USNRC

REGULATORY INFORMATION CONFERENCE

22ND ANNUAL MEETING

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Official Transcript of the Plenary Session

Tuesday, March 9, 2010

Speech of Chairman Gregory B. Jaczko

of the United States Nuclear Regulatory Commission

Commencing at 8:30 a.m.

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PROCEEDINGS

Tuesday, March 9, 2010

(8:30 a.m.)

MR. LEEDS: Good morning, my name is Eric Leeds, I am the Director of the Office of Nuclear Reactor Regulation.

On behalf of the Nuclear Regulatory Commission it is my great pleasure to officially welcome you to the 22nd Annual Regulatory Information Conference.

This year's conference is cosponsored by the Office of Nuclear Reactor Regulation and the Office of Nuclear Regulatory Research.

To begin with I would like to take a moment and thank the Joint Law Enforcement Color Guard from the Military District of Washington as well as the NRC's very own Tuwana Ellis for that stirring rendition of our National Anthem. Thank you.

(Applause.)

MR. LEEDS: The Regulatory Information

Conference provides an open forum bringing together diverse groups of stakeholders to discuss a myriad of regulatory activities and processes.

It is encouraging to see the number of individuals who have traveled from afar to participate in this week's events and it is wonderful to see so many people coming together with the desire to learn and share information and to work together to ensure the safety and security of the nuclear industry.

This year is one of the largest attendances that we ever had for this conference. We have over 2700 participants and 27 countries represented.

In addition there are 18 international leaders of regulator bodies and multinational organizations here with us today.

We extend our greatest appreciation to you for attending and allowing us to provide us this unique opportunity for open dialogue and meaningful exchange of information.

Some highlights of the conference this

year include a keynote address from NRC's Chairman, Dr. Gregory Jaczko, followed by remarks by Mr. Bill Borchardt, NRC's Executive Director for Operations.

We will also have the pleasure of hearing from guest speaker Mr. James Ellis, president and chief executive officer of the Institute of Nuclear Power Operations.

In addition, this afternoon you have the opportunity to participate in plenary sessions with Commissioners Dale Klein and Kristine Svinicki.

This year we have 40 technical sessions that will address a variety of topics including the applications for new nuclear power plants and regulatory approaches to new reactive designs.

We have sessions on nuclear power plant security and safety research and safety culture.

Other technical sessions include discussion of digital instrumentation and control, fire protection, and buried piping.

Of these forty sessions ten include

international panelists and speakers.

In particular, I would like to bring your attention to the sessions scheduled for tomorrow morning entitled "Regulatory Applications of International Operating Experience" and that includes speakers from several international regulatory agencies who will be sharing their examples and lessons learned for their uses of safety significant operating experience.

For those interested in attending the regional breakout session this session will be held tomorrow afternoon as a joint session entitled "Operating Nuclear Power Plant Issues," and your speakers include our four NRC regional administrators as well as Jim Wiggins Director of the Office of Nuclear Security and Incident Response.

I plan to attend representing the Office of Nuclear Reactor Regulation and Dr. Bruce Mallet, the deputy executive Director for Reactor and Preparedness Programs will attend.

Issues being discussed were provided by

senior nuclear industry officials.

As a result of this feedback that we received from you at last year's conference, we are making some changes for this year's conference.

Technical sessions have been increased to two hours to provide additional time for speaker presentations and questions and answers.

By extending the time we hope to do sessions to stimulate discussion and increase interaction, but before we begin I have a few housekeeping reminders.

First, please remember to visibly display your name badges throughout the duration of the conference. Turn off or silence your electronic devices.

For your convenience all the presentation materials that will be shown at this year's conference are available on the NRC public website.

A number of our speakers this morning may have time to respond to audience questions.

If you would like to submit a question please use the form provided and pass your question to the NRC staff members that will circulate throughout the aisles.

Lastly, there will be evaluation forms for each session so please provide us with your feedback.

I would also like to take this time to thank all the NRC management and staff who volunteered their time in support planning for the Regulatory Information Conference, especially the NRC's conference planning team.

Thank you.

(Applause.)

MR. LEEDS: Now, I have the great pleasure to introduce you to the NRC Chairman, Dr. Gregory Jaczko.

Dr. Jaczko was designated Chairman of the NRC by President Barack Obama on May 13, 2009. He was first sworn in as a commissioner in January 2005 and his term runs through 2013.

Throughout his tenure on the Commission

Dr. Jaczko has focused on the NRC being a decisive safety regulator and he has worked to ensure that the agency clearly communicates with the public and its licensees.

