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6 FISCAL YEAR 2019 NUCLEAR REGULATORY
7 COMMISSION BUDGET
8 TUESDAY, MARCH 20, 2018
9 House of Representatives
10 Subcommittee on Energy
11 Joint with the
12 Subcommittee on Environment
13 Committee on Energy and Commerce
14 Washington, D.C.
15
16
17

18 The subcommittees met, pursuant to call, at 10:15 a.m.,
19 in Room 2123 Rayburn House Office Building, Hons. Fred Upton
20 and John Shimkus [chairmen of the subcommittees] presiding.

21 Members present: Representatives Upton, Barton,
22 McKinley, Olson, Shimkus, Blackburn, Latta, Kinzinger,

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23 Johnson, Long, Bucshon, Flores, Mullin, Hudson, Walberg,
24 Carter, Duncan, Walden (ex officio), Tonko, Green, Doyle,
25 Matsui, McNerney, Welch, Loeb sack, Schrader, Kennedy,
26 Cardenas, Peters, and Pallone (ex officio).

27 Staff present: Samantha Bopp, Staff Assistant; Daniel
28 Butler, Staff Assistant; Kelly Collins, Legislative Clerk,
29 Energy/Environment; Wyatt Ellertson, Professional Staff,
30 Energy/Environment; Jordan Haverly, Policy Coordinator,
31 Environment; Ben Lieberman, Senior Counsel, Energy; Mary
32 Martin, Chief Counsel, Energy/Environment; Brandon Mooney,
33 Deputy Chief Counsel, Energy; Mark Ratner, Policy
34 Coordinator; Annelise Rickert, Counsel, Energy; Dan
35 Schneider, Press Secretary; Peter Spencer, Professional Staff
36 Member, Energy; Jason Stanek, Senior Counsel, Energy; Austin
37 Stonebraker, Press Assistant; Madeline Vey, Policy
38 Coordinator, Digital Commerce and Consumer Protection; Hamlin
39 Wade, Special Advisor, External Affairs; Everett Winnick,
40 Director of Information Technology; Andy Zach, Senior
41 Professional Staff Member, Environment; Priscilla Barbour,
42 Minority Energy Fellow; Jean Fruci, Minority Energy and
43 Environment Policy Advisor; Tiffany Guarascio, Minority
44 Deputy Staff Director and Chief Health Advisor; Caitlin

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45 Haberman, Minority Professional Staff Member; Rick Kessler,
46 Minority Senior Advisor and Staff Director, Energy and
47 Environment; John Marshall, Minority Policy Coordinator;
48 Alexander Ratner, Minority Policy Analyst; and C.J. Young.

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49 Mr. Shimkus. Let's call this hearing -- meeting to
50 order and I will recognize myself five minutes, when I find
51 it. It's hidden in the back. Recognize myself five minutes
52 for an opening statement.

53 Welcome to our hearing this morning as we examine the
54 Nuclear Regulatory Commission's fiscal year 2019 budget
55 proposal. The NRC's essential role in licensing and
56 regulating nuclear facilities is of great importance to my
57 Illinois constituents.

58 Illinois produces the largest share of nuclear-generated
59 electricity in the country. Throughout the state, the
60 commercial nuclear energy industry supports thousands
61 of high-paying jobs, funds local school districts, and
62 provides reliable, clean, baseload electricity around the
63 clock.

64 In fact, a little over 75 years ago, Illinois was the
65 site, at a lab under the University of Chicago's football
66 field, where physicists and engineers first generated a self-
67 sustaining nuclear chain reaction. We are proud to be the
68 birthplace of nuclear technology.

69 While I do not have any commercial nuclear power plants
70 in my southern Illinois district, I do represent the nation's

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71 only uranium conversion facility located in Metropolis,
72 Illinois.

73 In October, the plant's owner announced it was
74 suspending operations at the site due to market conditions
75 for uranium. We have a glut of uranium on the market and
76 lingering low demand, in part due to the suspension of
77 the Japanese fleet of nuclear power plants in the wake of the
78 Fukushima earthquake -- tsunami seven years ago.

79 While there may not be an immediate fix to the uranium
80 market, the most important policy to help my constituents
81 return to work is a strong positive outlook for our nation's
82 domestic nuclear industry.

83 To maintain a robust nuclear industry, Congress must
84 consider the many different opportunities to provide a
85 pathway to keep existing plants operational, while
86 establishing the foundation for new nuclear energy deployment
87 in the next decade.

88 While mining, converting, enriching, and manufacturing
89 nuclear fuel is a necessity to support the front end of the
90 fuel cycle, we are long past due to manage the back
91 end of the fuel cycle.

92 As we do this, we have to recognize the uncertainty

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93 about our used fuel commitments will continue to be a
94 political albatross around nuclear energy development until
95 the Department of Energy starts sending clear signals
96 and reconstitutes its nuclear waste management organization.

97 I very much appreciate that last year the Commission,
98 for the first time since 2010, requested funding to resume
99 its review of the pending Yucca Mountain license application,
100 as required by law.

101 While it is still incumbent on Congress to provide the
102 funding, it is refreshing to see an administration that is
103 committed to following the law.

104 As I have noted on many occasions, the NRC's independent
105 review of the license will answer the safety and
106 environmental impact questions the state of Nevada has
107 raised.

108 To gain the public's confidence in nuclear energy, we
109 must have a functioning nuclear waste management program.
110 The Commission's strong legacy of effective and efficient
111 regulation is another key component of public confidence.

112 However, the many pressures on the nuclear industry
113 provide an opportunity for the NRC to reassess its regulatory
114 process and flexibility.

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115 The Commission's fiscal year 2019 budget sets the
116 parameters for how the organization will steward its
117 resources in a changing environment.

118 Last month, we heard a clear message of urgency. As
119 your former colleague, Bill Ostendorff, succinctly pointed
120 out, our civilian nuclear energy industry infrastructure is
121 the underpinning of our strategic nuclear defense
122 capabilities.

123 In fact, I went down and visited with Admiral Caldwell
124 just last week and it was a great visit and I would encourage
125 a lot of my colleagues to do that.

126 In turn, an agile regulatory regime that oversees the
127 breadth of the nuclear supply capacity supports our national
128 interests.

129 Mr. Ostendorff's testimony highlighted the
130 critical need to advance a suite of nuclear policies to
131 define our nuclear future and establish a durable program to
132 sustain the industry for the next generation of nuclear
133 leaders.

134 This morning we will seek some of those answers and I
135 look forward to working with my colleagues on both sides of
136 the aisle to address this critical issue.

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137 And with that, I have a minute remaining. Does anyone
138 seek time?

139 The chair recognizes the gentlelady from Tennessee for a
140 minute.

141 [The prepared statement of Mr. Shimkus follows:]

142

143 *****INSERT 1*****

144

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145

146 Mrs. Blackburn. Thank you, Mr. Chairman.

147 In my home state of Tennessee, TVA is leading the way
148 with three nuclear plants and seven units capable of
149 generating an average 7,800 megawatts of electricity each
150 day.

151 Watts Bar, and I know you all are familiar with Watts
152 Bar -- that's near the northern end of Chickamauga Reservoir
153 in east Tennessee -- is the first new nuclear reactor built
154 in the 21st century and supplies enough electricity for about
155 1.2 million households in the Tennessee Valley.

156 Watts Bar experienced its fair share of challenges and
157 setbacks in the process to becoming operational.
158 Unfortunately, we are seeing those challenges across the
159 country, and without a reasonable modern flexible regulatory
160 system the U.S. will continue to struggle to maintain
161 existing plants, leaving little opportunity for new plants to
162 come on live so -- online.

163 So it is essential that the NRC develop a more agile and
164 responsive regulatory model equipped for today's changing
165 energy industry and security needs.

166 And I yield back.

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167 Mr. Shimkus. Gentlelady yields back the time.

168 Chair now recognizes the ranking member of the
169 subcommittee, Mr. Tonko, for five minutes.

170 Mr. Tonko. Thank you, and good morning.

171 Thank you to both Chair Shimkus and Chair Upton for
172 holding this hearing, and welcome back and thank you to our
173 Chair Svinicki and Commissioner Burns for appearing before
174 the subcommittees today.

175 And let me extend a special welcome back to Commissioner
176 Baran, who served with distinction as a professional staff
177 member of this committee for a great number of years.

178 So welcome to all of you.

179 The Nuclear Regulatory Commission's mission is to
180 license and regulate the nation's civilian use of radioactive
181 materials to ensure adequate protection of public health and
182 safety, to promote the common defense and security, and to
183 protect the environment.

184 This deed is no easy task and I want to put an
185 additional emphasis on protecting health and safety.

186 Members on this committee have a range of views on
187 existing and new nuclear power and I believe there is
188 unanimous agreement that we need high standards for nuclear

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189 safety.

190 So thank you to the Commission staff that had this
191 awesome responsibility. We are here today to discuss the
192 Nuclear Regulatory Commission's fiscal year 2019 budget
193 request of \$970.7 million.

194 This represents an increase of about \$60 million
195 compared to the fiscal year 2018 annualized continuing
196 resolution level.

197 Much of this increase is being driven by the \$47.7
198 million for activities related to the disposal of spent
199 nuclear fuel and high-level radioactive waste.

200 Licensing activities related to the proposed Yucca
201 Mountain Repository, which I am sure my colleague, Mr.
202 Shimkus, was happy to see included in the request.

203 I would also note the budget request represents a
204 decrease of 149 FTEs compared to the fiscal year 2018
205 annualized continuing resolution, with 123 of those FTEs
206 coming from the Nuclear Reactor Safety Program.

207 Over the past few years, commissioners have appeared
208 before this committee and provided updates on Project Aim,
209 the Commission's effort to right size the agency in light of
210 changes and trends occurring in the nuclear industry.

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211 Without a doubt, the Commission has been streamlined.
212 The budget has been reduced by about 13 percent and staff by
213 over 500 FTEs since 2014. This has been a steady trend.

214 While I understand and appreciate the goals of making
215 the Commission more efficient, continuing cuts at this pace
216 is not a good way to -- for such an important and technical
217 agency to run.

218 At some point, you are no longer capable of doing more
219 with less. You just end up doing less, and safety is one
220 place where doing less is nonnegotiable.

221 So I would caution against continuing to push reduction
222 targets if we are approaching a point where critical
223 commission functions such as safety inspection hours begin to
224 suffer because if the Commission is unable to maintain
225 essential personnel or replenish its aging workforce or hire
226 additional staff with expertise in new technologies, it could
227 be the public that does suffer.

228 And the industry will certainly suffer too with delays
229 in licensing and review processes. The Commission must be
230 staffed and resourced at levels appropriate for carrying out
231 its critical oversight and safety missions.

232 I also wanted to mention that we have spent quite a bit

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233 of time this past year discussing grid resilience, and
234 Secretary Perry's notice of proposed rulemaking to FERC,
235 which would have compensated power generators with 90 days of
236 fuel on site, was rightly rejected, in my opinion.

237 I know there are many members that believe the nuclear
238 industry is at a competitive disadvantage and nuclear energy
239 production should be fairly compensated for its positive
240 attributes.

241 We may disagree which of those attributes are most
242 important. But in my view, the best way to ensure the
243 existing nuclear fleet is on a level playing field is putting
244 a national price on greenhouse gas pollution.

245 I would encourage the industry supporters in Congress to
246 consider having that conversation.

247 Finally, I must mention that in just a few months
248 without Senate action the Commission will lack a quorum. I
249 hope we can all urge our Senate colleagues to take up the
250 nominations before then.

251 I look forward to hearing from our witnesses today about
252 what is next for the Commission and, again, I thank you all
253 for being here and I yield back, Mr. Chair, the balance of my
254 time.

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255 Mr. Shimkus. Gentleman yields back his time.

256 The chair now recognizes the gentleman from Michigan,
257 Mr. Upton, the chairman of the Energy Subcommittee, for five
258 minutes.

259 Mr. Upton. Well, thank you, Mr. Chairman.

260 Good morning to everybody. My district, as you all know
261 -- many of you know -- hosts three nuclear power reactors and
262 I certainly represent a very highly-skilled hardworking
263 nuclear workforce that I visit often.

264 All the men and women at the Cook and Palisades sites
265 including engineers, electricians, professional security
266 workforce indeed help provide clean electricity for
267 thousands, tens of thousands, hundreds of thousands of
268 Michigan households and I appreciate their dedication and I
269 am proud of their positive impact on our community.

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

275 Complex electricity pricing rules, abundant natural gas
276 supplies, and relatively stable energy demand have created

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277 unprecedented market challenges for nuclear power generation
278 and, consequently, some power plants are ceasing operation
279 prior to the end of their licensed service period.

280 So as we consider the future of nuclear power
281 generation, we should not forget the industry's invaluable
282 benefits to our nation's national security interest.

283 The technological infrastructure of our nuclear industry
284 supports the nuclear security posture of our nuclear navy,
285 nonproliferation programs, and nuclear leadership over the
286 safe secure operations of nuclear facilities around the
287 globe.

288 And as we heard at a subcommittee hearing just last
289 month, that position should not be taken for granted. A
290 weakening domestic nuclear industry threatens our
291 international credibility and our leadership.

292 The NRC plays a key role in shaping our nuclear future.
293 The missions assures that our commercial industry operates
294 safely. However, much of the NRC's regulatory framework was
295 developed based on technologies and industry structures that
296 were set up some 40 years ago.

297 In some cases, NRC's authority and process extends even
298 further back to Eisenhower's Atoms for Peace program, an

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299 enactment of the Atomic Energy Act of 1954.

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

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

310 I note that next week will mark the tenth anniversary of
311 the service of Chairman Svinicki. She recently passed former
312 NRC Chair Nils Diaz and now is the second longest serving
313 commissioner in history, only trailing Commissioner
314 McGaffigan's 14 years.

315 I should also note that nearly 40 years ago Commissioner
316 Burns began his career at the NRC and rose through the ranks
317 to become its general counsel prior to departing the nuclear
318 energy agency. He returned to the U.S. when he was nominated
319 and confirmed as commissioner in 2014.

320 So while he may not have the same tenure length, he

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321 certainly surpassed the chairman in overall service with his
322 organization. Thank you.

323 And thank you, Mr. Burns, for your dedication during
324 your two years as chair. Among other improvements in the
325 regulatory process the NRC implemented its Project Aim
326 initiative by prioritizing and rebaselining its activities.

327 This allows reduced organizational costs which
328 ultimately saves tons of money for Michigan ratepayers.
329 Thank you again.

330 Also welcome back Commissioner Jeff Baran back to the
331 committee. He was a counsel here, as mentioned earlier, and
332 confirmed by the Commission.

333 Clean and safe and reliable nuclear energy has got to
334 remain part of our nation's electricity portfolio. I look
335 forward to exploring the policies and without objection,
336 yield back the balance of my time.

337 [The prepared statement of Mr. Upton follows:]

338

339 *****INSERT 2*****

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340 Mr. Shimkus. Gentleman yields back his time. Sounds
341 like purgatory.

342 But having said that, the chair now recognizes the
343 gentleman from New Jersey, the ranking member of the full
344 committee, Mr. Pallone, for five minutes.

345 Mr. Pallone. Thank you, Mr. Chairman.

346 I want to thank you and our subcommittee ranker for
347 holding this Nuclear Regulatory Commission oversight hearing
348 on the president's budget proposal and I welcome Chairman
349 Svinicki and Commissioner Burns.

350 Mr. Shimkus. Svinicki.

351 Mr. Pallone. And I got to watch it with you, huh?
352 Svinicki. All right.

353 And Commissioner Burns, and I am particularly pleased to
354 welcome back to the committee a distinguished former member
355 of the Democratic staff commissioner, Jeff Baran.

