

WRITTEN STATEMENT
BY CHRISTOPHER T. HANSON, CHAIR
U.S. NUCLEAR REGULATORY COMMISSION
TO THE
HOUSE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENERGY, CLIMATE AND GRID SECURITY
JULY 23, 2024

Chairman Duncan, Ranking Member DeGette, and distinguished members of the Subcommittee, I appreciate the opportunity to discuss the U.S. Nuclear Regulatory Commission's (NRC) Fiscal Year (FY) 2025 budget request and update you on some of the agency's licensing and oversight activities in regulating commercial nuclear power plants, research and test reactors, nuclear fuel cycle facilities, and radioactive materials used in medicine, academia, and industry.

First, I would like to thank the Committee for its leadership in passing the "Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act," or ADVANCE Act. This bill, signed into law on July 9, 2024, will provide beneficial tools for the NRC's recruiting and retention efforts and important clarifications of our corporate support costs. The Commission greatly appreciates your support of the agency's work, particularly in the challenging and exciting area of licensing new reactors and advanced fuel designs.

This coming January will mark the NRC's 50th anniversary as the premier nuclear safety regulator, and as we approach this major milestone, we remain committed to safely licensing and regulating civilian use of radioactive materials to protect public health, safety, and the

environment and to promote the common defense and security. We value our role as an independent Federal agency and are proud of our half-century record in establishing and enforcing safety standards that set the bar here in the States and abroad. We have evolved over the past five decades and will continue to evolve our business practices, keeping pace with developments in the industry.

The NRC's FY 2025 budget request is \$995 million in budget authority. The NRC proposes to use \$20 million in carryover funds to offset the nuclear reactor safety budget, resulting in an adjusted gross budget authority of approximately \$975 million. The NRC expects to recover \$824 million of the FY 2025 budget from fees assessed to our licensees. This would result in a net appropriation of \$151 million. The budget request will provide the necessary resources for the agency to continue its important oversight of 94 operating power reactors, 29 non-power production or utilization facilities, 23 reactor sites undergoing decommissioning, and numerous other facilities and materials users.

The funding will allow the NRC to continue making progress and lay the groundwork for the next 50 years of nuclear energy regulation. I would like to take time to highlight a few recent achievements and topics of interest.

Advanced Reactors

The additional requested funds allocated for advanced reactor regulatory infrastructure will support the continued development of new licensing and oversight mechanisms required for advanced reactor technologies, as directed by the Nuclear Energy Innovation and Modernization Act. In March, the NRC published guidance to assist applicants with non-light water advanced reactor technologies to use existing regulatory licensing pathways.

Separately, the agency is working on a new licensing framework incorporating risk-informed and performance-based licensing approaches that will be effective and flexible for a wide range of technologies and reactor designs. The NRC is prepared to meet the challenges of future nuclear technology, and this new licensing pathway marks a major evolution in risk-informed regulation.

Generic Environmental Impact Statement

The NRC is proposing a technology-neutral approach for the generic environmental impact statement, or GEIS, for new reactors to cover different and emerging reactor designs. It would encompass any new nuclear reactor application meeting the parameters detailed in the document. The proposed GEIS would significantly streamline the environmental reviews for future new nuclear reactor applications by presenting generic environmental impacts for those designs that fit within certain site and plant parameters. When the rule is finalized, new reactor license applications would supplement applicable generic environmental findings with the evaluation of project-specific issues. The proposed GEIS is scheduled to be issued for public comment in November.

I want to stress, however, that our current frameworks allow for the licensing of advanced nuclear reactors. For example, TerraPower filed a construction permit application in March for its planned Sodium nuclear power plant near Kemmerer, Wyoming. The NRC's safety and environmental reviews for this sodium-cooled, advanced reactor are both under way and are being completed through agency's existing regulations.

Workforce

With one-third of NRC's staff eligible to retire, the agency is focused on building its future workforce and investing in our employees to ensure the critical skillsets are in place. We are

seeing success through our entry-level hiring program known as the Nuclear Regulator Apprenticeship Network, our robust summer hire program, and our Co-op Program. Another valuable initiative, the Minority Serving Institutions Grant Program, is funded to promote the inclusion of women, minorities, and individuals with disabilities in science, technology, engineering, mathematics, and other fields of interest within the NRC. Resources in the budget request also support developing a pipeline of specialized expertise in health physics through the Graduate Fellowship Program. In addition, we have included \$10 million in the budget request to support the University Nuclear Leadership Program which provides grants to academic institutions to support education in nuclear science/engineering and related fields. Funding will be used for university research and development as well as for scholarships, fellowships, and faculty development.