He is committed to the safety of existing nuclear reactors and radioactive materials in implementing a predictable safety review process for license applications and ensuring the agency conducts thorough environmental reviews and in promoting strong enforcement programs.

Dr. Jaczko holds a Bachelor's degree in physics and philosophy from Cornell University and holds a Doctorate in physics from the University of Wisconsin, Madison.

Please, join me in welcoming Dr. Jaczko.

(Applause.)

CHAIRMAN JACZKO: Good morning, everyone. I am pleased to address the 22nd Annual Regulatory Information Conference.

The RIC is the largest annual gathering sponsored by the NRC. It brings together a broad

range of participants, members of the international community, local, state, and federal officials, national laboratories, non-government organizations, industry, media, and of course, members of the public.

The RIC provides us all with unique opportunity to interact with and learn from colleagues with different backgrounds, experiences and perspectives.

As Eric said we would not have this opportunity were it not for the hard work of the staff that organized the RIC and in fact they will start organizing next year's RIC Thursday and Friday when everyone is wrapping up this one.

Let me second Eric's thanks to all of them for their diligence and for their dedication over the past year where they have put together what has really become a tremendous event not only for this agency but for the industry and nuclear safety in general.

Before I delve into my remarks let me take a couple of minutes to express my

appreciation to Dr. Dale Klein for his many years of dedicated service to the NRC and the nation.

He has made no secret his desire to return to his home State of Texas when his successor is confirmed and I suspect that this year's winter did nothing to dissuade him from those plans.

The President's three new Commission nominees have now made it through the Senate for Environment and Public Works Committee and they are now before the full Senate, so we may see changes in the near future.

This RIC, therefore, is likely Dr. Klein's last as a member of the Commission that he has served on with distinction since 2006. I appreciate the important contributions that he made to the agency throughout his tenure and I would now ask that you join me in thanking him for his many years of dedication as a public servant.

(Applause.)

CHAIRMAN JACZKO: The RIC presents us with a valuable opportunity to step back and look

at where we are as an agency, where we are as an industry, and where we are when it comes to nuclear safety.

The NRC has much work in front of it and it has a dedicated staff behind it.

The compass that will guide us in the future is no different than that which has guided us in the past. It is fundamentally our mission in protecting the public's health and safety and ensuring common defense in security and protecting the environment.

That compass guides every aspect of our regulatory work whether it is our development of standards and regulations, our licensing reviews, or ultimately our oversight efforts.

Our mission is comprehensive but the way in which we need it is not static for all the changes to our regulatory landscape over the last decade or so being focused on security after September 11, the safety changes after Davis-Besse, the wave of license renewals and new reactor applications is work that will likely only

become more varied and vital in the coming years and the safety and the security of our existing fleet of reactors will continue to be our number one priority and focus despite all of these additional activities and efforts.

We must provide a steady hand to continue doing what we have always done well and to prepare for new and emerging challenges, but we must also keep our eyes fixed on the horizon to appreciate where we are going, to recognize the issues that will take on added importance in the coming years and to know what we need to do now in order to prepare for those challenges.

In my speech today, I will share my observations of where we stand today on some issues as an agency and my vision for some things that I think the NRC will be working on in the coming year.

I will do so focusing on those three key aspects of our regulatory work, the rulemaking, licensing, and oversight.

I will try to break issues down in terms

of those, but of course, those three issues are intertwined in a unique and interesting way on many different issues.

So let me start with the foundation, the bedrock of our regulatory system and that is ultimately our regulations.

Last year has been a very successful year for the NRC and for the licensees that we regulate. We have now implemented two new comprehensive regulations.

The first was our Part 26 Rule or the fitness for duty rule and the second was a comprehensive security rule.

Both of these rules generated a lot of discussion on how we coordinate and implement our rules.

Rulemaking is on the one hand an agency responsibility and it is something that we can always look for ways to improve, but it is our responsibility that we share.

We share that responsibility with the members of the public that comment on our rules

and the licensees that provide us with valuable information about how those rules will work.

One of the things that we saw in the past year was perhaps that we had not done enough in developing these rules to ensure that we understand fully how they will be implemented.

As we move forward, the staff is looking at ways to ensure that we can better integrate the implementation challenges in the development of the rules so that in the end we have rules that will be able to be implemented on the schedule that we establish in the rulemaking process.

It is incumbent upon our licensees as we develop these processes to give us good information during the public comment period.

I would like to reinforce the expectation that licensees need to participate in the process as is designed.

