



CHAIRMAN

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

May 3, 2018

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 2017 through March 2018 and includes a list of rulemaking activities, and their priority and schedule, as requested in the Joint Explanatory Statement that accompanied the Consolidated Appropriations Act, 2018.

In early March, the NRC issued annual assessment letters to the Nation's 99 operating commercial nuclear power reactors about their 2017 performance. All but three reactors placed in the NRC's two highest (out of four) performance categories. Eighty-three reactors fully met all safety and security performance objectives and will continue to receive the standard 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 follow-up of corrective actions. Two of those 13 plants have resolved their issues since the reporting period ended and have transitioned to the level of performance requiring the least oversight. Three reactors, Arkansas Nuclear One Units 1 and 2 (in Arkansas) and Pilgrim Nuclear Power Station (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 includes several additional inspections and frequent NRC management involvement to confirm the reactors are addressing the performance issues. Over the spring and summer, the NRC is hosting a public meeting near each plant to discuss the details of the annual assessment results.

On January 30, 2018, Florida Power & Light Company filed the first-ever subsequent license renewal application. This application seeks to renew the operating licenses for the company's Turkey Point Nuclear Generating Units 3 and 4 in Homestead, FL for a second time for an additional 20 years. The NRC approved the initial license renewal in June 2002, with Unit 3 currently licensed to operate through July 19, 2032, and Unit 4 through April 10, 2033. The agency recently docketed the application and will publish a notice of opportunity to request an adjudicatory hearing before the NRC's Atomic Safety and Licensing Board. The NRC has made the application available for public review on the agency Web site.

During this reporting period, the NRC had under review seven license renewal applications, including one subsequent license renewal application, for a total of nine power reactors, and one new reactor combined license application for two proposed new reactors. In addition, the NRC continues to address post-Fukushima safety enhancements, which are described in the enclosed report. In early April, shortly after the close of the period covered by this report, the Commission authorized the staff to issue the combined licenses for Florida Power & Light to build and operate two new reactors at its Turkey Point site in Florida.

Other Noteworthy Licensing and Regulatory Activities in the Past 6 Months

I am pleased to report that the NRC ranked in the top 10 Government agencies in all major indices measured through the 2017 Office of Personnel Management's Federal Employee Viewpoint Survey. The 2017 results, received last October, reflect a slight increase in overall NRC employee engagement, diversity/inclusion, and global satisfaction. This indicates a noticeable improvement in the agency culture and employee perceptions, attributable, in part, to efforts the agency has taken in response to previous surveys.

In November 2017, the NRC released its fiscal year (FY) 2017 Agency Financial Report, providing an audited financial statement of the agency's management of resources. This report replaces the NRC's Performance and Accountability Report. The FY 2017 report details substantial improvements in data collection and classification in the NRC's information systems, which improved communications with licensees and other stakeholders. The NRC also successfully implemented the Digital Accountability and Transparency Act and a new electronic vendor billing system, the Invoice Processing Platform, through the U.S. Department of the Treasury. The agency also moved its core financial system into a cloud computing environment.

In February 2018, the NRC published its updated Strategic Plan for FYs 2018–2022. The document provides a blueprint for the agency to plan, implement, and monitor work needed to achieve the agency's mission for the next 4 years. It establishes strategic goals, long-term strategies, performance expectations, and a basis for the agency's annual budget and performance plans. Although the agency's strategic goals and objectives remain essentially unchanged from the previous strategic plan, this update includes a new vision statement, which emphasizes that the agency's Principles of Good Regulation guide the NRC staff in carrying out regulatory activities.

In mid-March, the NRC held its 30th Regulatory Information Conference, with more than 3,000 attendees, including industry executives, representatives from State governments, staff from nongovernmental organizations, individual community members, and representatives from foreign countries. The conference provides an opportunity for attendees to discuss issues related to current regulatory activities and the safety and security of commercial nuclear facilities.

Rulemaking activities during the reporting period included, in November 2017, finalizing the regulatory basis for proposed new regulations on the decommissioning of commercial nuclear power reactors. In many cases, those new regulations would formalize steps to transition power reactors from operating status to decommissioning without the use of exemptions and license amendments. In January 2018, the NRC published for public comment its proposed regulations for the fees it will charge applicants and licensees for FY 2018. The proposed fee rule, which is required by the Omnibus Budget Reconciliation Act of 1990, as amended, to recover approximately 90 percent of the agency's budget, is based

on the FY 2018 Congressional Budget Justification. The final rule will be based on the NRC's actual appropriation.

Finally, from October 2017 through March 2018, the agency conducted approximately 430 public meetings, both in the Washington, DC, area and around the country, addressing a full range of NRC issues. The meetings included events sponsored by the Commission, advisory committees, licensing boards, and staff. Also during this time, the NRC received 396 new Freedom of Information Act (FOIA) requests and closed 243 FOIA requests.

Please feel free to contact me or have your staff contact 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

Enclosures:
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 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

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