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**Prepared Remarks
By Stephen G. Burns, Chairman
U.S. Nuclear Regulatory Commission
To The
Institute for Nuclear Power Operations
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Thank you for that kind introduction. I am very happy to be here today.

I first attended this conference in November 1989 at the Waverly Hotel with my then-boss Chairman Ken Carr. As such, you can understand how strange it is for me to be standing here 26 years later addressing you as the Chairman of the NRC.

As I was working on my remarks, I looked back at what Chairman Carr said in his 1989 speech. Perhaps some of you were in attendance that day. I recall his speech included the sentiment that the NRC must be a tough, but fair, regulator, and that great strides had been made at the time in industry performance, but more needed to be done. And some of you may also recall retired Admiral Carr had some strong admonishments delivered in his memorably blunt style. My style may not be so blunt, and my message today is different, at least in part.

As you know, I hold a rather unique position as one of the few career staffers who has found themselves at the top of the NRC's organizational chart. My view of the world – and my role as a regulator – is very much informed by my 30 plus years at the NRC, starting as a staff attorney in the late 1970s right before the accident at Three Mile Island, as well as my experience in the international community.

I'm told that my world view – or my "regulatory philosophy" – might be a bit of a mystery. That is not by design. I had a short tenure as a Commissioner at the NRC – two months – before getting a corner office on the 17th floor of One White Flint North in January of this year. And in my view, I took on this role at a time of great challenge – indeed even upheaval – in the agency and in the industry as a whole. So I've hit the ground running and haven't had as much time behind a podium as I might have under different circumstances.

I am a registered Independent – not a Democrat or a Republican. Along those lines, I am independent in my thinking and philosophy. I don't adhere to a rigid ideology that compels a certain outcome each time, although I believe I am predictable in terms of my approach of evaluating each matter that comes before me on a case-by-case basis and applying rules deliberately and consistently across the board.

I am independent in that I am open to new ideas and the solutions of others. I listen open-mindedly to all stakeholders without becoming beholden to just one point of view. I believe that problems must be clearly defined but I think there is rarely only one solution to a problem. Nor do I believe the NRC always has itself the right answer to address a given problem. In my experience, often times the best and most consensus-based solution is reached through meaningful dialogue among all the affected stakeholders.

As a good example of this: In assessing the appropriate dealing with beyond design basis external events, in response to the accident at Fukushima Dai-ichi, an aspect of the ultimate solution currently being implemented was not as the NRC originally proposed, but the industry-developed concept for FLEX equipment and the creation of the National Response Centers. That is an example of collaborative problem solving and innovation at its best.

What I hope is clear from my voting record, my Congressional testimony and my previous speeches is that I do not compromise on safety and security for this nation's commercial nuclear facilities. While we at the Commission may not always agree among ourselves, while our staffs may disagree with each other as they formulate positions, while we may reach conclusions in ways you may not always agree with, we always agree that doing what is necessary to uphold safety and security is the paramount consideration. This, whether one is Independent, Democrat or Republican or politically agnostic, is always the bottom line.

Based on my experiences, it is clear to me that the nuclear industry values safety as highly as the NRC does. The creation and continued presence and success of INPO is evidence of this. And it's also evident to me when I speak to industry executives and plant staff during my visits to sites. That said, we all recognize that the NRC, operators, and INPO have different but complementary roles in reaching the shared goal of safety.

As you all know, INPO was an outgrowth of the last American nuclear accident – Three Mile Island. Like the Fukushima Dai-ichi accident, TMI shook the industry to the core and created significant reforms. As pointed out in the book *Hostages of Each Other*, written by Joseph Rees about the birth of INPO, “the nuclear industry is no stronger than its weakest link.” This had particular meaning domestically after TMI. Now, though, I believe this to be true on a global scale. You've all heard the phrase – a nuclear accident anywhere in the world is a nuclear accident everywhere. We also know the fallacy of the “it can't happen here” mentality and the danger of complacency. Fukushima Dai-ichi underscored the notion that you must continue to be systematic in how you review industry events and always take a questioning attitude in support of safety and security.

And we – the NRC and INPO – must continue to see our relationship mature. We must continue to share information and ideas, and understand how each plays a role in a safe and secure nuclear power industry.

The NRC is often considered to be the “gold standard” nuclear regulator in the world, and a model of independence and technical competence. I should note that we are independent not because you are bad and we are good, but because independence is vital for our credibility; it’s what people trust. It gives the public confidence that we are, indeed, protecting health and safety and the environment. That’s what we all want.

But I don’t believe independence means isolation. I think it’s important that the NRC effectively communicate with and engage in meaningful dialogue with industry, the Congress, the states, non-governmental organizations, and the public. We need to continue to communicate and recognize that safety and security is the mission of both the NRC and the plants. In that shared vision we are, to quote the book by that title, “Hostages of Each Other.”

I have been fortunate enough to be a part of the NRC when significant changes occurred – when plants were abandoned, when they were built, when they were decommissioned, when we developed a reformed licensing process, when security became a sharper, pressing focus, when the nuclear renaissance was barreling towards us like a high-speed train. I have been a part of the change. And now, I am playing a lead role in the change the NRC is undergoing at this very moment. We’re again in a post-accident era with a challenging energy marketplace and public concerns about safety. As the recently departed Yogi Berra said, it’s déjà vu all over again.

