

# INSTABILITY IN THE REGULATORY ENVIRONMENT

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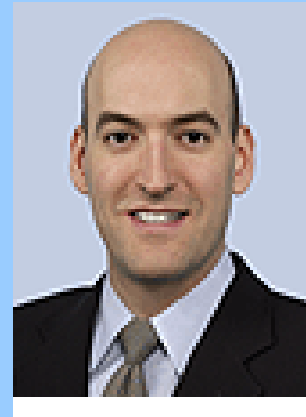


# REGULATORY INSTABILITY

## CHALLENGES AT THE ORGANIZATIONAL LEVEL



# THE COMMISSION: 2006



# THE COMMISSION: 2007

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# INSTABILITY

## NRC STAFFING & LEADERSHIP

- Senior management changes anticipated
- Large influx of new employees
- Staffing levels growing rapidly
- NRC experience levels dropping (GAO)
  - 39% of staff have < 5 years experience
- 2010: 33% of staff with mission-critical skills eligible to retire (GAO)
- Turnover within NRR Project Manager ranks



# INSTABILITY THE NRC BUDGET

- **2001 Budget \$487M (2763 FTE)**
- **2005 Budget \$669M (3108 FTE)**
- **2008 Budget \$916M (3535 FTE)**
  
- **Fee Recovery: \$666M (2007) \$765M (2008)**
  
- **Continuing Resolution**
  - New Plant Licensing
  - License Renewal



# REGULATORY INSTABILITY

## CHALLENGES AT THE POLICY LEVEL



# INSTABILITY

## NEW PLANT LICENSING & CONSTRUCTION

- **SWEEPING REGULATORY CHANGES**
  - Part 52
- **DESIGN CERTIFICATION**
  - NRC considering how to incorporate security enhancements into new designs
- **ENVIRONMENTAL REVIEWS**
  - 9<sup>th</sup> Circuit Court of Appeals decision





# INSTABILITY

## SECURITY & INCIDENT RESPONSE

- Security Orders Post 9/11
- New Design Basis Threat
- B.5.b (Security Order)
  - Extremely Resource Intensive
  - Broad Scope (EP, Operations, Security..)
  - Inherent Lack Of Clarity & Predictability
- Sweeping Part 73 Proposed Rule
  - Goes Well-Beyond Existing Orders
  - Lacks Clarity & Basis
  - Significant Industry Resources Dedicated To Review



# INSTABILITY

## PART 26 RULEMAKING: WORK HOURS

- **Safety Benefit Of Rule Is Not Clear**
- **Work Hour Restrictions**
- **Multiple Layers Of Requirements**
- **Large Administrative & Operational Burden**
- **Staffing & Outage Durations May Be Affected**
- **Ability To Get Craft Labor During Outages Will Be Adversely Affected**
- **Enormous “Infrastructure” Challenges**



# INSTABILITY

## PART 26 RULEMAKING: WORK HOURS

- **Policy**
- **Procedures**
- **Audits**
- **Reviews (2x/year)**
- **Scheduling**

- Staffing**
- Records**
- Training**
- Examinations**
- Waivers**

- Work Hour Tracking Tools**
- Reporting Requirements**
- Fatigue Assessments**



# REGULATORY INSTABILITY

## CHALLENGES AT THE TECHNICAL/REGULATORY LEVEL



# INSTABILITY

## TECHNICAL/REGULATORY ISSUES

- Mitigating Systems Performance Index (MSPI)
- Safety Culture
- Pressurizer Butt Welds
- Grid Reliability
- PWR Sumps



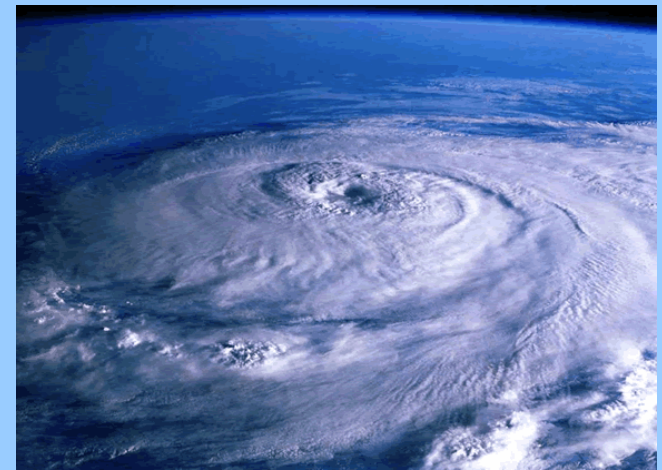
# INSTABILITY MISSED OPPORTUNITIES

- RIS 2005-20, Operational Leakage: Class 2 & 3 Components
- RIS 2007-01, Standard Emergency Action Level (EAL) Scheme



# THE PERFECT STORM

- **Regulatory Instability**
  - Sweeping Regulatory Changes
  - Instability At Organizational, Policy, and Technical Levels
  - New Plant Licensing
- **Licensee Instability**
  - Trying To Respond To Regulatory Changes & Instability
  - Organizational Challenges
  - New Plant Licensing





QUESTIONS?