



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 9, 2017

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am pleased to submit the "Semiannual Status Report on the Licensing Activities and Regulatory Duties of the United States Nuclear Regulatory Commission." The enclosed report covers NRC activities from October 2016 through March 2017. It includes a list of rulemaking activities, including their priority and schedule, as requested in the Joint Explanatory Statement that accompanied the Consolidated Appropriations Act, 2016.

In early March 2017, the NRC issued annual assessment letters to the Nation's 99 operating commercial nuclear power reactors regarding their 2016 performance. All but three reactors placed in the NRC's two highest (out of four) performance categories. Eighty-three of those reactors fully met all safety and security performance objectives and will continue to receive baseline inspections. Thirteen reactors needed to resolve one or two items of low safety significance. For this performance level, NRC regulatory oversight includes additional inspections and followup of corrective actions. Three of those 13 plants have resolved their issues since the reporting period ended and have transitioned to the highest performing level. Three reactors, Arkansas Nuclear One Units 1 and 2 (in Arkansas) and Pilgrim (in Massachusetts), are in the fourth performance category and require the highest level of NRC regulatory oversight. The NRC placed Arkansas Nuclear One Units 1 and 2, in this performance category because of two safety findings of substantial significance. The agency placed Pilgrim in this category because of long-standing performance issues of low-to-moderate significance. NRC oversight of these reactors will include several additional inspections and frequent NRC management involvement to confirm the reactors are addressing the performance issues. In the coming months, the NRC will host a public meeting or other event near each plant to discuss the details of the annual assessment results.

The NRC also continues to address post-Fukushima safety enhancements and lessons learned. The enclosed report describes the agency's Fukushima-related actions during the reporting period.

During this reporting period, the NRC was reviewing five license renewal applications for a total of eight power reactors. The agency also continued reviewing two new reactor combined license applications for three proposed new reactors. The NRC also issued combined licenses to Duke Energy for two new AP1000 reactors at the Levy Nuclear Plant site in Florida and two new AP1000 reactors at the Williams States Lee site in South Carolina.

On January 5, 2017, the NRC staff informed Tennessee Valley Authority that its application for an early site permit for small modular reactor (SMRs) at the Clinch River Nuclear site near Oak Ridge, TN was acceptable for docketing. On March 17, 2017, the NRC issued a schedule outlining major public milestones for the application.

On January 6, 2017, the NRC received the first application for a design certification of an SMR from NuScale Power, LLC (NuScale). On March 23, 2017, the NRC notified NuScale that its application was acceptable for review. The staff is currently developing a schedule for review.

Other Noteworthy Licensing and Regulatory Activities of the Past 6 Months

In early October 2016 the NRC announced that it had awarded more than \$15 million in grants to 39 academic institutions in fiscal year (FY) 2016, including several minority-serving institutions. The grants are used for scholarships, fellowships, trade school and community college scholarships, and faculty development. The NRC has awarded more than \$154 million since the program began in 2007.

In late October, the NRC published its Seventh National Report for the Convention on Nuclear Safety describing the U.S. Government's actions under the convention. Specifically, the report demonstrates how the United States implements a high level of nuclear safety by enhancing national measures and international cooperation, and by meeting the obligations of all the articles established by the convention. In March, NRC officials discussed the report and responded to peer review questions at the seventh review meeting of the CNS at the International Atomic Energy Agency headquarters in Vienna.

On November 18, 2016, the NRC published its Performance and Accountability Report for FY 2016, which reported that the agency again met its strategic goals and objectives for safety and security, as well as all related performance indicator targets. The report states that the NRC improved its operations by investing in its skilled workforce of engineers and scientists, and that nuclear reactor and materials licensees maintained their excellent safety record. The report also notes that the agency is in a sound financial position, with adequate controls in place to manage its funds. For the 13th consecutive year, the agency received an unmodified audit opinion on its financial statements from independent auditors, with no instances of noncompliance with laws and regulations.

On December 2, 2016, the Commission approved a final Tribal Policy Statement of Principles to guide the agency's government-to-government interactions with American Indian and Alaska Native Tribes. The agency developed this document in response to direction from the Commission following an increase in the number and complexity of consultants between the NRC and Federally-recognized Tribal governments. The policy statement is intended to encourage and facilitate Tribal involvement in activities under NRC jurisdiction.

In January 2017, the NRC docketed and accepted for formal review an application from Waste Control Specialists to build and operate a spent nuclear fuel consolidated interim storage facility in Andrews, TX. Waste Control Specialists is seeking to store 5,000 metric tons uranium of spent fuel received from commercial power reactors across the United States. In November 2016, in response to an earlier request from Waste Control Specialists, the NRC began its scoping effort for the environmental review of the proposed facility. On April 18, 2017, Waste Control Specialists notified the NRC of a pending sale to EnergySolutions and requested that the NRC temporarily suspend all review activities associated with its application.

Separately, on March 30, 2017, Holtec International submitted an application for a consolidated interim storage facility in southeastern New Mexico.

On February 24, 2017, the NRC issued an operating license to AUC LLC for the Reno Creek uranium recovery facility in Campbell County, WY. AUC submitted the application in October 2012 for the in situ recovery facility, which uses a solution to extract uranium from underground ore, then pumps it to the surface for further processing. In issuing the license, the NRC concluded that the proposed facility can operate in a safe manner, protect ground water, and recover sufficient funds to provide for its eventual decommissioning.

On March 15-16, 2017, the NRC welcomed approximately 3,000 people to its 29th annual Regulatory Information Conference in Rockville, MD. The conference provided attendees—which included industry executives, nongovernmental organizations, individual community members, and representatives from State governments and dozens of foreign countries—an opportunity to discuss issues related to the safety and security of commercial nuclear facilities and current regulatory activities. Technical sessions addressed significant domestic and international issues such as cybersecurity, subsequent license renewal, advanced and small modular reactors, spent fuel research activities, and the Reactor Oversight Process.

Rulemaking activities during the reporting period included publishing for public comment proposed changes to the agency's regulations for the fees it will charge applicants and licensees for FY 2017 and publishing for a 90-day comment period a draft regulatory basis for a future power reactor decommissioning rule.

Finally, from October 2016 through March 2017, the agency conducted approximately 374 public meetings—both in the Washington, DC, area and around the country—addressing a full range of NRC issues. The meetings included Commission, advisory committee, licensing board, and staff-sponsored events. Also during this time, the NRC received 437 new Freedom of Information Act (FOIA) requests and closed 558 FOIA requests.

Please feel free to contact me or Eugene Dacus, Director of the Office of Congressional Affairs, at (301) 415-1776, if you have any questions or need additional information.

Sincerely,



Kristine L. Svinicki

Enclosure:
As stated

cc: Senator Sheldon Whitehouse

Identical letter sent to:

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public
Works
United States Senate
Washington, DC 20510
cc: Senator Sheldon Whitehouse

The Honorable John Barrasso
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510
cc: Senator Thomas R. Carper

The Honorable Greg Walden
Chairman, Committee on Energy
and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Frank Pallone, Jr.

The Honorable Fred Upton
Chairman, Subcommittee on Energy
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Bobby L. Rush

The Honorable John Shimkus
Chairman, Subcommittee on Environment
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Paul Tonko

The Honorable Mike Simpson
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, DC 20515
cc: Representative Marcy Kaptur

The Honorable Lamar Alexander
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510
cc: Senator Dianne Feinstein