There are many avenues and opportunities for licensees to provide us input and feedback on how these rules will be implemented and how we can tailor them in the right and appropriate way.

Interested stakeholders have the responsibility to follow this process in states and in step and once the rulemaking is completed organizations as sophisticated as those of our licensees should clearly be in a position to implement the rules in the directions as now outlined in the final rule.

That's a goal that we should make clear that we work for as we develop these rules.

One of the things we saw this year - and this is one of the lessons of that - is that we will take and work to improve as we develop the rules in the future, those are areas where changes will be coming, so I want to touch on a few.

One of the first ones is in the area of cyber security. This past year the Commission finalized as I said a comprehensive security rule and that contains significant information on cyber security.

In accordance with the rules requirements all licensees have submitted their cyber security plans and their implementation

schedules by this past November and to assist with implementation the staff has also completed work on the regulatory guide and it continues to make progress in reviewing licensee plans and schedules.

I would like to personally thank and highlight the contribution of Commissioner Svinicki on this effort as she has been tireless in keeping both the staff and the Commission focused on this important issue ensuring that implementation of our new cyber security regulations proceeds effectively.

These, and our other efforts to codify the post 9/11 orders are signs of the significant progress that we have made in moving towards a more stable secure environment, but we cannot lose sight however with the dynamic threat environment and in particular that is posed by cyber security.

From that it's clear that our security work is not complete. Cyber threat in particular is a threat that evolves quickly and it is one that we will need to maintain a focus on to

appreciate the risks it poses and how we can best guard against them.

Although the security provisions are currently part of our design based threat we still need to develop appropriate performance testing criteria as we have for other physical threats.

In the end cyber security is an issue that lends itself best to some type of a performance-based testing and oversight program and that is something that we will be looking to develop in the next coming years.

Looking ahead to the Commission's agenda for the next few months you have to address what proverbially would be called the "elephant in the room" and that is the update to the Commission's waste policy rule.

The Commission has been focusing on this update for a generic determination of the environmental impacts of spent fuel and working to develop a final answer.

As we do so it is important that we stay focused on our regulatory responsibility which is

ultimately to ensure that spent fuel is safe and is securely managed.

To put this in perspective it is important to remember that waste confidence is nothing more or nothing less but an environmental and generic determination of environmental task of the storage of spent fuel.

It is not fundamentally a safety review about the storage of spent fuel.

The staff has taken a fresh look at the technical basis for our waste confidence findings and reaffirms that spent nuclear fuel in any reactor can be stored safely without significant impact to the environment for 50 to 60 years after the licensed life of operation.

The Commission has that draft in front of us and it is considering it now and I am looking forward to working with my colleagues to develop the rule that will provide stability once and for all in the area of waste confidence.

We need to look now at what are the goals that we want to achieve with this rule, and

it was most fundamental to have a rule that will be long standing and not need revisions on a periodic basis.

It is a rule that ultimately and appropriately focuses on our mission of ensuring the protection of the environment ensuring adequate safety and security.

There are really two fundamental parts in approaches that the Commission should be looking at.

One is to develop a long-term rule that is driven by time lines that are driven by the technical information and by the technical analysis about the safety and the environmental impact of spent fuel.

As part of the solution we need to look implementing a short-term look and a short-term approach that deals with the challenges we have right now of an uncertain future for ultimate disposal of spent nuclear fuel.

Fundamentally, we need to leave the ultimate strategy of what our nation's ultimate

disposal option will be whether it is geological repository reprocessing or other types of approaches, but we need to leave that to other organizations such as the Blue Ribbon Commission which was recently created to examine alternatives and make recommendations about the types of ways we can ultimately store and secure spent nuclear fuel.

As we look forward to the next several months, I will continue to work with colleagues on the Commission to work to finalize our views on waste confidence.

I want to turn to the second area in our regulatory arsenal and that is the area of licensing. Our licensing actions are ultimately where our work begins ensuring that applicants are taking the necessary steps to be able to operate or use nuclear materials in a safe, secure, and in an environmentally sensitive manner.

This is an area where our regulatory waters are far from still, but I had an opportunity in December to travel to South Africa

to attend an IAEA conference and while I was there I took the opportunity to visit what has been one of those beautiful places I have ever visited and if you have ever have the opportunity to go there, I do encourage you to try and go to these places.

It's Cape Point which is the cape that is just south of Cape Town in South Africa. Should you go down to Cape Point it is absolutely beautiful and if you look off to the east you can see the ocean currents and what you would in fact see is the place where there two incredible ocean currents that come together, they being the ocean currents that make up the Indian Ocean and that which makes up the Atlantic Ocean.