356 Last year, I opposed Secretary Perry's notice of
357 proposed rulemaking to FERC that would have undermined
358 functioning electricity markets by tipping it in favor of
359 nuclear and coal, and despite that opposition I continue to
360 believe that a safe, efficient, and modern nuclear fleet
361 should be an important part of our nation's effort to combat

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362 climate change.

363 However, nuclear power and technology still have
364 challenges to overcome. For existing units, it's critical
365 that they be able to meet the safety needs of a post-
366 Fukushima world, the security challenges of a post-911 world,
367 and the financial requirements of a market with some of the
368 lowest natural gas and renewable prices in history.

369 These prices -- these price pressures are contributing
370 to the early closure of units across the country such as the
371 accelerated shutdown of the Oyster Creek facility in New
372 Jersey, and while Oyster Creek is very old and was due to
373 close soon anyway, there are also newer plants capable of
374 many more years of production that are threatened for closure
375 because of these economic pressures.

376 And as a result, many states are taking action or
377 formally considering action to preserve the operation of the
378 nuclear plants.

379 The fate of these plants is up to the companies who own
380 them, the governors, and the legislature of those states and
381 others, and the courts, and those are the proper venues and
382 players to make these decisions, not FERC.

383 Meanwhile, advancements in nuclear technology,

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384 particularly in the area of small modular reactors, hold the
385 possibility of a newer safer generation of nuclear power and
386 I support the work that companies like New Jersey's Holtec
387 are doing in this area.

388 The test for the industry is to show that such units can
389 be brought online in a timely and cost effect manner, a
390 question that continues to remain unanswered.

391 We also still need to address the storage and disposal
392 of nuclear waste and the rapidly accelerating phenomena of
393 decommissioned units.

394 The legislation authored by Chairman Shimkus that was
395 overwhelmingly reported out of this committee last year is an
396 important step towards dealing with that issue and I hope to
397 see it on the House floor in the near future.

398 I believe there is an important role for nuclear energy
399 to play in addressing global climate change. But I want to
400 make perfectly clear that safety must come first.

401 This is a critical moment in time for the nuclear
402 industry and its regulators, and I commend the Commission for
403 its ongoing efforts to adopt the size and structure of the
404 NRC to today's regulatory realities.

405 However, it's critical we ensure that the Commission has

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406 the staff and resources it needs not just to carry out its
407 mission but to carry out it well.

408 The job of the Commission is to regulate nuclear power
409 for the benefit of all Americans, not just one industry or
410 sector. So we must work together to find a way forward for
411 nuclear energy without sacrificing safeguards.

412 So, again, I want to thank the commissioners for coming.
413 I look forward to the testimony and I yield the balance of my
414 time to Ms. Matsui.

415 Ms. Matsui. Thank you very much, Ranking Member
416 Pallone, and I'd also like to welcome the commissioners for
417 being here today.

418 I'd like to echo the ranking member's support for
419 efforts to license an interim storage facility for spent
420 nuclear fuel.

421 As this committee is aware, it's absolutely critical
422 that we allow communities to redevelop shut down reactor
423 sites by moving forward with a process to consolidate spent
424 fuel.

425 The current storage reality is wasteful of taxpayer
426 resources and detrimental to communities. We have all the
427 efforts to build a permanent repository repeatedly stall.

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428 But right now, we have a path forward to license a
429 consolidated storage facility, meaning there is an
430 opportunity to move the nation's spent fuel to one location.

431 I am pleased that the NRC has docketed two applications
432 for interim facilities and that the Commission is requesting
433 the funding necessary to evaluate both concurrently.

434 I look forward to hearing more from my commissioners
435 about the NRC's work on the spent fuel storage licensing
436 process.

437 Thank you, and I yield back.

438 Mr. Shimkus. The gentlelady and gentleman yield back
439 their time? The answer is yes.

440 We now conclude with members' opening statements. The
441 chair would like to remind members that pursuant to committee
442 rules, all members' opening statements will be made part of
443 the record.

444 We want to thank all our witnesses for being here today
445 and taking the time to testify before the subcommittee.
446 Today's witnesses will have the opportunity to give opening
447 statements followed by a round of questions from members.

448 Our witness panel for today's hearing will include the
449 Honorable Kristine Svinicki, chairman of the U.S. -- United

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450 States Nuclear Regulatory Commission, the Honorable Jeff
451 Baran, commissioner, U.S. Nuclear Regulatory Commission, and
452 the Honorable Stephen Burns, commissioner with the U.S.
453 Nuclear Regulatory Commission.

454 We appreciate you all being here today. We will begin
455 the panel with the Honorable Kristine Svinicki, and you are
456 now recognized for five minutes to give an opening statement.

457 Welcome to you all. We are glad to have you here.

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458 STATEMENTS OF THE HONORABLE KRISTINE SVINICKI, CHAIRMAN, U.S.
459 NUCLEAR REGULATORY COMMISSION; JEFF BARAN, COMMISSIONER, U.S.
460 NUCLEAR REGULATORY COMMISSION; STEPHEN BURNS, COMMISSIONER,
461 U.S. NUCLEAR REGULATORY COMMISSION

462

463 STATEMENT OF MS. SVINICKI

464 Ms. Svinicki. Good morning, Chairmen Upton and Shimkus,
465 Ranking Members Pallone and Tonko, and distinguished members
466 of the subcommittees.

467 I appreciate the opportunity to appear before you today
468 to discuss the U.S. NRC's fiscal year 2019 budget request and
469 related matters.

470 The funding we are requesting for fiscal year 2019
471 provides the resources necessary to accomplish our mission,
472 which is to license and regulate the civilian use of
473 radioactive materials to ensure adequate protection of public
474 health and safety and to promote the common defense and
475 security.

476 The NRC's fiscal year 2019 budget request, including
477 resources for our Office of the Inspector General is \$970.7
478 million, represents an overall increase of \$59.8 million
479 compared with the fiscal year 2018 as continuing resolution.

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480 This requested increase in resources is largely tied to
481 the proposed activities related to the licensed authority at
482 the Yucca Mountain geologic repository for spent nuclear fuel
483 and other high-level radioactive waste. Additional funding
484 is also requested for further development of the regulatory
485 infrastructure needed to review advanced reactor technologies
486 and for additional work on accident-tolerant fuel.

487 The NRC proposes to recover \$815.4 million of the
488 requested budget from fees assessed to NRC's licensees. This
489 would result in a net appropriation of \$155.3 million with
490 \$47.7 million to be derived from the nuclear waste fund.

491 The 2019 request for our largest single budget the
492 nuclear reactor safety program reflects an overall funding
493 increase of \$25.8 million but a decrease of 125 full time
494 equivalent employees when compared to the 2018 annualized CR
495 budget.

496 The 2019 budget request for the agency's other principal
497 budget line, nuclear materials, and waste safety programs is
498 \$183.7 million and that reflects an increase of \$46.8
499 million.

500 Again, this is principally attributed to the resources
501 requested for the high-level waste program, as previously

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502 mentioned.

503 In summary, the NRC's budget request reflects our
504 continuing efforts to achieve additional efficiencies while
505 carrying out our core safety and security mission but also
506 preparing for future responses to current realities.

507 On behalf of the Commission, I thank you for this
508 opportunity to appear before you and for your continuing
509 support of our important public health and safety mission.

510 We will be pleased to answer your questions at the
511 appropriate time.

512 Thank you.

513 [The prepared statement of Ms. Svinicki follows:]

514

515 *****INSERT 3*****

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516 Mr. Shimkus. Thank you very much.

517 The chair now recognizes the Honorable Commission Baran
518 for five minutes.

519 I am sorry. We are fighting over spelling back here so

520 --

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521 STATEMENT OF MR. BARAN

522

523 Mr. Baran. Chairman Upton, Chairman Shimkus, Ranking
524 Member Tonko, members of the committee, thank you for the
525 opportunity to testify today.

526 It's great to be back with my colleagues to discuss
527 NRC's fiscal year 2019 budget request and the work of the
528 Commission.

529 Chairman Svinicki provided an overview of NRC's budget
530 request. I want to briefly highlight a few related efforts
531 underway at NRC.

532 I will start with Project Aim, our multi-year effort to
533 take a hard look at what work the agency is doing and how we
534 are doing that work.

535 The goals have been to become more efficient and agile
536 and to prepare for the future. The results of Project Aim in
537 our very limited external hiring have been dramatic.

538 In just two years, NRC's workforce has declined by more
539 than 12 percent. The agency started the current fiscal year
540 with around 3,200 employees. That's about the same staffing
541 level as in 2006, before NRC started to ramp up for the
542 anticipated wave of new reactor applications.

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543 When Project Aim got underway in 2015, the NRC staff
544 envisioned that it would take until 2020 to match the
545 agency's resources to its workload. But NRC was able to make
546 progress much more quickly on getting to the right staffing
547 level for our current and expected workload.

548 Going forward, we need to internalize an enduring focus
549 on efficiency. For the agency's long-term health, we also
550 need a stable pipeline of new talent through external hiring
551 and an emphasis on maintaining the NRC staff's core technical
552 capabilities and safety inspection activities.

553 As Chairman Svinicki noted, the NRC has launched a
554 transformation initiative to identify any steps the agency
555 should take to improve its approach to reviewing new and
556 novel technologies such as advanced reactors, accident-
557 tolerant fuel, and digital instrumentation and controls.

558 I think that's a good focus for the transformation team
559 and appreciate that the team is doing a lot of outreach to
560 stakeholders.

561 I look forward to hearing their thoughts and
562 recommendations. There are many other important efforts
563 underway at NRC including the implementation of post-
564 Fukushima safety enhancements, the power reactor

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565 decommissioning rulemaking, the review of the first small
566 modular reactor design application, and oversight of
567 construction at the Vogtle site.

568 We are happy to discuss these and any other issues of
569 interest. Thank you, and I look forward to your questions.

570 [The prepared statement of Mr. Baran follows:]

571 *****COMMITTEE INSERT 4*****

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572 Mr. Shimkus. Thank you.

573 The chair now recognizes Commissioner Burns for five
574 minutes.

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575 STATEMENT OF MR. BURNS

576

577 Mr. Burns. Thank you, Chairman Shimkus. I also
578 appreciate being here Chairman Upton, Ranking Members Pallone
579 and Tonko, and distinguished members of the committee.
580 Appreciate the opportunity to testify before you today.

581 I also appreciate Chairman Upton's kind words. I can
582 tell you, 40 years ago at this point in time I had a big
583 weight off my shoulders because I knew in my last semester of
584 law school I had a job coming up in August. So that was
585 saying.

586 I didn't actually expect I would stay in this field for
587 40 years, but it's been an interesting one. I've always
588 enjoyed not only the legal issues but working with technical
589 staff and others, both in our country and internationally.

590 I support the chairman's testimony this morning and
591 agree that the funding we are requesting provides the
592 resources needed to accomplish our safety and security
593 mission while continuing to improve our efficiency and
594 effectiveness as an agency.

595 As a number of you have noted, the NRC has undertaken
596 some significant efforts over the last few years to improve

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597 that efficiency and effectiveness.

598 Project Aim was a major part of those efforts. But
599 additional improvements have included implementation of
600 improvements to the NRC's rulemaking processes, to its budget
601 formulation, to its fee calculations and billing, and also to
602 agency staffing and workforce planning, although the vast
603 majority of the specific tasks under Project Aim were
604 completed and its spirit still endures and we are still
605 working to continue to be an effective agency.

606 It's important not to lose sight, however, of the
607 fundamental safety and security mission of the agency. We
608 can always strive to perform better in that mission and to
609 better risk inform our decisions. But that safety and
610 security of the public must always be the central focus.

611 Having spent 37 years of my professional career with the
612 NRC, I know there are times that when we have had to learn
613 from our experience -- learn to do better and to improve our
614 performances irregular.

615 But on the whole, I can say that I think we hit the mark
616 the vast majority of the time in achieving a high standard of
617 performance, and if anything, over those nearly 40 years I've
618 come to the conclusion we never -- it's never good to say

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619 we've always done that way -- let's do it more that way.

620 There's always ways, and I can think of times across my
621 career where we've had to reset, think about how we are doing
622 things, think about how we can do them better, and I think
623 that's what we are doing under the chairman's leadership.

624 Over the past year, we've continued to hold the industry
625 accountable through regulation and oversight, ensure the
626 effective implementation of the lessons learned from the
627 Fukushima Daiichi accident.

628 We focused on cybersecurity, worked effectively with our
629 partners and the states to ensure the safety of our
630 radioactive materials program and brought -- and sought
631 improved performance by fuel cycle facilities.

632 At the same time, we've undertaken reviews of the first
633 small modular reactors, submitted for design certification.
634 We are implementing strategies to be better prepared for the
635 review of advanced reactor, or Generation IV designs.

636 Credit belongs largely on a day-to-day basis to the work
637 of our dedicated staff in achieving these accomplishments and
638 I appreciate their day-to-day focus on ensuring adequate
639 protection of the public.

640 Thank you again for the opportunity to appear before you

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641 and I look forward to answering any questions you may have.

642 [The prepared statement of Mr. Burns follows:]

643

644 *****COMMITTEE INSERT 5*****

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645 Mr. Shimkus. We thank you.

646 I will now begin with questions and I will start with --
647 recognize myself for five minutes.

648 So the first one will go to Chairman Svinicki and
649 Commissioner Burns. First, let me thank you for your vote
650 last summer to take the next steps to determine what is
651 necessary for the resumption of the Yucca Mountain licensing
652 process.

653 A few weeks ago, NRC staff had a public hearing to
654 discuss what steps are needed to reconstitute the licensing
655 support network, or LSN. The LSN is a database of licensing
656 documents associated with the Yucca Mountain license
657 application.

658 The NRC requested \$30 million in fiscal year 2018 to
659 continue its statutorily required review of the license
660 application and \$47.7 million for 2019.

661 Will you please describe what Commission-level decisions
662 and guidance will be necessary when Congress appropriates
663 funding to resume the NRC's adjudication of the license?

664 Chairman.

665 Ms. Svinicki. Thank you, Chairman Shimkus.

666 In broad terms, if funding is provided we need to begin

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667 to rapidly put in place the infrastructure to resume the
668 adjudication that was suspended some years ago.

669 As you have mentioned, in preparation for that and under
670 the court's remand to expend previously appropriated nuclear
671 waste fund money, which we have at this point, I think, based
672 on the monthly report we sent to you yesterday, a little bit
673 under half a million left, we have looked at alternatives to
674 reconstituting the document library that would support the
675 evidentiary process in the licensing hearing and also we are
676 undertaking a high-level real estate survey of facilities
677 that might be available in Nevada to support conducting the
678 hearings near to the facility, which is our policy.

679 Mr. Shimkus. Commissioner Burns.

680 Mr. Burns. I would agree with what the chairman said.
681 I think the point she makes is essentially where we are at
682 this is that -- at the point where the adjudicatory
683 proceeding was suspended several years ago and that's the
684 point to -- where we would begin again because the staff has
685 done the safety evaluation reviews and the environmental
686 reviews that they need to do up to date.

687 Mr. Shimkus. And let me go both to the same
688 questionnaires. What are we doing to preserve the workforce

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689 expertise that may be necessary to adjudicate the license?

690 Chairman.

691 Ms. Svinicki. That work -- that adjudication having
692 been suspended so many years ago, candidly, the staff were,
693 upon completion of the safety evaluation report and
694 environmental work, reassigned to other duties, which was a
695 way to keep them within the agency's span so that should
696 funding be provided.

697 However, over the course of time, we have had some
698 significant retirements, by my observation, of people that
699 had long history on and knowledge of the project.

700 The good news is that with the safety evaluation report
701 being concluded, I have asked if an expert was assigned and
702 was fresh to the project, if they had the relevant scientific
703 expertise, could they just acquaint themselves with the
704 record, with the conclusions of their predecessors, and I am
705 told that some experts view that they could possibly become
706 conversant in as little as six months.

