

April 7, 2015

The Honorable James Inhofe
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of March 24, 2015, seeking information in advance of the NRC's appearance before your Committee on April 15, 2015. My fellow Commissioners and I welcome the opportunity to discuss the work of the agency with you and your Committee colleagues.

You expressed concern that the current size of the agency may not appropriately reflect the agency's workload. To give some history, the NRC's budget has grown since 2005, driven in part by the projected growth of the nuclear industry in fiscal year (FY) 2005 through FY 2009 and the passage of the Energy Policy Act of 2005 that substantially increased security related activities. As a result, the Commission sought, and the President and Congress provided, additional resources for the agency to meet its safety and security mission.

The NRC has an obligation to license and regulate the use of byproduct, source, and special nuclear materials in the most effective and efficient manner possible. We recognize that the agency faces a different workload from what we expected just a few years ago when substantial new reactor construction was projected and no licensees were expressing intentions to prematurely cease operations of a particular reactor. Anticipating a significant increase in demand for licensing services for new reactor construction, based on information provided by the industry, we responded with an aggressive effort to build the technical capability and the infrastructure to support the projected workload increase. However, the workload has not materialized as anticipated. The agency did receive applications seeking authorization to construct 26 new reactors, but many applicants either withdrew their applications or requested that the NRC delay or suspend its licensing review. In FY 2016, the NRC plans to review nine new reactor combined license applications and to complete three of these reviews.

While the projected growth of the nuclear industry has decreased, the need for NRC engagement has grown in other unanticipated areas. We have, therefore, been adjusting NRC staffing to respond to these changing priorities. Among our top priorities have been implementing Fukushima lessons learned to further enhance safety in the event of an accident, addressing two Federal court decisions by instituting the continued storage rulemaking and by resuming review of the Yucca Mountain high-level waste repository application, and addressing the unexpected decommissioning of nuclear power reactors. The NRC's budget also grew due to increases in other licensing, security, and international activities; fixed costs associated with information technology and physical infrastructure; as well as increased statutory, regulatory, and administrative requirements affecting all government agencies.

While maintaining a focus on our mission, we are taking a hard look at how to improve our regulatory programs. We have proactively taken steps to right-size our budget requests (which would in some cases result in a reduction in user fees imposed upon the nuclear industry) and, perhaps more significantly, launching the “Project Aim 2020” initiative. That effort is focused on improving NRC’s agility, effectiveness and efficiency while adapting to a dynamic environment. The Commission is currently reviewing the staff’s Project Aim 2020 report, which it considers to be an important step in improving the agency’s ability to align the projected workload with appropriate funding levels and build on the agency’s strengths and successes.

With regard to our continuing implementation of post-Fukushima safety enhancements, the NRC and the industry have made significant progress, with respect to implementing the most safety-significant recommendations (designated as “Tier 1”). Additionally, some intermediate (“Tier 2”) activities have been integrated into work related to the highest priority actions. The agency continues to assign resources to address these activities while ensuring a balance between implementing lessons learned from Fukushima and avoiding the displacement of ongoing work that is necessary to maintain safety of existing facilities.

Finally, with regard to rulemaking, over the past several years the Commission has revised its rulemaking processes to improve consideration of and, where possible, reduce the cumulative effects of regulation. We have also sought industry volunteers to perform case studies on the accuracy of cost and schedule estimates used in NRC regulatory analyses, and based on that effort, additional regulatory analysis process enhancements are planned to improve cost estimating. We take seriously our obligation to pursue only those rulemaking activities that we believe are necessary to carrying out our mission to protect public health and safety, promote the common defense and security, and protect the environment.

Responses to your specific information requests are enclosed. Again, my fellow Commissioners and I look forward to the opportunity to appear before you on April 15th to discuss our fiscal year 2016 budget proposal, update you on NRC activities, and respond to the Committee’s questions. If you need anything additional, please contact me or Eugene Dacus, Director of the Office on Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA/

Stephen G. Burns

Enclosure:
As stated

cc: Senator Barbara Boxer

Identical letter sent to:

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

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clear Air
and Nuclear Safety
United States Senate
Washington, DC 20510
cc: Senator Thomas R. Carper