As I saw those mighty forces converge, I paused to think about how our agency will experience a confluence of significant challenges in the near future and one of the most significant dates - unfortunately Hollywood has appropriated this date for a series of disaster films - but I don't think that's what we will be seeing.

However, the date I am talking about is

2012, and if you look to that date you look right at some of the issues and some of the challenges that we are facing.

Well, 2012 is a very unique date and much of this location in South Africa brings together two very different bodies of water so 2012 will bring together a unique set of licensing challenges for the Nuclear Regulatory Commission.

On the one hand we will be nearing completion of reviews of combined license applications for possible new reactors.

On the other hand we may be in the process of or at the point of completing startup testing for the Watts Bar 2 Reactor under the Part 50 process.

Then a third unique challenge.

On Cape Point there are only two oceans coming together, but I have a third one.

The third is the NRC may be embarking on the design certification of a completely different type of reactor, small module reactors.

In 2012 the NRC may be embarking on

working on three very different approaches in dealing with licensing with three very different approaches to nuclear reactors in this country.

Now is the time when we have to think about the challenges and the issues that we need to address in order to ensure that that process is smooth and that that process ensures that we are able to ensure our mission of protecting public health and safety and the environment.

When it comes to design certification the challenge is whether they will be for small reactors or for the larger reactors but are the same in ensuring time quality applications on the part of the applicants and ensuring clear expectations on the part of the NRC's staff working to make decisions in a diligent and effective manner.

When it comes to the oversight of construction of Watts Bar Unit 2, it is ensuring that we put in place the right kinds of inspection programs and that we have the proper resources to ensure that we are able to conduct inspections

that we need to conduct to ensure the safe operation of that facility.

Successfully navigating the agency's responsibility with regard to these four challenges will require us to stay focused on our mission of safety, security, and the environment and we will continue to strive for the open transparent vision of regulators.

Whenever I see these challenges out there I am reminded that as an agency we have a strong track record in conducting efficient predictable licensing reviews and we will always stay focused on our public safety.

We need to look no further than our existing licensing process to see that we know how to do this work.

We completed approximately 1,500 licensing actions in the past year and 90 percent of them in 12 months with the status of taking in past years to process the large number of license renewals and new reactor applications we received the NRC is well prepared to maintain that strong

track record, and in essence, the focus for the staff in moving forward.

But we must certainly look out now to make sure that what we are considering the kinds of policy challenges that may confront us in 2012 as we begin looking at small and module reactors.

We need to make sure that we understand how we deal from a risk perspective with multiple reactors at one site whether they be existing reactors with a small module reactor or existing reactors or with new reactors. Those are the kinds of policy challenges that we need to be thinking about now so that when 2012 arrives we are able to do our work and ensure our mission of public health and safety.

One of the specific challenges that the Commission has in front of it is to conduct mandatory hearings. In 2007, the Commission committed itself to conducting the mandatory hearings associated with applications for combined licenses rather than to continue to have the licensing board to perform its function.

These are certainly unchartered waters for the Commission, but it's an area where we have to be thinking now to lay out a vision on how these hearings will look and to develop concrete and transparent plans about how they will be conducted.

That's a big challenge for the Commission, but it is far from the only issue before us today. It will be incumbent upon us to make sure that we take the time to do the work now so that we get to the point of having mandatory hearings and be prepared conduct the Commission in an effective manner.

In addition to the CL that gets most of the attention, the agency has been preparing for the potential future oversight of construction and operating activities.

For example, the staff has been developing the guidance to implement inspection test analyses and acceptance criteria.

The staff has worked hard and the staff has employed their considerable expertise in doing

so but, of course, this will be a new process and so there will be issues and challenges that arise.

The time, again, is now to begin to think about what those challenges are and maybe to prepare as many of them as we can.

Those are some of the new challenges and there are some existing challenges that still confront us.

One of the ones that's most unique and really does in many ways need to get resolved in a timely way is GSI-191. That's a new reactor issue as well as an existing reactor issue.

This emergency core cooling system with some clotting issue has been around for way too long with existing reactors and is now propped up as a problem in certain new reactor designs.

While on the one hand we talk about new designs not necessarily having the same challenges of some of the existing plans being designed to a more significant safety standard this is still an area where we have uncertainty in which we need to work to a final resolution and a final decision.

Existing reactors are running out of time to come in compliance with existing regulations to adopt a clearly accepted method for resolving the outstanding issues and making the necessary commitments in order to bring this huge issue to closure by the end of the year.