707 Mr. Shimkus. Great.

708 Commissioner Burns. That's fine.

709 Mr. Burns. I would align myself with the chairman's
710 answer.

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711 Mr. Shimkus. That's fine. Thank you.

712 Let me ask this question. Can -- Chairman, can you just
713 stated, because we have new members of this subcommittee --
714 new members of Energy and Commerce -- so what was the basic
715 conclusion from the safety and evaluation report, which you
716 issued a couple years ago?

717 Ms. Svinicki. NRC's expert staff documented their
718 conclusion that there were no safety or environmental
719 impediments to the issuance of a license.

720 However, they did note -- and this is a construction
721 permit license because this is two-step licensing -- they did
722 note, however, that the applicant, the Department of Energy,
723 lacks the water rights and they don't have clear ownership or
724 title to the land, which is a requirement of our regulations.
725 But those were the two impediments to issuing the license and
726 they were not safety or environmental.

727 Mr. Shimkus. And those were some of the things we tried
728 to address in our legislation, just for some of my
729 colleagues. They also -- there's also a -- correct me if I
730 am wrong -- there was also a statement that, if constructed
731 and the facility -- long-term geological repository was in
732 place, based upon current information or current knowledge,

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733 that storage would be safe for a million years. Wasn't that
734 a conclusion of the safety and evaluation report?

735 Ms. Svinicki. That was the conclusion of the expert
736 staff.

737 Mr. Shimkus. Anyone disagree with that -- the rest of
738 the panel?

739 Thank you.

740 With that, I think I will just yield back my time and
741 recognize the gentleman from New York, Mr. Tonko, for five
742 minutes.

743 Mr. Tonko. Thank you, Mr. Chair, and again, thank you
744 to our witnesses for being here.

745 The mission of the agency is very critical. So it is
746 important that we understand your resource requirements.

747 Some members may believe that the Commission has too
748 heavy of a hand -- that burdensome regulations on the
749 industry are hurting its competitiveness.

750 So to our Chair Svinicki, can you give us a sense of the
751 types of major new rules the Commission has approved in
752 recent years?

753 Ms. Svinicki. Well, to take recent fairly broadly,
754 post-9/11 there was a suite of new security requirements that

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755 were imposed and after Fukushima, although the regulations
756 were not significantly modified, new measures were required
757 for what we call severe low probability hazards, very severe
758 earthquakes and floods and other things that were additional
759 protections that were mandated at nuclear power plants.

760 Also in response to the cybersecurity threat against the
761 United States in recent years, the NRC has instituted new
762 cybersecurity regulations. So those are the major areas that
763 come to mind in the last 10 years.

764 Mr. Tonko. And as it relates to licensees, have there
765 been many major rules for new requirements on those
766 licensees?

767 Ms. Svinicki. The areas I described did involve new
768 rules. You know, major, minor -- I would say that the post-
769 911 that was a major impact in the requirements.

770 Fukushima I would not describe as being a major impact,
771 and the cybersecurity regulations are sincerely new
772 regulations.

773 Mr. Tonko. Commission Baran, what's your sense? Is the
774 Commission imposing many new and burdensome requirements on
775 industry?

776 Mr. Baran. Well, I can give you a shorter-term

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777 perspective. Commissioner Burns and I have been on the
778 Commission now about three and a half years.

779 In that time, I can think of only three final rules that
780 went into effect that involve any kind of new regulatory
781 requirements.

782 Only one of those three rules relates to power reactors.
783 That was a rule that involved a requirement for a licensee of
784 a power reactor to let us know -- notify us in the event of a
785 cyber event. That was not a -- it was a low-cost rule and
786 one that I think is pretty clearly needed.

787 The other two didn't involve reactors at all. One had
788 to do with medical uses and was something that, by and large,
789 the medical community was very interested in having done and
790 then the final one affected only a handful of materials
791 licensees in the Caribbean. It had to do with meeting treaty
792 requirements.

793 So since late 2014, three rules -- that's it. I would
794 actually argue there are a couple of rules we should finalize
795 that we haven't yet.

796 One relates to post-Fukushima safety enhancements. It's
797 the rule on mitigating strategies that's been before the
798 Commission for a while. That's a rule that's really the

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799 culmination of years of work to enhance safety after
800 Fukushima.

801 There's another rule that would assist in better
802 preparing the agency for accident-tolerant fuel applications
803 by having technology-neutral performance-based standards in
804 place as opposed to the standards we have now, which are
805 actually technology-specific.

806 We have particular technologies that are established
807 into regulations. If you want to do something new and
808 innovative, that's -- you're looking at an exemption to do
809 that.

810 So it's been very limited over the last three and half
811 years and I think there are actually a couple we should do.

812 Mr. Tonko. Thank you. And it seems to me that Project
813 Aim has achieved its goals. I fully understand the need for
814 the Commission to right size but, as I mentioned earlier, I
815 am concerned about the consequences of continuing staffing
816 reductions at this rate, moving forward.

817 Could anyone explain the potential impacts of further
818 significant FTE reductions?

819 Ms. Svinicki. I would just respond, Mr. Tonko, that
820 right now the budget we've submitted for fiscal year 2019 we

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821 are confident does not have or cause a diminishment of our
822 ability to carry out our safety mission.

823 When -- in my time on the Commission, we were once at a
824 peak of slightly over 4,000 employees. Onboard strength --
825 the number reported to me yesterday, was just a few over
826 3,000.

827 So we have come down quite a bit since the days of the
828 nuclear renaissance and I think the one thing that we are
829 looking at is high fidelity in terms of our workforce
830 planning.

831 This is something we pay a lot of attention to to make
832 sure that as we have attrition we are not losing the core
833 competencies that we need.

834 We are also very focused on training and development of
835 staff so that they can fulfill future needs as staff retire.

836 Mr. Tonko. Right, and I appreciate that. That still
837 seems like a huge cut.

838 I heard earlier, as Chair Shimkus talked about that
839 expertise for Yucca Mountain, I know the Commission has an
840 aging workforce and, similar to hiring the next generation of
841 NRC staff, we are seeing new technologies including advanced
842 reactors being developed and an increasing need for

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843 cybersecurity.

844 So within those disciplines we have, you know, a concern
845 also. I am guessing these changes require new expertise
846 among the Commission staff. If hiring freezes continue and
847 the next generation of Commission staff cannot be recruited,
848 what is the potential loss of institutional knowledge?

849 Ms. Svinicki. We do not have -- although we have strict
850 hiring controls in place, we do not have a hiring freeze in
851 place. What we do is we look very closely at the core
852 competencies of retiring staff and work to make sure we
853 either have redundancy and/or are training people for the
854 future. So we do monitor that closely.

855 Mr. Tonko. Mr. Chair, I yield back.

856 Mr. Shimkus. Gentleman yields back his time.

857 Chair now recognizes the chairman of the full committee,
858 Mr. Walden, for five minutes.

859 The Chairman. Thank you, Mr. Chairman. I want to
860 welcome our panel today. I was upstairs and we got an
861 opioids investigative hearing going on. So I kind of have to
862 bounce back and forth, as do some of my colleagues.

863 There's enormous potential with the development of
864 small-scale modular reactors including from my home state of

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865 Oregon in NuScale and I know NRC staff has met a significant
866 milestone earlier this year when they determined that SMR
867 design would not be required to meet certain offsite power
868 requirements, which avoided unnecessary and unneeded
869 regulatory planning.

870 So Chairman Svinicki, will you please provide an update
871 on the status of NRC's review of the SMR design application
872 and, to your knowledge, is NRC staff on track to meet its
873 targeted 42-month review window including meeting the various
874 milestones within the overall review period?

875 [The prepared statement of Chairman Walden follows:]

876

877 *****INSERT 6*****

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878 Ms. Svinicki. Thank you, Chairman Walden.

879 As you note, the NuScale design was docketed for review
880 and although we are in early days and early months of that
881 review, the staff is proceeding on schedule with what we call
882 interim milestones of the review.

883 I've also had an opportunity to engage the applicant,
884 NuScale. They provided positive feedback that the NRC staff
885 is proactive on the other item you mentioned, which is the
886 resolution of the unique and novel elements of this design
887 and resolving anything that arises in terms of aligning our
888 regulatory framework and regulations with the new and
889 enhanced features of this design. So my observation is that
890 the review is proceeding according to schedule so far.

891 The Chairman. And are there outstanding policy issues
892 that must be addressed to successfully complete this
893 licensing process that you're aware of?

894 Ms. Svinicki. Yes, but I -- so there are policy issues
895 being resolved regarding both NuScale and small modular
896 reactors, broadly.

897 But those have high visibility within the agency. I
898 would assess that the NRC staff has scoped the universe of
899 those issues and there are policy resolution plans for each

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900 of them.

901 The Chairman. All right. And what is the NRC's
902 forecasted total cost to complete the NuScale design review
903 and are you aware if NRC is currently performing with respect
904 to the forecasted budget?

905 Ms. Svinicki. My previous answer had to do more with
906 the schedule. I would need to take that question for the
907 record. I am not sure of what our estimates are as far as
908 cost or man hours expended.

909 The Chairman. Recently, the NRC staff implemented a new
910 procedure to manage what are known as requests for additional
911 information, or RAIs.

912 Are you aware if NRC staff applied this new RAI process
913 to NuScale's SMR application? If so, can you speak to the
914 number of RAIs relative to any comparable licensing action?

915 Ms. Svinicki. The new discipline around requests for
916 additional information has been applied to the NuScale review
917 and has been applied broadly throughout the agency.

918 A brief description would be that prior to requesting
919 additional information from an applicant the NRC expert must
920 identify the safety or environmental conclusion that is
921 supported by that data and what that does is it ties the

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922 request to the agency's underlying findings that we need to
923 make.

924 NRC managers report that that discipline has really
925 improved the efficiency and effectiveness of the request for
926 additional information process and it is in place for
927 NuScale, although I don't have a specific report on how it's
928 affected the numbers of requests.

929 The Chairman. Yes?

930 Mr. Baran. Mr. Chairman, I would just add we -- I had a
931 meeting last week with NuScale and this issue came up and
932 what they reported to me was that they had kind of going into
933 this process an estimate of how many of these requests for
934 additional information they would likely have. But the
935 numbers have been lower than what they anticipated. So it's
936 going well now.

937 The Chairman. Oh. All right. Very good. Very good.

938 I had the opportunity to go to Idaho Falls with Chairman
939 Mike Simpson and tour the INL lab there, too, and I know some
940 of this may get built out there eventually. But the lab is
941 doing amazing work in space nuclear fuel and their other
942 missions. I was very, very impressed.

943 Chairman, one other question -- it's more rhetorical

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944 than anything else but not hard to answer. You have served
945 on the Commission with a full complement of five
946 commissioners as well as four, and now three.

947 While the current setup allows the NRC to fulfill its
948 mission, would you agree that a full slate of five
949 commissioners as established in law allows for a more robust
950 organization and diverse viewpoint and decision making?

951 Ms. Svinicki. Yes, and may I add my full-throated
952 support for my optimism and hope that the Senate will act on
953 the three qualified nominees including my colleague for
954 reappointment. I hope that that happens before June 30th.

955 The Chairman. That would be a hint-hint from this body
956 to the other that we'd like to see these commissions all
957 fully -- I will call it staffed but fully filled with very
958 competent people, and we've dealt with this out of this
959 committee with other commissions that are still waiting for
960 nominees upstairs.

961 In fact, the DEA it's an acting administrator. We don't
962 even have anybody nominated to be the administrator of the
963 Drug Enforcement Administration. And so it's something that
964 I think we share -- that robust full-fledged commissions are
965 good things.

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966 So with that, Mr. Chairman, thank you for your
967 leadership on these nuclear issues and other energy
968 environment issues and I would yield back the balance of my
969 time.

970 Mr. Shimkus. The gentleman yields back his time.

971 The chair recognizes the gentleman from Texas, Mr.
972 Green, for five minutes.

973 Mr. Green. Thank you, Mr. Chairman. I would like to
974 thank the chairman and ranking member or holding today's
975 hearing on the NRC budget.

976 The NRC does important work and it's essential we have a
977 body adequately funded for their mission. While the budget
978 is the focus of today's hearing, there's a few other policy I
979 would like to focus on as well.

980 It's been 33 years since Congress passed a nuclear waste
981 policy act and we still haven't a permanent or interim
982 storage facility, cheating ratepayers out of billions of
983 dollars in collecting fees and leaving utilities holding the
984 bag for thousands of gallons of nuclear waste.

985 This Congress needs to pass -- enact legislation
986 authorizing the creation of more than one interim storage
987 facilities while we work with states and agencies toward

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988 opening a permanent geological repository.

989 My questions -- Chairman Svinicki and commissioners,
990 thank you for being here today. Approximately 90 percent of
991 your budget comes from annual fees assessed to the NRC
992 licenses. Is that correct?

993 Ms. Svinicki. Yes, that's correct.

994 Mr. Green. As some of the older nuclear sites continue
995 to shut down, do you expect a strain on the budget's --
996 Commission's budget for the loss of revenues from these fees?

997 Ms. Svinicki. Yes. As the mathematics work, as we --
998 the number of operating reactors declines, the fixed costs of
999 the regulatory program are spread amongst fewer licensees.
1000 Therefore it does have an effect of increasing the burden on
1001 each remaining operating reactor.

1002 At some point, mathematically that reaches a point that
1003 it would be very difficult to support.

1004 Mr. Green. I know the chair and the commissioners are
1005 in a different issue but -- or concern. Do you think -- do
1006 you support opening of an interim storage facility?

1007 Ms. Svinicki. Our Commission, because we are the safety
1008 and security regulator, would be policy neutral on whether or
1009 not the nation should move forward with an interim storage

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1010 facility.

1011 We would be the independent arbiters of the safety of
1012 that facility through issuance of a license.

1013 Mr. Green. Okay. With the Yucca Mountain permanent
1014 storage issue being what it is, what would be the benefit of
1015 opening an interim storage?

1016 Ms. Svinicki. Well, again, not as a policy view of our
1017 Commission but as a practical matter it would take sites that
1018 have permanently shut down and other locations that are
1019 storing a lot of spent nuclear fuel and it would move it into
1020 one safe and secure location.

1021 But that's not a policy view of our Commission. It's
1022 simply an observation.

1023 Mr. Green. Do you believe the private industry could be
1024 capable of safely and responsibly operating an interim
1025 storage facility under supervision?

1026 Ms. Svinicki. Well, we will reach that determination if
1027 either of the two contemplated a storage location should move
1028 forward with the licensing again.

1029 The Holtec site in New Mexico is under our review right
1030 now and the Waste Control Specialists location in Texas has
1031 been suspended at the applicant's request. However, there is

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1032 some signal that that may move forward under new ownership.

1033 Mr. Green. Current, those two applications you
1034 mentioned for consolidated member storage facilities have
1035 been submitted.

1036 I have to admit both of those storage facilities
1037 geographically are fairly close to each other -- I think
1038 maybe even share the same strata in west Texas and southern
1039 New Mexico.

1040 NRC -- one is in Andrews County and one is in Lee County
1041 in New Mexico. Where are these applications currently at
1042 process? I know you told -- said the one in Texas
1043 temporarily suspended, although there's been a huge amount of
1044 investment, I think, in both of them.

1045 Ms. Svinicki. Yes. The Holtec facility in New Mexico
1046 has been submitted. We have docketed that application, which
1047 means that we've assessed that it is complete for purposes of
1048 review.

1049 So we've begun the review of that application. We were
1050 at the stage of reviewing the WCS Texas location. However,
1051 the applicant asked us to suspend.

1052 There is an acquisition of that company now ongoing.
1053 The new owners have indicated that they will be giving us

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1054 some communication in the near future about the potential
1055 resumption of that.

1056 We don't know if that would be asking us to resume what
1057 we had in house or if they're going to modify or somehow have
1058 a revised approach.

