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**2016 INPO CEO Conference**  
**Remarks - Chairman Stephen G. Burns**  
**Regulatory Perspective**  
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Good afternoon. It's my pleasure to be back in Georgia in the fall to talk to you. It's hard to imagine a year has gone by since I was last here. As everyone in this room is well aware, we are a week away from a national election, about which I'll happily decline to offer my own perspectives at this time. Given that I can't predict the outcome, I'd like to briefly focus today on just two areas. First, assuring you of the NRC's ability to weather whatever the next few months or years will bring. And second to note some of the agency's more recent accomplishments. And then I'm happy to take questions or just listen to what you have to say.

First, let me give you some context. The Energy Reorganization Act of 1974 created the U.S. Nuclear Regulatory Commission, with its first day of operation on January 19, 1975. Gerald Ford was president. Since then, the NRC has seen six more presidents move into the White House, and has seen six presidential transitions. The seventh transition will begin, literally, the moment the election is called for one candidate or the other. In truth, it has already begun. In a few short months, the federal government will officially begin anew in what Martin Anderson in his book, "Revolution: The Reagan Legacy," called a time of "delicious chaos."

What does any incoming administration have on its immediate "to do" list?

According to the Partnership for Public Service's Presidential Transition Guide, the new President and his or her staff must:

- Staff the White House and the Executive Office of the President, developing a functional decision-making structure and preparing to assume governing responsibility
- Make more than 4,000 presidential appointments, about 1,000 of which require Senate confirmation
- Get up to speed on more than 100 federal agencies with 2 million civilian workers and a \$4 trillion budget
- Prepare a short-term plan for executing the policies laid out during the campaign, plus a management agenda, a budget proposal and potential legislation
- Develop a strategy for communicating with the American people, Congress, the media, political appointees, the federal workforce and other stakeholders

Said Chris Lu, who began quietly working on Barack Obama's transition eight years ago, many months before he was first elected, "It's a little bit like planning the D-Day invasion."

So what does this D-Day level planning mean for the NRC and the energy sector and nuclear industry?

There may be several in this room today more qualified than me to opine on that topic. I don't know what the new administration's energy policy agenda actually will be or the specifics of how it will go forward. And I don't know when the Administration's focus will turn to the openings on the NRC Commission – or even on my designation as Chairman. But this I can tell you – and this I can personally promise – the NRC will continue to do its job, as we always have, no matter which party or which President governs from the Oval Office. We were set up to do precisely that. You may recall from my speech last year, that I noted being fortunate enough to be a part of the NRC across much of its history, when significant changes occurred – when plants were being built, when some were abandoned before being finished, when we addressed the lessons learned from TMI and the Fukushima Da'ichi accident. And when we developed a reformed licensing process, when major revisions were made to the ROP, when security became a more pressing focus, when a burst of new plants seemed imminent, and when more plants than anticipated headed toward decommissioning.

And now, I am pleased to be part of the changes – the challenges and the successes – occurring at this very moment. Let me touch on a few examples.

Since I began as Chairman, the Commission has held mandatory hearings, evaluated the staffs' reviews and authorized the issuance of combined licenses for Fermi 3, South Texas Project 3 and 4, and Levy 1 and 2, and a construction permit for the SHINE medical isotope production facility. Since I last was here, the drumbeat for small modular and advanced reactors has gotten louder. Within available resources, the NRC staff is pursuing a multi-part strategy to prepare for efficient and timely reviews of non-light-water reactor technologies. The strategy was presented to the Commission in June and was open for public comment through early September. We expect the final document to be issued by the end of the year – so stay tuned.

The Commission has also approved the commencement of a rulemaking on emergency preparedness for small modular reactors. Even five years later, I guess no recitation of success is complete without talking about lessons learned and implemented since the accident in Japan. The most safety significant enhancements and the physical resources we required for the operating fleet will be largely completed, acquired, integrated or installed by the end of the year. I've had a chance to see what you've done at the more than a dozen sites I've had the opportunity to visit over the past two years. I've also seen firsthand one of your two fully operational national response centers. These are impressive and important improvements.

The NRC's next step is inspecting the work that has been done and ensuring the plants maintain their progress. We're adapting our inspections and other processes to cover these enhancements, and updating our assessment process. We're now incorporating the Fukushima-related work into our ongoing inspection and oversight processes.

In addition, the NRC has concluded that many of the lower-priority lessons learned have already been addressed by other actions and research. The staff is developing a paper with a path forward for resolving the remaining lower-priority recommendations, with plans to deliver it to the Commission by the end of this year.

As I've said before, I firmly believe U.S. plants are better prepared for extreme events now than they were in 2011.

Meanwhile, the Commission has been taking a hard look at overhead resources, especially in the corporate support areas, reducing both FTE and contract dollars. Buy out/early outs have been offered and accepted, the NRC is now in alignment with how other federal agencies treat support costs and we've severely curtailed external hiring.

We set a goal of an FTE ceiling of 3600 by the end of fiscal 2016 – Sept. 30th, not counting the OIG. We've already exceeded that goal by some 120 FTE.