New reactor applicants should want to resolve this issue as soon as possible because it only has the potential to make our safety reviews of their applications more complicated. I could not give a speech without talking about fire protection so here is what I will do next.

This is certainly one license area where in the past we have difficulty making clear tangible progress. I am happy to say that I think we are on the verge finally doing that with this particular issue.

For those who heard me speak before at RIC or in other forums it will come as little surprise to hear that I fully support and endorse the adoption of NFPA 805, the risk informed

performance based method for dealing with fire protection.

The Commission's policy on this issue is clear. In a staff's requirements memorandum from several years ago the Commission clearly articulated that the staff should continue to encourage licensees to transition to NFPA 805 and the Commission has advocated that policy for good reason.

NFPA 805 allows licensees to take advantage of risk insights to enhance safety and to take a comprehensive evaluation of their fire safety measures. Fifty plants have voluntarily adopted to shift towards this performance-based regulatory framework and we are anticipating the first license amendment for the pilot projects to be approved later this spring.

Once we have a pilot complete and have proven that the process works I would encourage licensees to not wait to submit their license applications until the second pilot is complete. I challenge all licensees to consider whether or

not ultimately NFPA 805 is the right path for them to fundamentally require fire protection in the way that not only revolves long standing issues, but provides a flexible framework in moving forward to deal with the technical challenges about how real life evolves and develops in the area of fire protection.

NFPA 805 is the lighthouse that guides us forward in this area and it is an area that we have grappled with for nearly 35 years since the Browns Ferry fire.

Our journey towards resolving this has been slow and meandering at times. We hoped that the two pilot plants would have completed their safety evaluation reports in late 2009, but like many new processes the NFPA pilot transitions have been complex and it requires significant level of effort by licensees as well as the NRC staff.

We are now in the final stages of the work, but for Sharon Harris which could be completed as early as this spring and Tony is also expected to finish later this year.

We will need to continue pressing ahead on this important issue for the one simple reason that we have long recognized. Fire poses a significant threat to plant safety and that's something that we have learned from our risk models.

It is important that we take that information and that we put in place the right kinds of programs to finally resolve this issue going forward.

I want to turn to the final area of NRC's activities and that's fundamentally in our oversight efforts. However important good rules are what ultimately defines a regulator is its ability to ensure that its requirements are being followed.

We always stand watch, but the NRC cannot be everywhere and it cannot inspect everything and that's why we must always maintain an effective oversight program that best leverages the information that we do have to effectively identify possible violations.

That's why it is so important when we have information about potential violations we then conduct thorough investigations and take appropriate enforcement actions.

We have taken a couple of significant positive steps in these areas over the past year. First, staff initiated a major revision of our enforcement policy after seeking and incorporating significant amount of public comments.

This revision reorganizes and will not use outdated information. It addresses new enforcement issues and improves and expands enforcement examples.

These changes will make a policy easier to understand to use and provide guidance on merging enforcement issues particularly in the area of security and this revised policy is now before the Commission for its review. This will certainly mean an important issue for the Commission to resolve in the coming months.

Secondary, where the staff has made tremendous progress is on enhancing our

allegations program based on the lessons learned on a review of the Peach Bottom incident. This was a significant effort by the agency and I am pleased to say that we have really made significant progress in addressing and in enhancing the allegations process.

One area that will be an area that continues to be used more and more in the future is the area of alternative dispute resolution in enforcement. As ADR has increasingly become a key part of our enforcement program, I believe we must continue to work to find ways to make this process as open and transparent as possible.

While ADR finds that nature must involve high negotiations in order to be effective which is the very nature of the process, we can and should take steps to ensure that the ADR process is clear to the participants and to the public and that the process is implemented consistently and that ADR problems are fully disclosed to the public.

I expect to propose some policy changes

in the near future for enhancement of Commission oversight and transparency in this area, so we can continue to reassure the public that while this process involves closed-door negotiations, in the end the agency is always focused on achieving the right kind of outcomes that enhance safety and security for the protection of the environment.

Looking back over the last ten years one of the most significant oversight tools that we developed has been the reactor oversight process.

This risk informed oversight tool uses performance indicators to gage performance. It is one of the key elements and aspects of this particular program and this is something that I hope to see transitioned and moved into another area by the regulatory arena for fuel cycle oversight costs.

Although the ROP has served us well we have to continually reevaluate the effectiveness of the specific performance indicators.

We have an obligation to make sure that plant performance is consistently high and not

just being more finely tuned to the indicators themselves.