1059 Mr. Green. Thank you.

1060 Mr. Chairman, I have no other questions but I know you
1061 and I and a number of people share frustration that decisions
1062 were made in the '80s that have been put off now until a new
1063 century and, hopefully, this Congress can actually move that
1064 ball down the road, so to speak, or either that, change the
1065 field. So but Congress needs to do something, and thank you
1066 for calling this hearing.

1067 Mr. Shimkus. Chairman thanks the gentleman.

1068 The chair now recognizes Chairman Upton from Michigan
1069 for five minutes.

1070 Mr. Upton. Thank you, Mr. Chairman, and I would start
1071 off by saying in Friday's New York Times on the front page
1072 there's a story that's headlined "U.S. Says Hacks Left Russia
1073 Able to Shut Utilities."

1074 The first sentence of that story reads, "The Trump
1075 administration accused Russia on Thursday of engineering a

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1076 series of cyber attacks that targeted American and nuclear
1077 power plants and water and electric systems and could have
1078 sabotaged or shut power plants off at will."

1079 So my question is what can you tell us in a
1080 nonclassified answer that relates to the story specifically?
1081 Can you tell us if they were penetrated in a safety-
1082 significant consequence?

1083 I would note that the story continues to stay -- to say
1084 that Russian hackers had not -- had not leapt from the
1085 company's business networks into the nuclear plant controls.
1086 Is that still accurate? Can you give us that assurance?

1087 And what role does the NRC have with these -- in hearing
1088 about these situations? What technical expertise concerning
1089 power reactors is relevant that you might be able to share
1090 with us this morning?

1091 Ms. Svinicki. Thank you, Chairman Upton, and respecting
1092 the open setting, I would state that the NRC's role is that
1093 we are fully integrated with the FBI, the Justice Department,
1094 and the other agencies that made the announcement last week.

1095 These were matters known to us prior to them being
1096 publicly released on Friday. Our role is not the security of
1097 the electricity grid as a whole. We leave that to our

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1098 colleagues at the Federal Energy Regulatory Commission.

1099 In terms of the penetrations, of course, as the
1100 committee is well aware through its work on cybersecurity,
1101 the attacks -- the cyber attacks against the United States
1102 are persistent and serious and the U.S. government
1103 Interagency, including the U.S. NRC, are involved in constant
1104 monitoring of the sophistication of these attacks -- of the
1105 success -- but even the attempts. There's a lot of
1106 monitoring of the unsuccessful attempts.

1107 It is true that corporate networks at U.S. nuclear
1108 utilities were probed as was described in the announcements.
1109 However, safety systems at operating nuclear power plants
1110 were not penetrated.

1111 This is principally due to the fact that these systems
1112 are isolated from the corporate systems and that provides a
1113 measure of, if you will, air gapping of that and you'd have
1114 to leap over that, which is technologically, at least to
1115 date, not possible to do.

1116 Mr. Upton. Thank you.

1117 The NRC sends the Senate Environment and Public Works
1118 Committee a monthly status on NRC's licensing activities,
1119 staffing and related information. Would you be able to send

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1120 that report to us as well?

1121 Ms. Svinicki. I see no reason why --

1122 Mr. Upton. Yes. That's an easy one.

1123 Ms. Svinicki. -- we would not provide that. I am
1124 surprised that we are not. But yes.

1125 Mr. Upton. And in January NRC executive director of
1126 operations initiated a transformation effort with a focus on
1127 identifying transformative changes to NRC's regulatory
1128 framework, culture, and infrastructure.

1129 And as you know, Chairmen Walden, Shimkus, and I wrote
1130 recently to express our interest in this initiative and we
1131 appreciated your timely response to the letter, which was
1132 received yesterday. This NRC effort appears centered on new
1133 and novel technologies including in the areas of digital
1134 instrumentation and controls, accident-tolerant fuel,
1135 advanced reactors, big data, et cetera.

1136 Yet, the benefits of these new technologies require a
1137 change in how NRC executes its mission and ultimately
1138 regulates the nuclear industry.

1139 I understand that the NRC staff will be providing
1140 recommendations and strategies for implementation to the
1141 Commission in May.

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1142 Ms. Svinicki. Yes, although I am aware that they've
1143 received in excess of, I think, 500 or 600 proposed
1144 transformation initiatives.

1145 So if the staff were to need additional time to
1146 synthesize and prepare a set of recommendations for the
1147 Commission, just for myself I would be supportive of that. I
1148 think they've been kind of deluged with good ideas.

1149 Mr. Upton. Thank you. Thank you.

1150 I yield back.

1151 Mr. Shimkus. Gentleman yields back his time.

1152 The chair now recognizes the ranking member of the full
1153 committee, Congressman Pallone from New Jersey, for five
1154 minutes.

1155 Mr. Pallone. Thank you, Mr. Chairman.

1156 My questions are of Mr. Baran. In her written
1157 testimony, the chairman notes that while the fiscal year 2019
1158 budget request represents a proposed increase in funding for
1159 the Commission overall, most of that increase would go
1160 towards activities related to the Yucca Mountain project and
1161 reviewing advanced nuclear technologies.

1162 Though I am not looking to quarrel with the increased
1163 focus on these articular programs per se, I am concerned

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1164 about what those choices mean for other activities that I
1165 believe must be priorities for the Commission.

1166 So Commissioner Baran, I understand that NRC recovers
1167 the majority of its budget through fees and I have some
1168 questions about the proposed fees and what it means for
1169 staffing at the NRC.

1170 First, I am concerned by the sharp drop in full time
1171 employees at the Commission and what this means for safety.
1172 Do you believe that the Commission has the amount of
1173 employees it needs to do its job well, not just adequately?

1174 Mr. Baran. I think the -- I think most of the cost-
1175 cutting measures we've implemented to date over the last few
1176 years make sense.

1177 But I would echo Mr. Tonko's point. I don't think any
1178 further steep reductions would sustainable. Going forward, I
1179 would like to see our funding and FTE levels stabilize.

1180 I think we need to be careful that we are not so focused
1181 on cutting costs that we do erode the technical capabilities
1182 of the agency or our inspection activities.

1183 Mr. Pallone. Okay.

1184 And a second question is, is the current 90 percent fee
1185 structure putting undue pressure on the Commission's budget

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1186 because of the shrinking number of nuclear plants and the
1187 economic pressure the industry is facing due to competition?

1188 Mr. Baran. Well, as Chairman Svinicki noted earlier,
1189 you know, in theory, if you have fewer operating plants that
1190 that increases the amount each remaining operating plant
1191 would have to cover.

1192 Mr. Pallone. And she actually said that at some point
1193 it would be unsustainable.

1194 Mr. Baran. Yes. We haven't -- we haven't gotten to
1195 that point yet and in large part because of Project Aim we
1196 have seen our costs come down over the last few years. So
1197 fees have not gone up over the last few years for power
1198 plants. They've gone down, actually.

1199 But at an extreme, if there were a large number of
1200 plants that shut down, you could have -- you could have an
1201 effect there where it would -- it would be a challenge.

1202 Mr. Pallone. But you're saying, as she did, that
1203 that's, you know, something that could happen but you don't
1204 see it happening in the immediate future?

1205 Mr. Baran. It has not happened to date and I don't see
1206 it as something that, you know, we are worried about right
1207 now.

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1208 Mr. Pallone. All right. Thanks so much.

1209 I yield back, Mr. Chairman.

1210 Mr. Shimkus. Gentleman yields back his time.

1211 The chair now recognizes the chairman emeritus, Joe
1212 Barton from Texas.

1213 Mr. Barton. Well, thank you. More importantly, I am
1214 the current vice chairman, such as that is.

1215 Mr. Shimkus. I stand corrected.

1216 Mr. Barton. Well, I will take both. I think they're
1217 both complimentary.

1218 My question is a basic question. I am looking at the --
1219 at the briefing book and it says that you get \$804 million in
1220 fees. What portion of that is supposedly going into the
1221 high-level waste fund to help dispose of high-level nuclear
1222 waste?

1223 Ms. Svinicki. None of that amount. Again, the Yucca
1224 Mountain related activities are all funded from the
1225 appropriations from the nuclear waste fund and we have to
1226 execute and keep that money in budgetary purposes. It is
1227 executed and outlaid separately from the fee collection.

1228 Mr. Barton. So the \$804 million are operating fees from
1229 the existing reactors. Is that correct?

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1230 Ms. Svinicki. Yes. Those are invoiced directly from
1231 the NRC to the utilities and then we receive the payments
1232 from them.

1233 Mr. Barton. And the -- and the fee that the utilities
1234 pay to help dispose of high-level waste if we were ever to
1235 license one that's a separate fund and a separate amount of
1236 money in addition to these other fees?

1237 Ms. Svinicki. Yes. It was separately enacted in the
1238 Nuclear Waste Policy Act of 1982. The Department of Energy
1239 established one mil, which is a thousandth of a cent, I
1240 think, for per kilowatt hour charge that ratepayers paid in
1241 their utility bills and I think that that was then provided -
1242 - it was collected by utilities provided to the U.S.
1243 Treasury.

1244 Mr. Barton. And how much of that, Madam Chairwoman, has
1245 been collected over the history of its collection? Do you
1246 know?

1247 Ms. Svinicki. Many tens of billions. But I would have
1248 to respond with a precise figure. Of course, the fee is in
1249 suspension now because the U.S. utilities went to court and
1250 said in the absence of progress on the disposal site they
1251 asked for relief and the collection of that fee has been

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1252 suspended for some years now.

1253 Mr. Barton. So it's accrued as a contingent liability
1254 but it's not actually been collected from the utilities. Is
1255 that right?

1256 Ms. Svinicki. You know, I am not sure of the court's
1257 treatment of that in their decision. I know that they
1258 offered the relief of the suspension of the collection of the
1259 fee.

1260 I don't know if the liability continues to accrue and
1261 upon resumption of activity on Yucca Mountain if that would
1262 be then re-imposed on the utilities. I am not sure.

1263 Mr. Barton. Now, you're aware that we passed a bill
1264 that's languishing, I believe, in the Senate that would
1265 change the law and it would allow for licensing of a high-
1266 level waste permanent repository but also it would allow
1267 temporary storage to also go forward?

1268 Mr. Shimkus. If the gentleman with respect it's
1269 languishing in leadership, not the Senate.

1270 Mr. Barton. Oh, I thought we had passed it in the
1271 House.

1272 Mr. Shimkus. Not on the floor.

1273 Mr. Barton. I stand corrected. I can't blame that on

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1274 the Senate then.

1275 Mr. Shimkus. You can blame it on leadership.

1276 [Laughter.]

1277 Mr. Barton. I will.

1278 But Chairman -- Subcommittee Chairman Shimkus has been
1279 laboring, you know, very heroically to get some money
1280 appropriated so we could actually begin the review and
1281 hopefully the license of a permanent waste repository.

1282 I believe that's about \$130 million. John, is that
1283 right?

1284 Mr. Shimkus. I am sorry?

1285 Mr. Barton. How much -- how much are we asking for to
1286 actually let high-level waste be reviewed -- \$150 million,
1287 \$130 million?

1288 Mr. Shimkus. Well, in the fiscal year 2018 it was \$120
1289 million to DOE and \$30 million to NRC, and then in fiscal
1290 year 2019 it's \$47.7 million for the NRC and another \$120
1291 million for DOE, I believe.

1292 Mr. Barton. It's fun to ask questions of the
1293 subcommittee while you guys are out there. Shows what a good
1294 subcommittee we have.

1295 In any event, my question to you, Madam Chairwoman, does

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1296 the NRC support Chairman Shimkus in his effort to actually
1297 get some real money appropriated so we can proceed with the
1298 review of a high-level waste permanent repository?

1299 Ms. Svinicki. The NRC has requested funding in our
1300 budget for fiscal years 2018 and 2019 to resume these
1301 activities.

1302 Mr. Barton. So that's a yes.

1303 Ms. Svinicki. But we -- as an independent safety
1304 regulator we have not taken a policy position on the pending
1305 legislation.

1306 Mr. Barton. Well, I take that as a yes.

1307 I am going to yield back, Mr. Chairman.

1308 Mr. Shimkus. Gentleman yields back his time.

1309 The chair now recognizes his gentleman from
1310 Pennsylvania, Mr. Doyle, for five minutes.

1311 Mr. Doyle. Thank you, Mr. Chairman. I want to thank
1312 you and the ranking members of the committee for holding this
1313 hearing today.

1314 As many on this committee know, I am a strong supporter
1315 of nuclear energy. I am greatly concerned by the dramatic
1316 increase in plant retirements or announced retirements in the
1317 last few years.

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1318 Prior to three plants retiring in 2013, no reactors had
1319 retired since 1998. We then faced another round of
1320 retirements and are now staring down eight more announced
1321 retirements starting in October 2018 and through the summer
1322 of 2025.

1323 These retirements represent a loss of reliable and
1324 affordable electricity and family-supporting jobs, and it's
1325 not like the demand for thousands and thousands of megawatts
1326 these plants provide disappears.

1327 As the Energy Information Administration explains, the
1328 vast majority of this lost generation has been replaced with
1329 either coal or natural gas and it seems very likely that that
1330 trend will continue into the future.

1331 As I said at our nuclear infrastructure hearing in
1332 February, it's imperative that we maintain or even bolster
1333 our nuclear fleet here to adequately address climate change
1334 and I hope our committee pursues greater action on the issue
1335 in the future.

1336 Chairman, let me -- Madam Chairman, let me ask you and I
1337 want to follow up on one of the responses that you provided
1338 on an important question from Representative Green regarding
1339 the NRC's fee structure.

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1340 There are bipartisan legislative proposals in both the
1341 House and Senate that provide a backstop for fees that NRC
1342 could collect from each plant.

1343 I would think that with increased appropriations if
1344 necessary this would provide greater certainty to your agency
1345 as well.

1346 Otherwise, I fear the NRC may face the situation where
1347 the dramatic drop in plants from which you can collect fees
1348 jeopardizes your agency's ability to generate a sufficient
1349 operating budget without being overly draconian.

1350 I think many could see this as becoming a downward
1351 spiral. Chairman, let me ask you, do you think our committee
1352 should pursue or consider changing the NRC's fee structure to
1353 make it more sustainable both for the NRC and the individual
1354 plants?

1355 Ms. Svinicki. Our Commission hasn't established a
1356 position on this. But speaking as a 10-year member of the
1357 Commission and answering for myself, I would note that the
1358 potential wave of retirements is noticeable and appreciable,
1359 and although I don't know at what point the number of
1360 operating reactors has diminished so far that the 90 percent
1361 fee recovery is not sustainable, I think that the predicted

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1362 number of potential shutdowns does make this a timely issue
1363 for the Commission and the Congress to engage on a dialogue
1364 on this -- on this matter.

1365 Again, the 90 percent recovery is a provision of law.
1366 So if it something that looks like it is having an unintended
1367 consequence or an unsupportable effect, it would be, in my
1368 view, appropriate for the Commission and your committee to
1369 examine the question.

1370 Mr. Doyle. Okay. Thank you.

1371 Let me ask you some efficiency questions, too. Your
1372 testimony highlighted the NRC's recent announcement
1373 establishing of a transformation team that would, in your
1374 words, seek to identify potential transformative changes to
1375 the NRC's regulatory framework, culture, and infrastructure.

1376 Do you have a time line as to when we could expect those
1377 proposals and what type of changes can we anticipate?

1378 Ms. Svinicki. Transformation is meant to encompass not
1379 just a small easily-implementable change, which we are
1380 terming more an innovation than a transformation.

1381 The team that's been chartered to look at the proposals
1382 I believe has in excess of 500 or 600 proposals now pending.
1383 Those come from both inside the agency. But they've also

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1384 engaged broadly on transformative and innovative
1385 organizations.