Which brings me to Project Aim 2020. I’m sure you’ve heard of Project Aim. This is the blueprint of how the NRC is going to streamline and rebaseline itself in response to the changing environment around us. The NRC once geared up and expanded its talented, expert staff to respond to changes in the environment, and we must respond again to redirect our energies and adjust our staffing.

The Commission believes the agency needs to enhance its ability to plan and execute its mission while adapting in a timely and effective way to the dynamic environment in which we now operate. While not diverting resources from important licensing and oversight activities, we are taking a closer look at the work we do and how we do it, and evaluating our organization structure. We’re planning for a smaller workforce that makes sure we have the right people at the right place at the right time.

We have a new executive director for operations – Vic McCree. Many of you know him. He has already made important management changes at the agency, and he’s barely been there long enough to decorate his office. The Commission has thrown its full support behind Vic in his efforts to implement change.

Vic is not alone in this. The Commission is actively involved in leading the transformation. Of 19 discrete tasks under Project Aim, all but four will be completed by the end of the year.

I recognize that some may have been skeptical of the NRC’s efforts embodied in Project Aim.

Will this just be another project that dies on the vine? Is the NRC really taking this seriously? In fact, I was asked during an all employee meeting recently – what if Project Aim doesn’t work? This was my answer then, and my answer now: I reject the premise of that question. Project Aim will work. The Commission is taking this seriously, and it will work. We will adjust the way we do business in order to continue to be the responsible, credible, independent regulator that stakeholders and the industry want and need. That is what we have done over the course of our history.

Let me now talk about a few other subjects that might be near to your hearts.

Control and Oversight of Contractors

We've seen signs that suggest to me that more industry focus is needed in the control and oversight of contractor and vendor-related activities, particularly during large-scale projects on site. Recent indications are that a number of near-misses, mostly industrial, but some radiological safety-related events have occurred where proper focus on safety was not exhibited. It appears to me that more needs to be done to reinforce some of the messages and lessons learned from such events.

Knowledge Management of Design and Licensing Bases

The NRC and licensees should pay special attention to the need to make sure they are transferring knowledge of the operating fleet's design and licensing bases and the substantial learning from previous issues and incidents. Learning from what has occurred is applicable to licensing and other regulatory matters as well as equipment and system issues. An increasing portion of the nuclear workforce was not around when the current fleet was licensed and when much of the early nuclear operating experience was initially identified. The sheer volume of licensing information, related NRC documents, and operating experience now available is so large that often attention is focused on the newest or most recent information. The NRC and licensees need to be more effective in ensuring the significant lessons are – indeed – learned and passed on to current workers and future leaders.

Transition to Decommissioning

Over the next few years, the attention of both the NRC and licensees will need to focus on an orderly transition to decommissioning for several sites.

For the utilities undergoing decommissioning, it will be important to maintain appropriate focus on equipment reliability, operator training and retention, and human performance during the period (in some cases several operating cycles) between a closure announcement and the final shutdown. As plants approach closure, we will implement tailored oversight plans for the final phase of operations. These plans will focus heavily on operations and maintenance and less on plant modifications. In the meantime, effective industry and stakeholder engagement on the decommissioning rulemaking due in 2019 will help make certain these transitions go as smoothly as possible.

Cyber Security

The NRC formalized requirements for cyber security through a rulemaking in 2009, and I believe the industry has been a prominent leader in addressing cyber security in the private sector. The NRC and the industry both have been proactive and vigilant when it comes to addressing cyber threats. A recent joint meeting between the Commission and the Federal Energy Regulatory Commission highlighted the strong work done in this area by both the NRC and industry. However, efforts are likely to increase as time goes on, not decrease as work is accomplished.

Cyber security is an ongoing focus. Although work remains to be done, the cyber rule is a good example of NRC and industry efforts to be more efficient and effective in addressing regulatory requirements.

I'm going to close today with a brief note about the Fukushima Dai-ichi accident. Today, we still are looking at the lessons learned, the actions implemented and the accomplishments to date. It is my goal to see the completion of all post-Fukushima safety enhancements on or ahead of schedule. We expect most licensees will complete the majority of the highest priority enhancements by the end of next year. I've had the opportunity to see many of these enhancements first hand at Fermi, North Anna, South Texas Project, Braidwood and others.

And we also are moving to resolving many of the Tier 2 and Tier 3 recommendations. A paper has come to the Commission. Some of the recommendations are merged into ongoing or completed work and some are being reassessed. It's likely that the functions and workload of the Japan Lessons Learned Directorate will be folded back into the normal line organization of the Office of Nuclear Reactor Regulation in the next year or so.

As you know, the IAEA recently issued a comprehensive report on the Fukushima Dai-ichi accident. The NRC staff reviewed the 45 observations and lessons identified in the Director General's summary report and determined there were no concepts that had not been considered by the NRC and the U.S. nuclear industry. That is good news.

I'm going to end today with the same words spoken to you by my former boss, Chairman Carr. When he spoke at this conference, he said: "It is in your best interest, particularly the top performing utilities, to apply peer pressure to bring the performance of the weak sisters up to your standards. If the impetus for improvement comes from within the industry, the less we at the NRC will have to do. Let us continue to work together."

Twenty-six years later, that is still true. Thank you again for inviting me to speak to you today.