This is something I talked about last year in my RIC speech and I am pleased to say that we have made a lot of progress in this area as there has been a tremendous amount of information sharing between the staff, between members of the international community, between and among INPO and licensees about other types of indicators that are out there and could easily be used to measure some of the same kinds of things that we are using right now in the ROP.

Of course, if we are properly measuring safety at facilities changing some of those indicators should not necessarily change how we do plan performance.

If we are missing something in how those indicators are providing us with information, then swapping out indicators will be a good way to identify them.

I am pleased to say that next month the staff plans to hold a public meeting to begin a

discussion about performance indicators that would provide a good opportunity for the public and stakeholders to comment on the next decade of their use in the reactor oversight process.

It is our job as a regulator to identify violations, but it would always be better if they didn't have to in the first place.

One of the things that the NRC has really brought to the regulatory community is the ability to work very collaboratively with licensees to encourage them by identifying violations and by identifying challenges to ultimately enhance and improve safety.

There are a couple of potential opportunities that we can continue to explore in the next year in this particular area. The first, of course, concerns safety culture of our licensees.

As I said before, the reason I think this is such an important issue is that we have found over the years is that a deteriorating safety culture often leads to deteriorating safety

performance.

If we can identify deteriorating safety culture perhaps we can extend some of the performance deficiencies before they even happen. This is certainly an area where we have made a lot of progress in our efforts thus far for safety culture.

We have incorporated safety culture into our oversight process, but more fundamentally right now what we're completing action on is a safety statement called "Culture Policy Statement" that has been out for public comment and that public comment period just recently closed.

The Commission will be holding a meeting on this issue later this month and we look forward to a discussion on this important topic then.

In going forward the focus for the Commission should be on finalizing this policy statement and once we finalize the policy statement, we will then have the ability to look back to all of those programs that we have in place do deal with safety culture and see that it

achieves the goals that we have now outlined for ourselves in the policy statement, then we can ultimately ask ourselves to answer the question that has been out there for some time about whether we should regulate the area of safety culture.

If we do choose to do that, how would we do that and what would be the right approach?

There are many options out there. We could make changes to the ROP. We can write a regulation that in some way allows us to require safety culture assessments. There is much that we can talk and think about, but in the end this will be the year in which we finally can decide whether or not this is an area in which to regulate, and if so, how we go about doing that. We have come far on this issue and now it is time to finally decide how far we have get to go.

Another "final issue" that I want to touch on that has risen to the surface is in the area of materials degradation. We have seen with the issue of Tritium leaks the public concern that

this issue can raise and at least to this point has been low-risk significance to the public's health and safety, but they have certainly had a tremendous impact on the public's concern.

With the recent piping and Tritium concerns here I suggest you let the staff take additional proactive steps, but steps that are appropriate to the significance of some of the concerns that we have seen.

For example, the staff participated in different code and standard settings discussions to determine if it becomes necessary at any point to reassess our corrosion and protection standards for different types of fighting.

But just as our mission calls for us to clearly communicate to the public about the relatively low-risk significance of these events it's also imperative that we clearly communicate to the licensees that we are not going to attempt to explain away a performance.

Licensees have a responsibility to communicate for themselves and to make their own

efforts to earn and keep the trust of the public in the communities where they are located.

The issues that I covered today reflect the breadth and the importance of the work of our agency. It will probably surprise few people to hear that the NRC's actions are being followed very closely today by the public, by policy makers and by the many other stakeholders.

Of course, that is evidence by the large number of people who are attending today's RIC. This is not just in our country, but it's also in the international community.

I believe that all of this scrutiny and attention makes it even more important that we conduct the public's work in an open and in a transparent manner.

Over the past few months we have moved forward with implementing the President's open government directive and as an independent agency we are not required to comply with this directive, but we have done so because it's in line with our historical organizational commitment to openness

and transparency.

It's almost in our blood as an agency to do these kinds of things and doing them very well, but it's certainly an area where we are always required to continually staying focused.

We cannot simply check a box on a form and then declare ourselves "open and transparent." We have to continually explain to the public what we're doing and how we are doing it and why we are doing it.

Our staff has done much good work in this area by reaching out to the public and to our stakeholders and developing new regulations and explaining our limitation.

Consistent with that approach I hope that over the next few months the Commission will begin to meet more frequently in public to deliberate and vote on matters under consideration.

I believe with this kind of openness and transparency this will build public confidence in the agency by highlighting our strengths, the hard

work, and the dedication of the NRC staff and the diligence and the expertise of the Commission.

It's for these very reasons that I am proud to lead this agency and I am proud to serve the dedicated men and women at the NRC.