1386 So the Commission is scheduled to receive a set of
1387 recommendations in May. But I think that the amount of
1388 proposals that have been generated may make the staff want to
1389 have a little more time to evaluate those and then we would
1390 take the proposals that they -- and recommendations they make
1391 to us out of that process and consider those after we receive
1392 them in May.

1393 But, again, I am trying maybe to signal a little bit of
1394 opening for relief with the staff. I think it would be
1395 difficult for them to look at 500 or 600 ideas in the amount
1396 of time that they have.

1397 Mr. Doyle. Yes, I can appreciate that.

1398 Mr. Chairman, thank you. I am going to yield back my
1399 time.

1400 Mr. Shimkus. Would the gentleman yield his last 26
1401 seconds?

1402 Mr. Doyle. Yes, sure.

1403 Mr. Shimkus. When the -- when the payments are made to
1404 utilities based upon the nonperformance of the government,
1405 where does that money come from? Do we know?

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1406 Ms. Svinicki. This is perilous, because this is my
1407 memory of the court's decision. I thought they suspended the
1408 collection from the ratepayers --

1409 Mr. Shimkus. They did.

1410 Ms. Svinicki. -- so that the utilities are not
1411 receiving any revenues because their request of the court was
1412 to be allowed to suspend the recovery of it from consumers.

1413 Mr. Shimkus. Anyone else can answer that.

1414 Mr. Baran. You're talking about the litigation piece?

1415 Ms. Svinicki. Oh. Oh.

1416 Mr. Shimkus. Right.

1417 Mr. Baran. That comes from the judgment fund.

1418 Mr. Shimkus. And the judgment fund --

1419 Mr. Baran. Is taxpayer funds.

1420 Mr. Shimkus. Okay. Thank you. With that, I thank my
1421 colleague.

1422 Chair now recognizes the gentleman from Texas, Mr.
1423 Olson, for five minutes.

1424 Mr. Olson. I thank the chair, and welcome to our three
1425 witnesses.

1426 This first question is for you Chairman Svinicki, and
1427 you, Commissioner Burns.

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1428 Last August, the NRC issued a press release announcing
1429 it was going to conduct a review of, quote, "past
1430 administrative regulations," unquote, to find any that are
1431 outdated or duplicative.

1432 That was supposed to start in the fall of 2017.
1433 However, I haven't heard anything about that since then. So
1434 my question is will either of you talk about first why
1435 reviewing these regulations is important for an industry that
1436 is struggling, and number two, is there an update on time we
1437 can inspect this report and move forward?

1438 Chairman, you first, ma'am.

1439 Ms. Svinicki. I will begin. Thank you.

1440 I think that the voting has moved along on that proposal
1441 and I believe that mine may be the lagging vote to complete
1442 the Senate -- I mean, the Commission's deliberation on the
1443 matter.

1444 It is still under review by the Commission in terms of
1445 the Federal Register notice and other underlying things that
1446 would kick off that review. So it is still contemplated and
1447 I suspect it would move forward in the coming months.

1448 Mr. Olson. Mr. Burns, do you want to add something to
1449 that, too?

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1450 Mr. Burns. Yes. What I would add, one of the things
1451 that -- this was an issue that came to my attention when I
1452 was a chairman and how it came up is, you know, drop-in
1453 visits from utilities, interactions I had at conferences and
1454 things like that, and it's -- the question of there may well
1455 be in terms of some of the administrative reporting
1456 requirements going of the structure of them, for example,
1457 that might be more efficient, and I think that's what we are
1458 intending to look at.

1459 The example would be -- and I can't pull, unfortunately,
1460 out of my head right now maybe a good example -- but the idea
1461 was we are asking particular reporting requirements in an age
1462 -- like, when I began at the agency we didn't work through
1463 the internet.

1464 We worked through -- fax machines was the technology of
1465 the, you know, of the day. So some of those types of things
1466 -- how you can report -- you know, what you need to report.

1467 It's not that reporting is bad or doesn't need to be
1468 done but, you know, can you do it more efficiently, you know,
1469 through electronic communication -- are there duplications
1470 and things like that. That's the type of thing I think I
1471 would like to get at.

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1472 Mr. Olson. Thank you.

1473 The final question is for all three of you. There have
1474 been some situations where disagreements between headquarters
1475 and the NRC region have resulted in NRC being unable to make
1476 timely decisions to provide necessary certainty to licensees.

1477 In one case a licensee chose to shut down the reactor
1478 because headquarters in the regions were at an impasse.
1479 What's the process for resolving these disagreements between
1480 headquarters and the regions to ensure that timely decisions
1481 are made and the licensees are provided regulatory certainty?

1482 Ms. Svinicki. The NRC is obligated to provide clarity
1483 and give timely decisions. We are also obligated to
1484 implement a cohesive and coherent program across the United
1485 States so that a regulatory outcome in one region would be
1486 the same outcome in another region.

1487 Like any large organization, this requires very
1488 effective and continuous communications between the agency's
1489 very senior executives, the Commission, and a faithful
1490 execution of our regulatory framework across the country.

1491 Are we perfect? No, although I don't -- I don't
1492 recognize the specific incident you allude to.

1493 This is something that both our inspector general and

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1494 the Government Accountability Office occasionally audit for
1495 us and we do look at the consistency of the findings and
1496 regulatory outcomes across the country.

1497 But there are a lot of inspectors and a lot of
1498 individuals in the loop. Again, the basic process is
1499 escalation through management, through executives and the
1500 agency, and then coming to one unified decision.

1501 Mr. Olson. Mr. Baran, very quickly, I have 48 seconds
1502 left to add something to her -- the chairwoman's comments.

1503 Mr. Baran. No, I think she covered it very well.

1504 Mr. Burns. I agree.

1505 Mr. Olson. Okay. And one final point of observation.

1506 Chairwoman, congratulations. Your Michigan beat my
1507 University of Houston Cougars in the NCAA finals -- going to
1508 the Final Four. But they'll play another Texas team and
1509 pretty quick you will hear from Mr. Flores about his Aggies.
1510 So I yield back.

1511 Ms. Svinicki. Thank you. I wondered if I might hear
1512 something while Chairman Upton was in the room but --

1513 [Laughter.]

1514 Mr. Shimkus. Oh, I hope the gentleman's yielding back
1515 his time.

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1516 Mr. Olson. I yield back.

1517 Mr. Shimkus. The chair thanks the gentleman.

1518 The chair now recognizes the gentlelady from California
1519 I would like to personally thank for all her work on this
1520 issue for five minutes.

1521 Ms. Matsui. Thank you very much, Mr. Chairman.

1522 As I outlined earlier, I am extremely supportive of
1523 efforts to transfer our country's civilian-spent nuclear fuel
1524 to a consolidated storage facility. Communities across the
1525 country including those near the former Rancho Seco Nuclear
1526 Generating Station in Sacramento County have been waiting
1527 decades for a spent fuel storage solution.

1528 And I have to also thank Chairman Shimkus' willingness
1529 to work together on these spent fuel issues. We were able to
1530 make real progress as his Nuclear Waste Policy Amendments Act
1531 moved through this committee and I continue to support our
1532 compromise that was included in the bill.

1533 Chairwoman Svinicki -- is that right -- can you please
1534 tell us more about the consolidated interim storage facility
1535 licensing process generally? What do you look for in an
1536 application? How is it evaluated?

1537 Ms. Svinicki. Thank you for that question,

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1538 Representative Matsui.

1539 As you noted in your earlier remarks, the agency -- the
1540 NRC -- has two -- one current and one suspended review in
1541 front of us for the development of consolidated interim
1542 storage facilities.

1543 There is a facility contemplated in New Mexico and the
1544 contractor is Holtec. We have docketed that application for
1545 review and the review is ongoing.

1546 In general, it's our estimate that it would take
1547 approximately three years to conduct this type of review. We
1548 have some experience. In the 1990s, there was a similar
1549 proposal of private fuel storage in Utah.

1550 However, we issued the license as an agency but the
1551 facility was never developed. But, again, to return to the -
1552 - to the two active contemplated facilities, the first is the
1553 Holtec facility in New Mexico.

1554 The other is in Texas and it is Waste Control
1555 Specialists. That review was suspended at request of waste
1556 control specialists. Their company is undergoing a merger or
1557 acquisition.

1558 I am not -- so it may be an acquisition. The new owner,
1559 although that process is in -- is ongoing, has indicated that

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1560 they will be making a communication to the NRC regarding that
1561 suspended review.

1562 We don't know exactly what form that would take. They,
1563 of course, have the option of modifying or withdrawing that
1564 and submitting something different.

1565 So if they were to just ask us to reactivate the review
1566 that is suspended, that is something that could be more
1567 readily done.

1568 If they want to modify or significantly alter the
1569 proposal, then we would just have to wait to see what our
1570 estimate of the time to review it would be.

1571 Ms. Matsui. Okay. If you take the first step there,
1572 what are your next steps in the licensing process if you
1573 restart this?

1574 Ms. Svinicki. The general process involves both a
1575 comprehensive safety review and a separate team of
1576 environmental experts will conduct a review of any
1577 environmental impacts of the facility or the proposed action.

1578 Those proceed in parallel tracks and so there is some
1579 synergy and expertise between those two teams and we develop
1580 a safety evaluation report and then an environmental review
1581 and those are the basic products that come out of our review.

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1582 We are looking for no negative impacts on public health
1583 and safety and in accordance with storage and transportation
1584 regulations that we have that are very well established.

1585 Ms. Matsui. Can you outline some of the differences
1586 between the facilities envisioned by the two applications?

1587 Ms. Svinicki. I think, in general, they are very
1588 similar, much more similar than they are different, and there
1589 may be some differences in the way that they've structured
1590 how they intend to operate or the fuel that they would take.
1591 But I would need to respond with those details, for the
1592 record.

1593 Ms. Matsui. Okay. Certainly.

1594 And as I said earlier, I am pleased to see that you
1595 requested adequate funding to be able to consider both the
1596 WCS and the Holtec license request in fiscal year 2019.

1597 It's critical that we move forward with both licensing
1598 process at the same time in order to maximize our chances of
1599 really reaching a viable interim storage solution that
1600 reduces the burden on taxpayers.

1601 What constraints on licensing are you facing at your
1602 current funding level?

1603 Ms. Svinicki. I would -- you're correct that we have

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1604 requested funding in fiscal year 2019 for two reviews. I
1605 would also note that although we do not have an enacted level
1606 for fiscal year 2018 yet we do have funding in there for two
1607 as well.

1608 Even though the one is suspended, we were -- we provided
1609 a budget flexibility so that if it were resumed we would be
1610 able to begin that in the current fiscal year.

1611 So there is -- we are not aware that we have any
1612 shortfalls in those requested amounts.

1613 Ms. Matsui. Okay. Fine, and thank you very much and I
1614 appreciate -- I yield back.

1615 Mr. Shimkus. Gentlelady yields back her time.

1616 The chair now recognizes the gentleman from Ohio, Mr.
1617 Latta, for five minutes.

1618 Mr. Latta. Well, thank you very much, Mr. Chairman, and
1619 thanks to our commissioners for being with us today.

1620 The NRC's fiscal year 2019 budget request includes about
1621 \$10 million to develop the regulatory framework for advanced
1622 nuclear technologies.

1623 While the NRC is required to recover about 90 percent of
1624 its budget from fees charged to licensees, the Commission is
1625 allowed to request certain funding to be appropriated by

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1626 Congress outside of the fee base.

1627 Though I would note the Advanced Nuclear Technology
1628 Development Act, which I sponsored and was unanimously passed
1629 by the House in January of this year, provides -- or last
1630 year, excuse me -- provides for this funding to be exempt
1631 from the fee recovery base.

1632 Similar to that provision, in my legislation NRC's
1633 budget request for this funding in previous years provided
1634 for a direct congressional appropriation.

1635 Would any of you like to address why the source of this
1636 funding from off the fee base that's subject to fee recovery
1637 has changed from the previous years?

1638 Ms. Svinicki. Thank you for that question, and I
1639 realize that Congress has indicated a willingness to provide
1640 direct appropriated funds instead of recovering this from the
1641 fee base.

1642 I would observe that in -- perhaps commensurate with the
1643 continued work that we are doing on advanced reactors it is
1644 our projection that in fiscal year 2019 we may have actual
1645 submittals of designs for review.

1646 And so some of the thinking about having it be in the
1647 fee base is that we do try to allocate and recover costs from

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1648 a company if the costs are directly attributable to that
1649 company.

1650 So in fiscal year 2019 is the earliest date at which we
1651 think we may have a company come in with an actual design
1652 submittals.

1653 Mr. Latta. Okay. Just to clarify -- just to make sure
1654 of that, so that you would support the -- my legislation
1655 which would amend the underlying statute to clarify the
1656 source of the funding to develop a regulatory framework for
1657 that advanced nuclear technology?

1658 Ms. Svinicki. Our Commission has no policy view but as
1659 a member of the Commission, not as chairman, I would indicate
1660 that the funding that is provided off fee base has been, I
1661 think, advantageous because it -- developers will come in and
1662 engage the NRC if they know that they're not going to receive
1663 an invoice every time they want to come in and learn more
1664 about the regulatory framework or perhaps float a concept of
1665 a design attribute that they're worried that we would never
1666 license.

1667 And so Congress' support of money off the fee base I
1668 think is generating a regulatory efficiency because the
1669 technology developers are more likely to come in and get

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1670 early regulatory engagement and I think it's also helping us
1671 that when we get a design we'll know a lot more about it.

1672 Mr. Latta. Thank you.

1673 Use of the digital instrumentation and control, or
1674 digital I&C technology, is of growing importance for the
1675 current nuclear fleet and the next generation of reactors.

1676 This technology can enhance safety, reliability, and
1677 efficiency while replacing obsolete analog components. Many
1678 licensees are not pursuing modifications that implement
1679 digital technology due to uncertain regulatory approaches and
1680 associated challenges.

1681 For new plants the uncertainty creates risk of -- risk
1682 the promise of advanced digital I&C systems will not be
1683 accomplished.

1684 To address these issues, industries has formed a digital
1685 I&C working group to engage industry experts with the NRC
1686 staff to resolve high-priority technical issues, improve the
1687 regulatory infrastructure, and facilitate efficient
1688 implementation of DI&C projects.

1689 Madam Chairman, in reality, as a number of our nuclear
1690 reactor facilities have passed four years of operations, much
1691 of the technology still being used in these facilities can be

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1692 dated back to World War II.

1693 Do you believe that updating these systems and
1694 components to digital technology is important to sustaining
1695 these facilities?

1696 Ms. Svinicki. Yes. The obsolescence issues in the
1697 supply chain are very real and it is not only important, I
1698 think it will be essential for the NRC to develop a working
1699 framework for the adoption of digital I&C technologies.

1700 Mr. Latta. Thank you.

1701 Commissioner Burns, do you believe there is an
1702 obligation to acknowledge potential safety benefits with
1703 increased usage of digital controls and how do you view these
1704 benefits can be represented in NRC's regulatory regime?

1705 Mr. Burns. Yes, I would agree that the newer digital
1706 controls have benefits. I've seen that from when I've gone
1707 to power plants in terms of areas where they have been able
1708 to implement it.

1709 What we have to do, which I think -- what our chairman
1710 was alluding to is we need to keep on our staff in terms of
1711 working with the industry in terms of getting over some of
1712 the humps, if you will, that are sort of -- become some
1713 barriers toward better integration on some of the -- some of

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1714 these systems.

1715 I think we are seeing it in the new -- you know, the new
1716 technologies. It's been a lot in terms of, as you noted, the
1717 retrofitting onto what were originally analog systems and
1718 getting more digital systems in there.