Under Project Aim, 19 separate tasks were identified; 16 of which have already been completed. Among other accomplishments, the agency has standardized a number of processes and functions, established several Centers of Expertise, improved transparency related to calculating fees, and developed a re-baselined budget for FY 2017 that reflects reductions of some \$48 million.

It should be noted that Project Aim and other efficiency measures were praised during our July 26 Meeting with Stakeholders, about which I'll speak more in a moment. At that meeting, Maria Korsnick, chief operating officer and soon to be President and CEO of the Nuclear Energy Institute, compared Aim to the industry's own "Delivering the Nuclear Promise." She acknowledged that both initiatives focus on efficiency and effectiveness while keeping a focus on core missions.

As part of the general re-reviewing of how the agency does business, the Commission has taken a particular interest in improving the rulemaking process. As a result, the Commission is involved early in the process to ensure significant resources aren't spent on rulemakings without specific Commission direction. We, the Commission, have also voted to discontinue or defer eight rulemaking activities that were in the early stages of development, and to improve tracking and reporting of rulemaking activities, including redesigning our rulemaking web pages in order to make the process more transparent and comprehensible.

Now let me touch briefly on the status of reactors that have reached the end of their road as far as generating electricity.

Nineteen reactors are currently shut down with six in active decommissioning. The remaining 13 are in SAFSTOR. I'd like to note that 10 power reactor licenses have been terminated after meeting NRC criteria for unrestricted use.

Six reactors have announced they will be shutting down in the next three years, including Fort Calhoun in Nebraska, which ceased operation just last month.

It does appear that the FitzPatrick plant is reversing course and may remain operational under different ownership, pending NRC review of the license transfer application.

Reactor decommissioning is – and will remain for some time – a dynamic area for the NRC. In addition to handling the workload inherent in active decommissioning, staff are also embarking on a new rulemaking on the subject with an objective of providing the final rule and final regulatory guidance to the Commission in 2019. The agency is balancing these activities by monitoring priorities and shifting resources, when necessary. Meanwhile, the NRC is adjusting qualification programs to ensure staff have the knowledge and expertise necessary to provide oversight for upcoming decommissioning activities.

As I mentioned a moment ago, we held a well-received and widely attended stakeholder meeting in July. There were some 22 panelists with widely divergent perspectives, including state, tribal, academic, medical, power industry, vendor, labor, and non-governmental organizations, as well as two former members of the Commission. Panelists were encouraged to raise whatever topics were of concern to them.

Quite honestly, and speaking only for myself, I didn't know what to expect. The topics presented were as divergent as the panelists themselves and included risk-informed regulatory activities, safety culture, decommissioning, uranium mining, state and tribal concerns, fuel cycle facility inspections, and diversity employment within the NRC, among other issues.

A paper came to the Commission demonstrating that all of the topics raised had already been covered in various ways by NRC actions or could be addressed with existing efforts. But speaking again only for myself, I felt the meeting ultimately served to enhance my ability to continue to make informed, sometimes nuanced, often technically and administratively complex, decisions. Recent interactions with external stakeholders, coupled with internal discussions, have put a focus on the adequacy and consistency of how we implement the agency's "Backfit Rule."

In June, the Executive Director for Operations tasked the agency's Committee to Review Generic Requirements with assessing backfit requirements and guidance, as well as the adequacy of training on backfit and the effectiveness of our knowledge management as more long-standing staff retire. The Committee will provide the results of their assessment in January. I fully support this activity and look forward to the opportunity to improve our practices in this area.

As you can see, we've done a lot of work. I believe input received during the stakeholder meeting confirmed we are on the right track. For our path forward, in my opinion, the agency must continue to focus on our craft.

You may recall my speech at the RIC this year, when I spoke about the art and science of the "regulatory craft" – a term taken from a book by that title by Malcolm Sparrow. It refers, in my usage, to the desire to find that illusive sweet spot between too much and too little regulation. A large part of that craft involves listening to the opinions of those outside the NRC.

While the NRC is independent, that does not mean we are isolated. We can be independent while still listening and considering the opinions of others. The stakeholder meeting and other

opportunities I've had since our last meeting, have only enhanced my belief that such interactions are vital to good regulation and for addressing the mandate of adequate protection. And, again, it should be said, this craftsmanship outlives any one administration and even any one chairman. Whether we call it rebaselining or Project Aim or efficiency and effectiveness the truth is that the NRC has made good on its promise. I believe the NRC is a different agency than it was even a year ago.

That said, while our size may change to reflect workload reductions and efficiency gains, the need for the great majority of the services we provide the American people remains unchanged. We must continue to strive to uphold the Principles of Good Regulation, to communicate with our stakeholders, to value the excellent staff at the agency and to be good stewards of our resources.

You need us – the regulator – to be recognized as strong and independent. Your industry does not thrive if the public does not trust that the regulator has their back. You can criticize us, of course. You can disagree with us. But the strength of the nuclear industry is dependent in no small part on the strength and credibility of its regulator. I've said that before, but it's a concept worth repeating.

No matter who wins the election, the NRC will continue to be a firm, fair – strong and independent – regulator protecting people and the environment and the common defense and security. That's a campaign-season promise you can bank on.

Now, I'm happy to take questions or to listen to anything you'd like to tell me or talk about.