I set out an ambitious agenda for the next year, but our mission demands it we are charged with ensuring the health, safety, and the security of the American people and the protection of the environment. That is the compass that guides us and that is how we stay our course.

I know that we are up for the task of meeting these critical responsibilities, and I thank you for coming to the RIC.

Your participation is what makes this such a success every year and I look forward to a really great conference.

Thank you.

(Applause.)

MR. LEEDS: Mr. Chairman, we have received a number of questions from the audience and if you would, sir, I will read the questions

to you for your response.

The first question notes that you have recently moved from being a Commissioner to the Chairman and the question is: "Were there any surprises in making the move? Can you compare the role of a Commissioner to that of the Chairman?"

CHAIRMAN JACZKO: There are always surprises in this business. Certainly, I wouldn't say surprises, but one of the things that I had learned more directly was really how the staff functions and how the staff works.

As a Commissioner you don't have as much direct interaction and involvement in the day-to-day operations of the agency, but as Chairman I have seen more and have been more involved with that and I continue to truly be impressed with the staff.

Whether it is the people here at headquarters or if it's the regional administrators of the organizations that they maintain and operate, this is an agency that works very well, so it's really a pleasure to be a part

of it and to be associated with the fine group people that work at the NRC.

MR. LEEDS: Thank you. The next question. "What keeps you awake at night?"

CHAIRMAN JACZKO: Usually it's the car alarms that go off in the alley outside my apartment. The things that keep me awake at night, really, it's probably summed up with complacency.

Are we in a non-comfortable situation where we have plants that are generally performing well where there are the "here and there issues and challenges."

We have many years of operating experience that has shown us that there is significantly large and many aspects of nuclear plant design and performance.

In the end there are still new issues that come up fairly frequently, not unanalyzed phenomena previously unidentified, it is in the making sure that we have not become too comfortable with the margin to appreciate that

there may be some of those issues out there that could have unexpected outcomes and unexpected impacts on safe operation of the facilities that we deal with.

That's probably the most important and significant thing that I think about as I would have issues and worry about the challenges that we face.

Are we missing something? Is our inspection sampling frequency high enough to make sure that we are identifying issues that need to be identified and do we have the right programs in place so that licensees will bring those issues to our attention in the appropriate way.

It's really those things that we don't know. I'm convinced that there still are things that we don't know so it's important that we continue to look for them and continue to be diligent in doing that.

MR. LEEDS: Thank you. The next question: "What's happening now that Yucca Mountain has been removed as a repository for

high-level waste?"

CHAIRMAN JACZKO: The Commission does have an ongoing hearing process, so I cannot comment specifically on the actions that are in front of the NRC and the licensing boards specifically with respect to the Yucca Mountain application, but what I can say is this.

As I look at our agency's responsibilities, the responsibilities that we have in front of us our focus needs to be on the safety and security of spent fuel.

Dr. Klein presented a proposal to the Commission to have the staff initiate a more thorough program of research and investigation to look at the challenges of spent fuel storage and transportation given that that fuel will likely be on-site for a longer period of time, maybe transported after a much longer time to dry storage, so we need to make sure that we are identifying the safety and security challenges that out there.

That's really the fundamental focus for

the agency is on that aspect of safety and security.

Keep this in mind. This is not something new. This is something that we have been doing now for nearly 40 years, managing spent nuclear fuel.

It's something that the industry knows how to do and this is something that the NRC knows how to do and it's something from a risk perspective that is really not the most significant risk based on any nuclear installation right now.

Our focus needs to be from a technical focus on the technical standpoint looking on those challenges making sure that we are looking long-term, the next several hundred years to see if there are issues that are cropping up now or that crop up in that time that we can address now and change some of how we are doing our interim and shorter term storage solutions to insure that ultimate safety is assured well into the future.

As I said on the policy front, the

biggest challenge confronting us right now is waste confidence, coming up with a rule that deals with the realities of the change in the nation's direction for spent fuel, ultimate disposition and recognizes what we know from a technical perspective about the safety and security of a nuclear reactor.

MR. LEEDS: Thank you. Mr. Chairman, this writer says that he or she agrees with the accomplishments of the NRC as you stated as well as the positives.

The question is: "What are the one or two top areas of improvement that you see needed for the NRC?"

CHAIRMAN JACZKO: One area of improvement that we would all like to see is in the rulemaking process. It would be nice to be able to work in a shorter time frame. So far there is no quick solution to that process to figure out how we can do it more succinctly and more quickly.