1719 But it's something I am certainly in favor of us
1720 continuing to work on.

1721 Mr. Latta. Thank you very much.

1722 Mr. Chairman, my time has expired and I yield back.

1723 Mr. Shimkus. Gentleman yields back the time.

1724 Chair now recognizes the gentleman from California, Mr.
1725 McNerney, for five minutes.

1726 Mr. McNerney. I thank the chairman, and I thank the
1727 commissioners for your work.

1728 Last year, Secretary Perry issued a proposed rule that
1729 power plants have -- that have long-term fuel storage have a
1730 financial advantage over those that don't. That was
1731 overturned by the FERC.

1732 Do you think that was a good idea, each one of you,
1733 given the financial crunch that nuclear plants are facing?
1734 Starting with the chairman.

1735 Ms. Svinicki. Our Commission was not involved in that

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1736 and we are not economic regulators like our colleagues at the
1737 Federal Energy Regulatory Commission.

1738 Candidly, even as a personal matter, this is outside my
1739 realm of expertise.

1740 Mr. McNerney. Secretary?

1741 Mr. Baran. This is -- this is pretty far outside NRC's
1742 mission here. We leave this to FERC.

1743 Mr. Burns. Right.

1744 Mr. McNerney. Okay. Well, the next question was do you
1745 think the traditional nuclear power plant is viable, moving
1746 into the future, you know, in terms of economics? Do you
1747 think they're going to be viable?

1748 Ms. Svinicki. My understanding, again, and I don't have
1749 access to any proprietary business information. I read the
1750 same reporting as others do.

1751 But some of the units in the regions where they operate
1752 are operating at kind of breathtaking losses and are not
1753 economic.

1754 Others operate in other markets in the country and have
1755 other regulatory rate recovery mechanisms -- that they are
1756 profitable. So it appears to be a very geographic situation.

1757 Mr. McNerney. Okay. That's interesting.

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1758 Do you think the new technology is going to be more
1759 economic than the older technology like the small modular
1760 reactors? Any --

1761 Ms. Svinicki. It's difficult to say by their design
1762 attributes. They appear to preliminarily offer certain
1763 efficiencies but I think the competitiveness of this
1764 technology in the market is dependent on natural gas prices
1765 and other things into the future that I am not really even
1766 expert on.

1767 Mr. McNerney. All right. I will change the subject.

1768 You know, local buy-in is critical, in my opinion, for
1769 nuclear waste -- a repository -- for a nuclear waste
1770 repository.

1771 How much chance is there for a local buy-in in Yucca
1772 Mountain? Whoever wants to answer that.

1773 Mr. Shimkus. The gentleman needs to define local.

1774 Mr. McNerney. Well, I would say the state of Nevada.
1775 Is that state of Nevada going to tolerate moving forward with
1776 the Yucca Mountain storage facility?

1777 Ms. Svinicki. Well, again, we are the independent
1778 licensing body that would make the ultimate determinations on
1779 issuance of a license.

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1780 So the state of Nevada, many Nevada counties and also
1781 California counties are parties to that licensing proceeding
1782 and we are the quasi-judicial body over that. So I don't --
1783 I think it's perilous for us to opine on that.

1784 Mr. McNerney. Okay. Well, in my opinion, again,
1785 complete transparency is absolutely necessary for a long-term
1786 storage repository to be accepted.

1787 What is the NRC doing to make sure that there's
1788 transparency in these sorts of deliberations?

1789 Ms. Svinicki. Well, I would note that the adjudicatory
1790 proceeding has, gosh, I think maybe two dozen admitted
1791 parties -- that those proceedings are all conducted publicly.
1792 There are over 300 specific challenges issued that will be
1793 adjudicated when that -- if that -- if that is funded and
1794 that adjudication occurs.

1795 So, again, that is a public licensing proceeding where
1796 all of these matters in contention or challenged would be
1797 litigated in a very public forum.

1798 Mr. Baran. I would just add, if the adjudication
1799 resumes I think it's essential for NRC to hold the hearings
1800 in Nevada close to where many interested stakeholders are
1801 located.

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1802 That's been NRC's longstanding policy that if you have a
1803 contested adjudication that it be held, you know, as close as
1804 to the vicinity of the -- of the proposed facility.

1805 There's, obviously, very high public interest in this --
1806 in this proceeding if it were to resume. So my view is it's
1807 very important that those hearings be held in Nevada.

1808 Mr. McNerney. Are there any other sites around the
1809 country that are being considered and if there are, are you
1810 reaching out, you know, in advance to get local interest and
1811 buy-in?

1812 Mr. Burns. No, because the law requires us to consider
1813 the Yucca Mountain application. That was the consequence of
1814 the 1987 Amendments Act, which focuses on Yucca. So we are
1815 not authorized to go look at other sites, at this point.

1816 Mr. McNerney. But wasn't the -- wasn't the Nevada site
1817 also held up -- I mean, if you're allowed to do it by law
1818 elsewhere and you're not allowed to do it in Nevada, what
1819 choices are there?

1820 Mr. Burns. No, the Waste Policy Amendments Act 1987
1821 directed the NRC and I think also DOE to focus on the Yucca
1822 Mountain site.

1823 So that's why our -- the efforts that have gone on that

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1824 eventually led to an application in the mid-2000s focused on
1825 Yucca.

1826 Mr. McNerney. I yield my time Mr. Chairman.

1827 Mr. Shimkus. They are correct. The gentleman yields
1828 back his time.

1829 The chair now recognizes the gentleman from Illinois,
1830 Mr. Kinzinger for five minutes.

1831 Mr. Kinzinger. Thank you, Mr. Chairman, and I want to
1832 thank all of you for being here. Thanks for being at our
1833 hearing.

1834 You know, I think it's unbelievable that we are still
1835 talking about Yucca Mountain years and years later, and
1836 people's opposition to it is based on witch science, you
1837 know, and concerns and it's the law and it's the right thing
1838 to do and anyway -- but my district is home to four nuclear
1839 power plants, in Byron, Braidwood, Dresden, and LaSalle.
1840 It's the most of any district in the country.

1841 Meaning, that the work you all do is vital not only to
1842 the safety of these communities but also to my constituents
1843 who work in these plants, pay their utility bills, and,
1844 especially in Illinois, rely on nuclear power to power their
1845 homes and businesses no matter the weather. Fifty percent of

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1846 power is, in fact, nuclear in Illinois.

1847 H.R. 1320, which I sponsored with Representative Doyle,
1848 includes language to control corporate overhead costs and
1849 keep them in line with other federal agencies.

1850 I am concerned about a lack of transparency and
1851 accountability in the corporate support budget proposal
1852 because these costs are passed along to ratepayers including
1853 my constituents through charges that the NRC licensees --
1854 charges to the NRC licensees.

1855 Specifically, the fiscal year 2019 budget requests an
1856 increase of \$1.5 million for corporate support, even though
1857 staff is decreasing by 108.

1858 The justification states the increase is a result of
1859 salary and benefit growth, increases for ITS at management,
1860 operations, maintenance, and security of core IT systems, and
1861 targeted investment and development and modernization
1862 efforts.

1863 However, there's no details or support in the budget.
1864 To the chairman, can you explain in more detail why there's
1865 an increase in corporate support costs?

1866 Ms. Svinicki. Thank you, Representative Kinzinger.

1867 In general, you have described the areas that are

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1868 causing the increasing and if we have not provided a detail
1869 perhaps we can work with your staff after the hearing to
1870 provide some fuller supplementing detail on this.

1871 I would note that the cost of living -- the percentage
1872 increases that have been funded in general agencies have been
1873 asked to find those within existing budgets.

1874 Also, as our workforce gets smaller it tends to be older
1875 employees do stay with the agency and they received certain
1876 higher levels of seniority.

1877 Also, the benefits part of salary and benefits for every
1878 federal employee with increases in health care costs there is
1879 some escalation in that figure year to year due to rising
1880 health care costs.

1881 Also, the NRC does have, as part of government wide IT
1882 modernization, we have some unsupported platforms for various
1883 agency IT systems.

1884 I know we report to other committees of the House
1885 regarding our overall IT modernization and also the securing
1886 of those systems against cyber threats and there are
1887 increasing costs throughout the government related to those
1888 matters.

1889 I think in general those are the nature of the expenses

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1890 that caused the increase in the fiscal year 2019 budget.

1891 Mr. Kinzinger. I see. I just think -- you know, the
1892 important point I want to make is, obviously, continue to
1893 take tangible steps to maintain discipline on that, as you
1894 know.

1895 It's Congress' responsibility to regularly review
1896 statutory authority and, when appropriate, to make updates
1897 reflecting our changing world.

1898 For example, the outlook for global nuclear power is
1899 fundamentally different from when Congress first allowed the
1900 use of peaceful atomic energy in 1954 or established the NRC
1901 in 1974. Congress hasn't completed a comprehensive
1902 reauthorization of the NRC in over 30 years.

1903 To the chairman, are there legacy provisions including
1904 the foreign ownership control or domination restrictions or
1905 the required advisory committee or reactor safeguards that
1906 warrant revisiting by Congress?

1907 Ms. Svinicki. As a general matter, it is useful to
1908 revisit a statute, although I would note that I continue to
1909 be impressed with the wisdom that is enshrined in the Atomic
1910 Energy Act.

1911 I think for a statute as old as it is there was a lot of

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1912 foresight on having, you know, technology, flexibility, and
1913 things like that.

1914 But there is the many intervening decades of experience
1915 in the United State nuclear power program in general. The
1916 technology is understood at a vastly deeper level now and
1917 there are also many, many operating reactor years and decades
1918 worth of experience.

1919 So I think that relooking at what the smart individuals
1920 in the 1950s thought is probably a worthwhile endeavor.

1921 Mr. Kinzinger. Thank you.

1922 I think it's important to note, you know, we've -- I
1923 think the United States is losing or has lost its edge in
1924 nuclear power and we've given it to other countries and
1925 that's a big problem and something that I think we need to
1926 address wholeheartedly.

1927 And lastly, to Commissioner Burns, are there other areas
1928 Congress should examine, given the state of nuclear energy
1929 today, in your mind?

1930 Mr. Burns. Going back to your question on the Atomic
1931 Energy Act, I appreciate in your bill you noted a couple
1932 areas where I thought were worth looking at in terms of
1933 foreign ownership in a mandatory hearing.

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1934 I agree with Chairman Svinicki. One of the, I think,
1935 the beauties of the Atomic Energy Act is the flexibility that
1936 allows the Commission to adapt over time.

1937 So there's some of these that are legacy provisions --
1938 mandatory hearing provisions, for example just because I was
1939 doing some research earlier this year on it. It was really
1940 actually a punishment of the Atomic Energy Commission for a
1941 lack of transparency.

1942 It actually imposed it both at the construction permit
1943 and operating license level and it was because the AEC wasn't
1944 transparent about its licensing. I think we've come a long
1945 way since 1957 and then 1962 on that.

1946 Mr. Kinzinger. Thank you, and I yield back, Chairman.

1947 Mr. Shimkus. Gentleman yields back his time.

1948 Chair now recognizes the gentleman from Vermont, Mr.
1949 Welch, for five minutes.

1950 Mr. Welch. Thank you very much, and I thank the
1951 commissioners.

1952 My concern that I want to address is decommissioning.
1953 In Vermont, Vermont Yankee, located in southern Vermont right
1954 on the Massachusetts and New Hampshire border, was one of the
1955 first -- I think the first merchant plant to be

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1956 decommissioned.

1957 So we are sort of at the tip of this spear addressing
1958 the combination of issues between the industry that has to
1959 shut that down and the local and state communities that want
1960 to have a say in the process.

1961 And over the course of the last couple of years, Senator
1962 Sanders and Senator Leahy and I, on behalf of Vermonters,
1963 have been raising some questions that we want included in
1964 rulemaking.

1965 One, the lack of state and local stakeholder involvement
1966 in the decommissioning process is a concern.

1967 Two, the questionable uses of the decommissioning trust
1968 fund such as for spent fuel management is a recurring issue
1969 at the Vernon plant.

1970 Three, the reality that the use of safe stored
1971 decommissioning procedure will effectively delay the cleanup
1972 in the redevelopment of the nuclear site for decades is a big
1973 issue for us. We'd like to put that place back into
1974 operation, sooner rather than later.

1975 And then four, the reduction of emergency planning
1976 functions during periods when spent fuel remains are in spent
1977 fuel pools. That's an ongoing concern.

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1978 That's an issue for us in Vermont. But as more and more
1979 plants are going offline, that's going to be an issue for
1980 them as well.

1981 And the questions that I wanted to start asking about
1982 were on the rulemaking process and in the initial phases of
1983 this it appeared that the NRC in fact was paying attention to
1984 many of those concerns that I just cited but there's been a
1985 tug of war in the process, and the industry concerns appear
1986 to me, and I think to Senator Leahy and Senator Sanders, to
1987 be paramount.

1988 They want flexibility on some of the safety issues but
1989 they really are resistant to the four issues that I
1990 mentioned.

1991 So that's of real concern to us, and not just to us,
1992 because this, as I mentioned, is going to be relevant for all
1993 these other plants that are going to get decommissioned.

1994 So I will start, Madam Chair, with you, if you would.
1995 Do you believe that state and local stakeholder concerns
1996 should be considered on equal footing with those of the
1997 industry and believe that a final decommissioning rule that
1998 codifies regulatory and safety exemptions that industry has
1999 requested but don't address concerns over the use of the

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2000 decommissioning trust fund, the local input in the post-
2001 shutdown rules would be problematic? We'd like both
2002 included.

2003 Ms. Svinicki. Congressman, thank you for this question,
2004 and you and the people you represent have been very, very
2005 active in the rulemaking process.

2006 The stage we are at right now is that the NRC staff has
2007 developed a regulatory basis and they will begin the process
2008 of developing a proposed rule to come before our Commission.

2009 My approach as a member of the Commission is to look at
2010 the totality of the public comment record, and I don't look
2011 at who sent the comment.

2012 I look at the underlying matter that the comment is
2013 raising and I look to make sure that the agency is responsive
2014 to that comment.

2015 So I don't want to prejudge where I would be on a
2016 proposed rule that hasn't come before me yet. But as part of
2017 my review I will certainly look at that.

2018 Mr. Welch. No, I understand you can't prejudge it. But
2019 we'd really want some assurance that the local concerns have
2020 a seat at the table. That's really the bottom line of what
2021 we want, and there's a tug of war because the industry

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2022 concerns are sometimes different.

2023 They want to get out sooner rather than later, and the
2024 local community wants that property back in service and,
2025 obviously, concerned about the decommissioning fund.

2026 Mr. Baran, can you tell me what opportunity state and
2027 local stakeholders will have over the coming year to weigh in
2028 on the decommissioning rulemaking?

2029 Mr. Baran. Sure. Well, the main opportunity -- they
2030 had -- there have been two periods of public comment to date,
2031 and ask the chairman mentioned, we got a couple hundred
2032 comments.

2033 I looked at them all and you're right -- states and
2034 local governments are very engaged on this issue. They want
2035 to be heard. The next big opportunity will be when the
2036 proposed rule is prepared.

2037 The Commission will vote on a proposed rule and that'll
2038 go out for public comment, and that'll be the first time that
2039 stakeholders will have an opportunity to look at what is it
2040 that the agency is proposing to do and what is their reaction
2041 to that.

2042 Mr. Welch. All right. Thank you.

2043 Mr. Burns, thanks for your work over the years. This

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2044 basic request that our communities have to be at the table as
2045 a full and equal partner?

2046 Mr. Burns. I would agree with what my colleagues have
2047 said. I think as we -- as the proposed rulemaking comes
2048 before us, one of the things I am going to look at is some of
2049 those process issues as well as, you know, the substantive
2050 issues about, you know, what does safety demand, and assuring
2051 that we have clarity on things like, you know, the
2052 decommissioning trust fund -- trust funds.

2053 You know, it's interesting. We had a good meeting I
2054 think about a year or two ago. We had -- one of the
2055 representatives from the Citizens Advisory Committee from
2056 Vermont was there and her -- heard her there.

