

**Opening Statement of the Honorable Fred Upton
Chairman, Subcommittee on Energy
“Fiscal Year 2019 NRC Budget”
March 20, 2018**

(As prepared for delivery)

Good morning and thank you for being with us today to discuss the Nuclear Regulatory Commission’s Fiscal Year 2019 budget request.

My district hosts three nuclear power reactors and I represent a highly-skilled, hard-working nuclear workforce. All the men and women at the Cook and Palisades sites, including engineers, electricians, and the professional security workforce, help provide clean electricity for thousands of Michigan households. I appreciate their dedication and am proud of their impact on those communities.

This Congress, the Energy Subcommittee has been examining the various economic pressures in our wholesale power markets. It has become clear our nation’s fleet of commercial nuclear power plants is at a critical juncture due to increased competition among generation resources.

Complex electricity pricing rules, abundant natural gas supplies, and relatively stable energy demand have created unprecedented market challenges for nuclear power generation. Consequently, some power plants are ceasing operation prior to the end of their licensed service period.

As we consider the future of nuclear power generation, we should not forget the industry’s invaluable benefits to our nation’s national security interests. The technological infrastructure of our nuclear industry supports the nuclear security posture of our nuclear navy, nonproliferation programs, and nuclear leadership over the safe, secure operations of nuclear facilities around the world.

As we heard at a Subcommittee hearing last month, that position should not be taken for granted; a weakening domestic nuclear industry threatens our international credibility and leadership.

The Nuclear Regulatory Commission plays a key role in shaping our nuclear future. The NRC’s mission assures that our commercial industry operates safely.

However, much of the NRC's regulatory framework was developed based on technologies and industry structure set up forty years ago. In some cases, NRC's authority and processes extend even further back to President Eisenhower's Atoms for Peace program and enactment of the Atomic Energy Act of 1954.

Just as this Subcommittee is examining how the Department of Energy's activities can be aligned with a 21st century energy outlook, so should the NRC consider how it can most effectively operate in a forward-looking manner.

Today's hearing offers the opportunity to hear how the NRC can adapt to changing industry dynamics and technologies in use. A more nimble agency can address these challenges and ensure its procedures do not become impediments to a robust industry, and our national security interests.

I'd note that next week will mark the tenth anniversary of service for Chairman Svinicki with the NRC. She recently passed former NRC Chairman Nils Diaz and now is the second longest serving commissioner in history, only trailing Commissioner McGaffigan's fourteen years of service.

I should also note that nearly forty years ago Commissioner Burns began his career at the NRC and rose through the ranks to become its General Counsel prior to departing for the Nuclear Energy Agency. He returned to the United States when he was nominated and confirmed as a Commissioner in 2014. So, while he may not have the same tenure as Commissioner, he surpasses the Chairman in overall service with the organization.

Thank you, Mr. Burns, for your dedication to the NRC. During your two years as Chairman, among other improvements in the regulatory process, the NRC implemented its Project Aim initiative by prioritizing and re-baselining its activities. This allows reduced organizational costs, which ultimately saves money for my Michigan ratepayers.

I also welcome Commissioner Jeff Baron back to the Committee. Commissioner Baron is in familiar territory as he was a counsel for this Committee prior to his nomination and confirmation to the Commission.

Clean and reliable nuclear energy must remain a part of our nation's electricity portfolio. I look forward to exploring what policies can be implemented to assure this is achieved.