So that rulemaking can be more of a

grappling tool that sometimes deals more quickly with changes. It would allow us in many ways to do more targeting with more specific rules to deal with specific problems.

In many ways the rules become very large because it takes such a long time to develop them so we accumulate more and more issues than any one particular initiative.

I would like to see us be able to do that more quickly and in a more targeted way, so that is certainly one area.

There are as many challenges that we have as any federal agency has when it comes to contract and IT management. That's an area that as an agency we conclude. It's not necessarily one that for many of you outside of the agency know, but it does have an impact because as we move forward in more constrained budget environments we want to be able to take advantage of the latest technology tools to enhance our effectiveness and to enhance our efficiency.

We want to be able take advantage and

use the contracting process to do the same kind of things. That is an area internally where I would say we can continue to make enhancements.

I would say that we're not in any way different from many other federal agencies. This is one that all of you would appreciate is a challenge for the federal government as a whole. It's one that with the agency that we have with its creative and dynamic people it's one that we use.

MR. LEEDS: We have time for a couple more. "Mr. Chairman, you have given numerous speeches stating that the NRC needs to be a strong decisive regulator. Since May 2009, what actions have you taken to make the NRC a strong regulator and what were the results?"

CHAIRMAN JACZKO: In many ways it's the staff that makes us a strong regulator. The staff has done some very good things in the past year that have really lived up to those words being "decisive and strong."

One area I would point to is in the

implementation of the parts on rulemaking, the security rulemaking.

That was our rulemaking being a significant amount of comment and discussion and as we developed the rule we ultimately put in place a firm compliance which was largely this year.

One of the things the staff did was as it became clear that there were going to be challenges with implementation of that rule the staff took the right approach and they said, "Licensees need to be in compliance."

There was a lot of discussion about perhaps extending the implementation date of the rule and doing those types of things and in the end the staff came to the right conclusion which was, "The rule had been developed in a very public and deliberative process so we needed to follow the requirements of the rule."

That having been said the staff was able to recognize that there may have been reasons for which some licensees would have challenges in

complying with the rule and the appropriate way to deal with those challenges was through that, and that's in fact what the staff did and what the licensees ultimately did, and the staff has reviewed those requests in a very timely and thorough manner.

So there's the situation in which the staff demonstrated that they are willing to comply or to require compliance with the rules, but recognizing that there may be appropriate reasons to have some flexibility and they were able to do that in a very short span of time and deal with those exemption requests in a significant way.

The second one I would touch on, and again this has been another really significant issue, when the agency made the decision that we needed additional information with AP1000 design certification, in order to fully make our safety findings when it came to shield buildings with the design of the AP1000, that was really another area in which you could really look to the staff taking the right steps and implementing those ideas being

a strong and decisive regulator.

They can set a very clear signal that there were a series of tests and analyses that were necessary for them to be able to complete their review and I think making that decision has allowed us to finally get to the root of the issue creating a path for it in resolving those challenges.

Again there was activity that demonstrated both of those concepts and has allowed us to move forward.

MR. LEEDS: Mr. Chairman, one last question. Time for one last question. You addressed in your remarks about GSI-191, but this question is very specific.

"There are several solutions to close out GSI-191 that involve accumulating large radiation dose to workers. Should there be more time given for testing an analysis in order to save dose in nuclear plant workers?"

CHAIRMAN JACZKO: It certainly is an interesting issue. I can't claim to know enough

about scheduling maintenance and scheduling activities to work insulation or the other kinds of things that would probably automatically be necessary.

As I look at GSI-191, I would say that we are not even yet to that point. When I talk about completion of this activity I think it's completion of the action plans that would get us to the point from which we are actually going in making the modifications in the facilities.

Clearly, when I talk about the end of this year what I am looking at is finally resolving from an analytical perspective the outstanding issues that are there that we continue to discuss as part of the resolution of GSI-191.

There will obviously be a period of implementation and that requires in many plants as likely will be the case some changes in removal of insulation on some piece of equipment that have high radiation doses or high radiation fields, then that is something we will deal with in that actual implementation, but it's getting to that

implementation stage that still bedevils us and that's what we need to get to which is to that point.

Obviously, as we deal with the implementation we will have to figure out what is the right way to make those changes and modifications in the facilities as we spread it out over a period where we make some modifications and do that over several steps.

That has yet to come, but we need to get to the point that the staff has a clear understanding of what the plans are and is comfortable that those plans will ultimately achieve the objectives we are seeking.

MR. LEEDS: Thank you, Mr. Chairman.

CHAIRMAN JACZKO: Thank you.

(Applause.)

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