2057 Some of these things, I think, will be regulatory
2058 solutions. Some of them are going to be the interactions
2059 within the states themselves. But I do think it's important
2060 that the voices are all heard.

2061 Mr. Flores. [Presiding.] Gentleman's time has expired.

2062 Mr. Johnson, you're recognized for five minutes.

2063 Mr. Johnson. Thank you, Mr. Chairman. I thank the
2064 commissioners for being with us today.

2065 The last time that you were here before this committee

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2066 two years ago I expressed concern then about the regulatory
2067 creep associated with what is known as application of the
2068 back-fit rule.

2069 This authority is one of the most powerful regulatory
2070 tools at NRC's disposal, which is why it is critically
2071 important, in my view, that the Commission is vigilant about
2072 the staff's use of the back-fit rule.

2073 So in regards to the committee to review generic
2074 requirements, since your last appearance here, NRC was in the
2075 process of providing new guidance to what is known as the
2076 CRGR -- the Committee to Review Generic Requirements.

2077 This committee, composed of senior NRC staff, is
2078 intended to review these back-fit requirements, which are
2079 regulatory requirements imposed on all nuclear power
2080 reactors.

2081 So Commissioner Burns, under your leadership as
2082 chairman, CRGR was directed to update its charter and revise
2083 its review procedures. Has CRGR issued its revised charter
2084 and, if so, what are the principal updates to the document?

2085 Mr. Burns. Yes. I believe that they have. I am not
2086 familiar with all the details of it but, clearly, at the time
2087 one of the things that I was looking for -- and I had the

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2088 support of my Commission colleagues at the time -- was to
2089 reinfuse some vigor in the CRGR process, also to provide some
2090 more consistency across the agency, particularly in the staff
2091 because on a day-to-day basis that's where things are going
2092 to happen about consistency in the back-fitting process.

2093 Mr. Johnson. And you are still --

2094 Mr. Burns. But we can -- we can -- we can probably
2095 provide for the record, you know, the specific things that
2096 would help your -- answer you.

2097 Mr. Johnson. Okay. Yes, please do. You are still the
2098 leader -- I mean, the chairman of the CRGR, right?

2099 Mr. Burns. No, no. I am not the -- actually never been
2100 the chair. The head of the CRGR is a staff -- a senior staff
2101 executive.

2102 Mr. Johnson. How often do they meet?

2103 Mr. Burns. I don't know how often. Ed Hackett, who is
2104 deputy director for research, is the current chair of the
2105 CRGR.

2106 Mr. Johnson. How do they report to you guys on what
2107 their status is, as the commissioners?

2108 Ms. Svinicki. They report to the executive director for
2109 operations but they also provide routine reporting on the

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2110 number of their activities.

2111 They may meet as needed to review a proposed regulatory
2112 measure. But, again, we can provide greater clarity, for the
2113 record.

2114 Mr. Johnson. Okay. Thank you.

2115 Chairman Svinicki, what are the next steps for CRGR to
2116 enhance its role to review and approve, or disapprove,
2117 staff's proposed back-fits?

2118 Ms. Svinicki. Since the Commission last appeared before
2119 you, Congressman, and engaged on this issue, the agency's
2120 return to greater adherence and fidelity on back-fit moved
2121 far beyond the CRGR.

2122 Although we have undertaken the measures that you
2123 described, it became apparent in the reviews ordered by the
2124 executive director for operations that comprehensive
2125 retraining was needed of agency staff.

2126 That has been conducted and, again, we are not changing
2127 the back-fit rule. It was -- we realized that with the
2128 amount of staff growth and staff turnover we had had that we
2129 needed regular training on adherence to the back-fit rule and
2130 there will even be, I believe, a wave of follow-on training
2131 that is going to occur.

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2132 So there certainly has been a higher spotlight on
2133 adherence to back-fits since we last appeared before you.

2134 Mr. Johnson. Okay. All right.

2135 Recent guidance from Office of General Counsel, which
2136 has been endorsed by the Commission, states that when the NRC
2137 staff identifies back-fitting it should first consider
2138 whether one of the adequate protection exemptions apply to
2139 the back-fit in question.

2140 So, Chairman Svinicki and Commissioner Burns, given the
2141 maturity of the NRC's regulatory framework, would you agree
2142 that situations requiring imposition of back-fits should be
2143 relatively rare and would typically require significant new
2144 information indicating that a safety issue is not adequately
2145 addressed by the Commission's current regulations?

2146 Ms. Svinicki. As a member of the Commission, I am in
2147 agreement with that statement. That would be, I think, a
2148 reasonable description of the maturity of adequate protection
2149 determinations that have been previously made.

2150 However, there can't always be new knowledge, as you
2151 note, and so I would say, as a member of the Commission, any
2152 time the staff is contemplating an adequate protection
2153 exemption to the back-fit rule that gets my attention very

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2154 closely for the reasons you state.

2155 Mr. Johnson. Okay. All right.

2156 Mr. Chairman, I yield back.

2157 Mr. Flores. The gentleman yields back.

2158 Mr. Cardenas, you're recognized for five minutes.

2159 Mr. Cardenas. Thank you very much. Appreciate the
2160 opportunity to have this discourse, Commissioners.

2161 My question is to whichever commissioner wants to answer
2162 the question regarding the potential elimination of 149 full
2163 time equivalent employee positions.

2164 If that were to take place by the design of the
2165 Commission, if that's a fact, would the -- would there be
2166 more or less scientists involved, going forward, than are
2167 today, overall?

2168 Are we talking about positions that are in the science
2169 arena or the technical folk? Are we talking about tertiary
2170 positions?

2171 What would -- where would the crux of those 149 or so
2172 positions come from?

2173 Ms. Svinicki. There is -- let me begin by stating there
2174 is no contemplated involuntary separation or reduction of
2175 employees that we contemplate now.

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2176 The figures may have to do with -- if they arise from
2177 the fiscal 2019 budget. We have areas of work that are
2178 completing this year and so it really isn't individual
2179 employees that are on board right now.

2180 The figures vary up and down, depending on the licensing
2181 work that we project to have before us in the 2019 budget.
2182 So it is not that we've identified positions for elimination.

2183 Mr. Cardenas. Okay. So we are talking about positions
2184 that are basically having to do with the work structure in
2185 the past and present and going forward, and a better
2186 structure for the department?

2187 Ms. Svinicki. Yes, that's correct.

2188 Mr. Cardenas. Okay. Thank you.

2189 Aside from that, how is the department doing when it
2190 comes to recruiting today's technical folks that the
2191 department needs to fill the positions that would be ongoing?
2192 How is that environment today?

2193 Ms. Svinicki. Well, I will say that you identify, I
2194 think, one of the greatest challenges for federal agencies
2195 and that is making certain that we are preparing ourselves
2196 for the future by bringing in the promising new entrant
2197 recent college graduates.

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2198 Again, under a declining workload for our agency we are
2199 not as active out with colleges and universities and
2200 recruitment. We do that only on a very, very targeted basis
2201 as we have attrition of people from positions.

2202 So we are, over time, becoming an organization that has
2203 more senior people at higher pay grades and we do pay
2204 attention to making sure that we are at least bringing some
2205 newer employees into the pipeline.

2206 But, again, our work in general has been declining and
2207 the opportunity to do that has been less.

2208 Mr. Baran. I would just add, you know, in a two-year
2209 period the number of employees we had at the agency dropped
2210 by around 12 percent, which is a really dramatic decline --

2211 Mr. Cardenas. That is.

2212 Mr. Baran. -- for just a couple years. That was
2213 largely the result of attrition. So we have a certain number
2214 of people who are retiring each year, moving on, and pairing
2215 that with very, very limited external hiring during those
2216 years.

2217 Going forward, for the health of the agency we are going
2218 to have to have some extra hiring.

2219 Mr. Cardenas. Okay.

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2220 Mr. Baran. We are going to need to bring new talent to
2221 the agency. That's true for any organization. It's fine to
2222 have a period of a couple years where we just through
2223 attrition shrink pretty significantly. But for our long-term
2224 health, we are going to have to make sure we bring in new
2225 talent so that we have the capabilities we need five, 10, 15,
2226 20 years in the future.

2227 Mr. Cardenas. There is no question that there's
2228 probably not an industry in America that isn't affected by
2229 the Baby Boomer retirement bubble that we are going through
2230 right now.

2231 But at the same time, when I was in college I was an
2232 engineering student. By the time I got my degree, I had done
2233 some internships with various great, great organizations that
2234 actually went out there and recruited students like myself.

2235 Are you able to focus on that kind of recruitment or,
2236 unfortunately, is it kind of like a hodgepodge of trying to
2237 pull together a little bit of resources to do so? Or is it a
2238 concerted effort to recruit some of that great talent out
2239 there -- that new talent?

2240 Ms. Svinicki. I will note that we do continue to have a
2241 summer intern program. We get engineers and scientists and I

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2242 believe maybe even have some legal interns or law clerks
2243 opportunities to prepare for the future.

2244 Again, it is commensurate with the projections that we
2245 will continue to have a declining workload. But I think, as
2246 Commissioner Baran notes, we continue to recognize the
2247 importance of having younger employees come into the
2248 pipeline.

2249 Mr. Cardenas. Okay. Well, to the benefit of all of us
2250 who represent literally different parts of the country with
2251 different makeups, Mr. Chairman, if we could get a report
2252 from the Commission on the program and how local communities
2253 can enlist and making sure that young people -- young
2254 talented folks can actually apply to this -- these kinds of
2255 programs or, for example, the campuses that you are already
2256 involved in or the campuses that you'd like to be involved in
2257 or the campuses that you'd like to be involved in -- if
2258 there's some kind of blueprint or something that the --
2259 again, every single member here represents a different part
2260 of America and I am sure that we would like to make sure that
2261 the young talent from our communities certainly have an
2262 opportunity to enlist their talent with your organization.

2263 Ms. Svinicki. I think we can certainly provide more

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2264 specifics for the record.

2265 Mr. Cardenas. Thank you, Mr. Chairman.

2266 I yield back.

2267 Mr. Flores. The gentleman yields back. I will
2268 recognize myself for five minutes.

2269 I thank the panel for joining us to day and to follow up
2270 on Mr. Olson's initial comments regarding the men's and
2271 women's Sweet 16s, I am proud to report my district has more
2272 teams than the others with four.

2273 Anyway, let's get down to business. New technologies
2274 provide great promise to increase safety and performance from
2275 nuclear reactors while also affording increased efficiency
2276 and improving economic competitiveness.

2277 One of the critical path resources to get from here to
2278 there, though, is the NRC's qualification of advanced fuels
2279 and I am concerned that our advanced nuclear community will
2280 be stifled at the outset if there's not clarity and
2281 predictable -- predictability with respect to time lines for
2282 innovators and investors to have certainty that the NRC will
2283 allow new fuel compensation and design.

2284 So Chairman Svinicki, what is the NRC doing to consider
2285 fundamental issues associated with qualifying advanced fuels?

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2286 Ms. Svinicki. Thank you for the question, and this is a
2287 growing area of work for the industry and for our agency as a
2288 result.

2289 To begin with, in order to qualify a new fuel type,
2290 developers have to be able to have access to performance
2291 data, meaning if you have got new materials, new alloys, and
2292 new configurations you need to be able to put what are called
2293 lead test assemblies in nuclear power reactors so that you
2294 can then harvest those as kind of samples and you can take
2295 performance data.

2296 We do have a number of utilities right now that either
2297 have inserted lead test assemblies for new fuel types or are
2298 in the process of developing -- documenting the safety of
2299 doing so. So that exploration of these lead test assemblies
2300 and development of the underlying data for new fuels is
2301 currently underway.

2302 Mr. Flores. Okay. Thank you.

2303 Commissioner Burns, given your long experience with NRC
2304 and your having had a front row seat for seeing technological
2305 advances, would you please describe your expectations with
2306 respect to having a predictable path for advanced fuel
2307 development?

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2308 Mr. Burns. I would echo what -- much of what the
2309 chairman said.

2310 I think the -- part of it for us too is assuring that
2311 the regulatory process is in a state that allows that to go
2312 forward.

2313 I will give a recent example. I think the staff, with
2314 respect to the ability of utilities to start testing advance
2315 or accident-tolerant fuels in terms of just the process of
2316 getting some lead test assemblies in there has clarified its
2317 guidance and that's gelled and those are the types of things.
2318 And in addition to the technology aspect, which is
2319 extraordinarily important, of course, that will help the
2320 process along.

2321 Mr. Flores. So you have talked about the real-world
2322 testing and existing reactors. What sort of advanced
2323 modelling and simulation and computational tools do you have
2324 to predict the behavior of these advanced fuels?

2325 Mr. Burns. I would have to defer to the staff and maybe
2326 the Board unless the chairman wanted to add.

2327 Ms. Svinicki. The NRC does not have as many tools as
2328 the U.S. Department of Energy. So as a result, our experts
2329 in these areas have begun discussion with the Department of

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2330 Energy regarding what tools they have and to what extent they
2331 could be made available for us to use in making safety
2332 determinations, going forward.

2333 Now, as an independent safety regulator we will want to
2334 have some measure of independent or confirmatory analysis
2335 that we will do. But it may be that the tools can be
2336 utilized by us to do that confirmatory work.

2337 I would say that those discussions are somewhat at the
2338 beginning stage.

2339 Mr. Flores. Okay. Thank you.

2340 My district includes College Station, which is the home
2341 of Texas A&M University. The Aggies have an outstanding
2342 nuclear engineering program and it partners with both the NRC
2343 and the Department of Energy to help train the next
2344 generation of nuclear engineers through congressionally-
2345 funded education programs principally through the Integrated
2346 University Program, or IUP.

2347 Unfortunately, once again, the NRC budget zeroes out
2348 this critical program. If that's the budget that ultimately
2349 comes to fruition -- I don't think it will be but if it does,
2350 where do you -- where do we train the workforce of the future
2351 without the IUP?

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2352 Chairman Svinicki.

2353 Ms. Svinicki. I will respond by stating that the
2354 Commission's failure to include that in the budget is so that
2355 our budget will adhere to administration policies regarding
2356 programs such as this.

2357 Having said that, I will state that we have derived
2358 great value from when Congress has provided funding. We have
2359 executed that program I think with a lot of energy behind it
2360 and made good use of the funding that Congress has provided
2361 previously.

2362 So it is not any indication on the value of it by this
2363 Commission.

2364 Mr. Flores. Okay. That's helpful.

2365 My expectation is that Congress will continue to fund
2366 that program because, as you have stated, we've had good
2367 results in terms of an advanced nuclear workforce.

2368 I yield back the balance of my time.

2369 Mr. Duncan, you're recognized for -- oh, I am sorry.
2370 Okay.

2371 Mr. Hudson, you're recognized for five minutes.

2372 Mr. Hudson. I thank the chairman and thank the
2373 witnesses for being here today. Thank you for the good work

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2374 you do.

2375 I represent Fort Bragg, the largest military
2376 installation in the world. I understand the importance of
2377 making sure that our troops have the necessary resources they
2378 need for the battlefield.

2379 A 2016 report from the Department of Defense's Defense
2380 Science Board concluded that, quote, "There is an opportunity
2381 for expiration of the use of nuclear energy applications at
2382 forward and remote operating bases and expeditionary forces,"
2383 end quote.

2384 These applications would result in first of a kind of a
2385 deployment opportunities similar to how the Navy's deployment
2386 of nuclear reactors helped drive the construction and
2387 commercialization of existing fleet of nuclear power plants.

2388 However, for these advanced technologies to be
2389 successful -- successfully deployed, the NRC's regulatory
2390 regime and approved processes must be predictable and
2391 disciplined.

2392 One example of how the NRC manages what are known as
2393 requests for additional information, or RAIs, NRC staff uses
2394 RAIs frequently during its regulatory review and GAO has
2395 noted the process can be time consuming and costly.

