are stapled, clipped, or otherwise fastened together should not be separated. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. Indicate the office or division and person from whose files each document was produced.
7. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph(s) and/or clause(s) of the request to which the documents are responsive, should be provided in an accompanying index.
8. Responsive documents must be produced regardless of whether any other person or entity possesses non-identical or identical copies of the same document.
9. The Committee requests electronic documents in addition to paper productions. If any of the requested information is available in machine-readable or electronic form (such as on a computer server, hard drive, CD, DVD, back up tape, or removable computer media such as thumb drives, flash drives, memory cards, and external hard drives), you should immediately consult with Committee staff to determine the appropriate format in which to produce the information. Documents produced in electronic format should be organized, identified, and indexed electronically in a manner comparable to the organizational structure called for in (6) and (7) above.

10. If any document responsive to this request was, but no longer is, in your possession, custody, or control, or has been placed into the possession, custody, or control of any third party and cannot be provided in response to this request, you should identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control, or was placed in the possession, custody, or control of a third party.

11. If any document responsive to this request was, but no longer is, in your possession, custody or control, state:

- a. how the document was disposed of;
- b. the name, current address, and telephone number of the person who currently has possession, custody or control over the document;
- c. the date of disposition;
- d. the name, current address, and telephone number of each person who authorized said disposition or who had or has knowledge of said disposition.

12. If any document responsive to this request cannot be located, describe with particularity the efforts made to locate the document and the specific reason for its disappearance, destruction or unavailability.

13. If a date or other descriptive detail set forth in this request referring to a document, communication, meeting, or other event is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you should produce all documents which would be responsive as if the date or other descriptive detail were correct.

14. The request is continuing in nature and applies to any newly discovered document, regardless of the date of its creation. Any document not produced because it has not been located or discovered by the return date should be produced immediately upon location or discovery subsequent thereto.

15. All documents should be bates-stamped sequentially and produced sequentially. In a cover letter to accompany your response, you should include a total page count for the entire production, including both hard copy and electronic documents.

16. Two sets of the documents should be delivered to the Committee, one set to the majority staff in Room 316 of the Ford House Office Building and one set to the minority staff in Room 564 of the Ford House Office Building. You should consult with Committee majority staff regarding the method of delivery prior to sending any materials.

17. In the event that a responsive document is withheld on any basis, including a claim of privilege, you should provide the following information concerning any such document: (a) the reason the document is not being produced; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; (e) the relationship of the author and addressee to each

other; and (f) any other description necessary to identify the document and to explain the basis for not producing the document. If a claimed privilege applies to only a portion of any document, that portion only should be withheld and the remainder of the document should be produced. As used herein, "claim of privilege" includes, but is not limited to, any claim that a document either may or must be withheld from production pursuant to any statute, rule, or regulation.

18. If the request cannot be complied with in full, it should be complied with to the extent possible, which should include an explanation of why full compliance is not possible.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; (2) documents responsive to the request have not been destroyed, modified, removed, transferred, or otherwise made inaccessible to the Committee since the date of receiving the Committee's request or in anticipation of receiving the Committee's request, and (3) all documents identified during the search that are responsive have been produced to the Committee, identified in a privilege log provided to the Committee, as described in (17) above, or identified as provided in (10); (11) or (12) above.

### **DEFINITIONS**

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra-office communications, electronic mail ("e-mail"), instant messages, calendars, contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, power point presentations, spreadsheets, and work sheets. The term "document" includes all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments to the foregoing, as well as any attachments or appendices thereto. The term "document" also means any graphic or oral records or representations of any kind (including, without limitation, photographs, charts, graphs, voice mails, microfiche, microfilm, videotapes, recordings, and motion pictures), electronic and mechanical records or representations of any kind (including, without limitation, tapes, cassettes, disks, computer server files, computer hard drive files, CDs, DVDs, back up tape, memory sticks, recordings, and removable computer media such as thumb drives, flash drives, memory cards, and external hard drives), and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, electronic format, disk, videotape or otherwise. A document bearing any notation not part of the original text is considered to be a separate document. A draft or non-identical copy is a separate document within the meaning of this term.



2. The term "documents in your possession, custody or control" means (a) documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, or representatives acting on your behalf; (b) documents that you have a legal right to obtain, that you have a right to copy, or to which you have access; and (c) documents that have been placed in the possession, custody, or control of any third party.

3. The term "communication" means each manner or means of disclosure, transmission, or exchange of information, in the form of facts, ideas, opinions, inquiries, or otherwise, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, e-mail, instant message, discussion, release, personal delivery, or otherwise.

4. The terms "and" and "or" should be construed broadly and either conjunctively or disjunctively as necessary to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes the plural number, and vice versa. The masculine includes the feminine and neuter genders.

5. The terms "person" or "persons" mean natural persons, firms, partnerships, associations, limited liability corporations and companies, limited liability partnerships, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, other legal, business or government entities, or any other organization or group of persons, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.

6. The terms "referring" or "relating," with respect to any given subject, mean anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.

7. The terms "you" or "your" mean and refers to

For government recipients:

"You" or "your" means and refers to you as a natural person and the United States and any of its agencies, offices, subdivisions, entities, officials, administrators, employees, attorneys, agents, advisors, consultants, staff, or any other persons acting on your behalf or under your control or direction; and includes any other person(s) defined in the document request letter.