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2396 GAO reported the NRC staff and licensees identified two
2397 weaknesses in the RAI process -- first, a gap between NRC's
2398 expectations and licensees' understanding of license
2399 application content, and second, staff departure from RAI
2400 guidance, which may result in redundant or unrelated questions
2401 and lead to additional time and resources required for
2402 licensees to address RAIs.

2403 Following GAO's review, NRC has updated its guidance
2404 including increased management review and, as with the Office
2405 of Nuclear Regulatory Regulation efforts to conduct onsite
2406 audits or a public meeting to reduce the number of RAIs.

2407 Chairwoman, I would like to ask you a few questions with
2408 respect to RAIs. How is NRC ensuring that staff are
2409 following the guidance? For example, is NRC tracking data on
2410 RAIs and, if so, has the new guidance reduced the number of
2411 RAIs?

2412 Ms. Svinicki. Thank you for the question, Congressman.

2413 There has been a focus on the discipline of the RAI
2414 process. In addition to the measure you noted, which is
2415 perhaps meeting with an applicant and getting greater clarity
2416 so that we could just completely reduce the need for certain
2417 questions to be asked, we also have instituted what are

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2418 called job aids and they are kind of checklists that are used
2419 by reviewers.

2420 And when it come to RAIs, that job aid mandates that
2421 they have to identify the regulatory determination that is
2422 supported by the request for additional information, meaning
2423 if you're going to ask this question, what of the necessary
2424 findings does it feed into.

2425 And in some ways, there is enhanced management review.
2426 But a job aid such as that basically forces someone to take
2427 that into consideration. So it builds the discipline into
2428 the process and the staff has thought of these measures
2429 which, again, I think are really helpful to both the analysts
2430 that are adhering to the new discipline on RAIs and they kind
2431 of keep the system in check.

2432 So it's those. But there is, as you said, enhanced
2433 management review as well.

2434 Mr. Hudson. Thanks a lot.

2435 Can you provide updated RAI tracking information to the
2436 committee?

2437 Ms. Svinicki. I know we have been working to begin to
2438 collect that and I am not sure how many months of data we
2439 have now. Could I provide to the record either data or a

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2440 status updated on getting those tracking systems in place?

2441 Mr. Hudson. That would be much appreciated.

2442 Do managers in the Offices of the Nuclear Regulatory --
2443 Reactor Regulation and New Reactors review additional rounds
2444 of RAIs, as GAO reported was the agency's intent?

2445 Ms. Svinicki. I believe that that is still occurring.
2446 I don't know to what extent. As we get the job aids and
2447 other measures in place, in may be that there isn't as much
2448 need for the direct review because, again, the checklists and
2449 process are basically forcing the new -- the new
2450 accountability and discipline. But we can provide that for
2451 the record.

2452 In early stages there was management review of all
2453 subsequent rounds.

2454 Mr. Hudson. I appreciate that, and I would be very
2455 interested in knowing what you found during these reviews in
2456 both offices.

2457 So thank you very much for that.

2458 Mr. Chairman, unless any other witnesses would like to
2459 chime in -- great. Well, thank you very much, Mr. Chairman.
2460 With that, I yield back.

2461 Mr. Flores. The gentleman yields back.

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2462 Mr. Duncan, you're recognized for five minutes.

2463 Mr. Duncan. Thank you, Mr. Chairman, and I thank the
2464 panelists for being here as long as you have.

2465 One thing about being a junior on this you get to go
2466 last. All the groovy questions have been asked already so we
2467 are going to reach into our tool chest here.

2468 First off, I want to encourage my friends over in the
2469 United States Senate to confirm a great South Carolinian to
2470 the NRC and that's David Wright, and would be a great
2471 addition to the NRC.

2472 I want to lend my voice to -- Mr. Shimkus and others
2473 have talked about Yucca Mountain and a need for a long-term
2474 stable storage facility for nuclear waste.

2475 They have 40 years' worth of nuclear waste sitting at
2476 the Oconee nuclear station on the beautiful shores of Lake
2477 Kilwee, and that's just one nuclear reactor or nuclear power
2478 plant in the country that has nuclear waste stored onsite
2479 either in dry cask or wet cask storage.

2480 And we could throw in Savannah River site, Hanford,
2481 Idaho Flats, Oak Ridge, and all these things where we have
2482 waste coming out of the environmental management efforts
2483 there.

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2484 They need to go somewhere, too. Vitrify it, put it
2485 somewhere for long-term stable storage.

2486 I want to talk about VC Summer a little bit. We had a -
2487 - one-half of all the new reactors under construction in the
2488 United States happen to be happening in South Carolina at VC
2489 Summer and seven, eight years into the project the rug gets
2490 pulled out from under and the construction stops.

2491 And, you know, I wonder how we as a nation will be able
2492 to go forward with nuclear power generation and new nuclear
2493 reactor construction after VC Summer.

2494 How are you going to incentivize investors to put that
2495 kind of money up and the tens of years that take and the tens
2496 of billions of dollars in investment just for the permitting
2497 and licensing before you even get into the construction?

2498 How are you going to encourage investors to go that
2499 length, knowing that seven, eight into the investment the rug
2500 could get pulled out from under them and they lose that
2501 investment?

2502 Now, they couldn't foresee the bankruptcy of
2503 Westinghouse and, you know, there were a lot of unforeseen
2504 things that kind of led into it, I guess.

2505 But I am concerned about the future of nuclear energy

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2506 and I will assume since you're all in NRC you all support
2507 nuclear power production. Would that be a safe assumption?

2508 It's a yes or no question. Do you support nuclear power
2509 generation?

2510 Ms. Svinicki. Well, we have to maintain objectivity in
2511 our independent safety and security licensing determinations.
2512 But I would note, as a degreed nuclear engineer, I didn't
2513 choose to go into the field because I thought poorly of the
2514 technology.

2515 But that's not as a member of the Commission where,
2516 again, I have to step back from a view on advancing the
2517 nuclear power program or not. We have to be policy neutral
2518 on that.

2519 Mr. Duncan. So, Madam Chair, last year at VC Summer you
2520 all had a number of NRC staff assigned to that project. Do
2521 you remember how many were assigned?

2522 Ms. Svinicki. Well, the onsite presence was five
2523 inspectors who were at VC Summer full time. They were
2524 supported by both in our Atlanta Region 2 office by
2525 supplemental inspections.

2526 Our theory or our approach to having Georgia and South
2527 Carolina where the two projects were located is that out of

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2528 our Atlanta base we could surge the deployment of the
2529 inspectors for the different expertise.

2530 So they kind of supported out of a common pool. I am
2531 told, though, that the resourcing overall was 40 full time
2532 equivalent positions.

2533 Mr. Duncan. Right.

2534 Ms. Svinicki. So that would be kind of people on a
2535 fractional basis out of Atlanta and headquarters and the five
2536 at the site.

2537 Mr. Duncan. Right.

2538 So you have asked for an increase in the budget and the
2539 New Reactors office has significantly reduced workload,
2540 claims a 13 percent reduction in staffing and yet you ask for
2541 an increase of \$4 million in funding.

2542 How do you explain that contradiction?

2543 Ms. Svinicki. Well, we could provide, I think,
2544 additional details for the record. But it would do with --
2545 as you note, there is a decline such as the termination of
2546 the Summer project. But we do forecast that we will have
2547 increasing work on advanced reactors.

2548 We are very engaged with that community and in fiscal
2549 year 2019 we may have first submittals for designs to review

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2550 of advanced reactor concepts.

2551 Mr. Duncan. I guess for my constituents they look at
2552 half the reactors that were under construction in this
2553 country, the VC Summer and that project shut down. You had
2554 40 people there and they've got to be reassigned somewhere,
2555 maybe with NRC. I get that. But you're asking for an
2556 increase, going forward.

2557 I understand what you're saying about looking at future
2558 technologies. That leads into my next question.

2559 I am a strong advocate for small modular reactors. I've
2560 done a lot of research into molten salt reactors and I hope
2561 those are the technologies that you're looking at because
2562 there's energy poverty in the world.

2563 U.S. could be a leader in this. Right now, we are
2564 getting our butts kicked by Russia in the construction of
2565 nuclear reactors around the globe.

2566 So I hope that new technologies do come online and you
2567 guys expedite the approval process of that and we can get
2568 more nuclear production online.

2569 Ms. Svinicki. We'll just mention on molten salt
2570 technology is recognizing that we don't have a lot of experts
2571 conversant with some of these different reactor types.

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2572 We recently -- we worked with Oak Ridge to develop a
2573 training course that we brought in house at NRC. We sent 90
2574 of our folks through that training on molten salt reactor
2575 technology and I was pleased that the staff included not just
2576 scientists and engineers but also lawyers and others that
2577 will have to have some kind of conversant knowledge of these
2578 new technologies. So we are working very much on the
2579 capability.

2580 Mr. Duncan. Okay. I thank you, Mr. Chairman. I yield
2581 back.

2582 Mr. Flores. Gentleman time is expired.

2583 Mr. Carter, you're recognized for five minutes.

2584 Mr. Carter. Thank you, Mr. Chairman. I apologize,
2585 bouncing back and forth. We had another subcommittee meeting
2586 at the same time.

2587 Madam Chair, if you don't mind, instead of butchering
2588 your name, can I just call you Madam Chair? Is that okay?

2589 Ms. Svinicki. That's fine, but I do have a pneumonic.
2590 I happen to be a vegetarian and I did live in Idaho and my
2591 Idaho friends are okay with it.

2592 But if you think of the terms finicky like a finicky
2593 eater --

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2594 Mr. Carter. Finicky.

2595 Ms. Svinicki. -- if you say Svinicki and so that's
2596 kind of --

2597 Mr. Carter. Swinicki.

2598 Ms. Svinicki. -- that's the best pneumonic I can think
2599 of.

2600 Mr. Carter. Swinicki?

2601 Ms. Svinicki. Svinicki, with --

2602 Mr. Carter. Finiski. I am from south Georgia. We talk
2603 in Geechee so I'm -- you know, I am just sorry. I --

2604 Ms. Svinicki. I don't think I am making it any better.

2605 Mr. Carter. I don't think so.

2606 Madam Chair -- Madam Chair, I want to talk about
2607 accident-tolerant nuclear reactor fuels. From what I
2608 understand, this is a game changer. Potentially, it could
2609 be, and it's something that I guess came out of the accident
2610 in Japan and through research they've come up with this.

2611 You know, I represent southeast Georgia near Plant
2612 Vogtle where we are currently building the two reactors and I
2613 am glad that they're -- that they're following up on that and
2614 they're -- they've decided to complete that project instead
2615 of abandoning it.

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2616 But at the same time, Southern Company just recently
2617 accounted that at Plant Hatch, another nuclear facility near
2618 there, that they are actually going to be loading the lead
2619 test assemblies for what is known as the accident-tolerant
2620 fuels, or ATF, if you will, and that this was a first for the
2621 industry.

2622 So my question is what do you think about them? Is this
2623 a potential game changer, the ATFs?

2624 Ms. Svinicki. Well, as you know, the loading of the
2625 lead test assemblies at Hatch is among the first in the
2626 nation.

2627 We have some other proposals that we know utilities will
2628 be inserting assemblies, and accident-tolerant fuel is a
2629 generic term. There are various fuel vendors that are
2630 developing potential new fuels that fall under that heading.
2631 And this is the first step is to collect the performance data
2632 from the lead test assemblies at Plant Hatch and other
2633 locations.

2634 If the concepts prove out and the materials perform as
2635 predicted which is, again, needs to be demonstrated, these
2636 fuels will have the ability to retain what we call source
2637 term and behave better in certain severe accident conditions.

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2638 So you would have the potential for a diminished
2639 consequence off the reactor site should a low probability
2640 accident occur. So that's the --

2641 Mr. Carter. So, potentially, it could be a game
2642 changer, potentially?

2643 Ms. Svinicki. It can be safety improvement.

2644 Mr. Carter. So let me ask you, are you -- is the NRC
2645 changing any of their licensing approach to be ready for this
2646 -- for the use of this -- for these fuels?

2647 Ms. Svinicki. Well, again, our regulations accommodate
2648 things such as lead test assemblies. Fuels have been
2649 developed and qualified in the past.

2650 So I think that we expect that that same framework can
2651 be utilized for the qualification of accident-tolerant fuels.
2652 It'll just be something that if new issues emerge or there
2653 are materials that have unexpected behavior, we'll have to
2654 work closely with the applicants to understand their plans
2655 for resolving that.

2656 Mr. Carter. So you believe you could use existing DOE
2657 codes? You wouldn't have to come up with new codes?

2658 Ms. Svinicki. We are engaged with discussion in DOE to
2659 learn the codes and tools that they have and to see if those

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2660 could be utilized for our confirmatory analysis.

2661 Mr. Carter. Okay.

2662 Mr. Burns, Mr. Baran, thank you for having pronounceable
2663 names. But I wanted to -- I wanted to ask you about Plant
2664 Vogtle.

2665 As you know, there's been a lot of problems down there,
2666 particularly in the permitting. And it's been such a drawn
2667 out process that, you know, we've actually had -- Toshiba and
2668 Westinghouse, you know, went bankrupt -- went out of business
2669 as a result of this.

2670 And I just want to know what the NRC can do to speed up
2671 the permitting process. I mean, obviously, we all want
2672 safety but at the same time not all of the blame goes on NRC
2673 for the permitting process.

2674 But some of what they are -- were concerned about was
2675 the permitting process and all the hoops that they had to
2676 jump through in order to get things permitted.

2677 Mr. Burns. Thank you, Congressman, for the question.

2678 The interesting thing is to reflect back on the
2679 licensing process used, which is essentially adopted as a
2680 reform proposal in the late 1980s -- the Part 52 process.

2681 The advantages were enhanced standardization, so greater

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2682 certainty. But the issue was in terms of some -- you know,
2683 in terms of some design changes and things as you went on, I
2684 think that's a lesson learned from it.

2685 I think one of the things we are working through with
2686 Southern now is on the confirmatory items called ITAAC.
2687 These are those last, in effect, a checklist when you're
2688 getting ready for -- toward operation and in terms of how
2689 they can be consolidated.

2690 So, if anything, I think there are lessons learned
2691 there. I think we are trying to take those to heart. One of
2692 the things I would say too is going back, as you look at --
2693 you had a design that wasn't fully certified.

2694 While the applicant was coming in with the application
2695 for the license they had to wait for Westinghouse to get
2696 through it.

2697 That's a little bit different than, I think, the
2698 expectation of how the process would work. But, again, where
2699 I think we have some learning on some of these things in
2700 terms of changed processes once the license is issued and I
2701 think we are seeing some of that applied, particularly as we
2702 go into the -- so the advanced reactor technology because I
2703 would say.

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2704 Mr. Carter. Well, I hope they're -- I hope -- as you
2705 say, I hope there were lessons that were learned because we
2706 don't want this happening again. We need nuclear energy.

2707 I am a proponent. I am an all-of-the-above and I
2708 believe this is clean fuel that we need and we just need to
2709 learn our lessons from what was, obviously, you know, some
2710 serious mistakes that were made along the way.

2711 Thank you, Mr. Chairman. I yield back.

2712 Mr. Flores. Gentleman's time has expired.

2713 Seeing that there are no further members wishing to ask
2714 questions of the first panel, I wish to thank all of our
2715 witnesses for being here today.

2716 Before we conclude, I would like to ask unanimous
2717 consent to submit the following documents for the record.
2718 There are none.

2719 Pursuant to committee rules, I remind members that they
2720 have 10 business days to submit additional questions for the
2721 record and I ask the witnesses to submit their response
2722 within 10 business days following the receipt of the
2723 questions.

2724 Without objection, the subcommittee is adjourned.

2725 [Whereupon, at 12:27 p.m., the committee was adjourned.]

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