International Programs

The NRC's international programs include a wide array of activities that support the NRC's mission and the broader U.S. Government's initiatives to ensure the safe and secure use of nuclear materials globally and to advance U.S. economic interests. We are proud that the United States is widely seen as the international gold standard in terms of nuclear regulation, and my recent travels to Poland, Romania, Singapore, and the Philippines have shown that sharing our regulatory expertise is mutually productive and beneficial.

We will continue engaging with our stakeholders by exchanging information during domestic and international forums and conferences, conducting public meetings, participating in workshops, and delivering training. Every year, the NRC and the U.S. Department of Energy (DOE) coordinate training on using the Nuclear Materials Management and Safeguards System (NMMSS). This system is used for tracking the movement, use, and inventory of U.S. nuclear

material and serves to inform and advance U.S. government policies and nuclear material accountancy related to domestic and international safeguards, nonproliferation, national security, and global commerce for peaceful uses of nuclear material.

FY 2025 Budget Request

I would like to now highlight specific elements of the NRC's FY 2025 budget request.

Nuclear Reactor Safety

The FY 2025 budget request for the NRC's Nuclear Reactor Safety Program is \$503.5 million, including \$420.7 million for operating reactors. This program encompasses licensing and oversight of civilian nuclear power reactors and non-power facilities, such as medical isotope production facilities.

Operating Reactors

Major activities include continuing oversight of 94 operating power reactors and 34 nonpower utilization facilities, 29 of which are research and test reactors. Resources also support conducting review activities for three initial license renewal applications, subsequent license renewal applications, and developing and updating regulatory guidance for license renewal. Resources also support the review activities for one medical radioisotope facility construction permit application, three non-power reactor construction permit applications, and two non-power reactor operating license applications. This is in addition to the agency's work on vendor technical, or "topical," reports, including those related to accident tolerant fuels.

New Reactors

The budget request for new reactor activities is \$82.8 million and allows the NRC to review applications for new nuclear power reactor design certifications, manufacturing licenses, standard design approvals, and construction permits. In addition to the development of a new technology-inclusive regulatory licensing framework and the development of infrastructure for advanced reactors, this request will also support the pre-application activities for five new reactor designs and application review activities of two new light water reactor applications and six new non-light water reactor applications, as well as the evaluation of codes and standards that support these new technologies.

Nuclear Materials and Waste Safety

The FY 2025 budget request for the Nuclear Materials and Waste Safety Program is \$144.9 million. Through this program, the NRC regulates uranium processing and fuel facilities; research and pilot facilities; nuclear materials users, spent fuel storage and transportation; and decommissioning of nuclear facilities. It provides assurance of physical security of materials and waste and protection against radiological sabotage, theft, and diversion.

Spent Fuel Storage and Transportation

The FY 2025 budget request for spent fuel storage and transportation activities is \$27.9 million. These resources will support reviews of licensing requests related to spent nuclear fuel storage casks, independent spent fuel storage installations, and radioactive material transportation packages. In addition, these resources will support oversight and program infrastructure activities related to routine operations, safety and security inspections, aging management, fabrication of casks, and initial loading campaigns of spent fuel into dry storage casks. It also will fund research to support the review of transportation packages containing accident tolerant fuel.

Nuclear Materials Users

The FY 2025 budget request in this area is \$65.5 million, which supports the licensing and oversight of industrial, medical, and academic uses of radioactive materials. This includes the anticipated completion of approximately 1,550 materials licensing actions and an anticipated 680 routine health and safety inspections. Additionally, this funding provides for the inclusion of intergovernmental communication and coordination, implementation of the Tribal Policy Statement and coordination with other Federal agencies, and maintenance of major information technology systems to support the regulatory safety and security infrastructure needed to track the possession and use of nuclear materials. It will also support our work on international assistance, particularly on regulatory capacity building in Central and Eastern Europe and sub-Saharan Africa to complement broader U.S. Government nuclear energy outreach in those regions.

Domestically, 39 states have entered into agreements with NRC to take authority for licensing and regulating certain radioactive materials. The NRC and these states, called Agreement States work together as co-regulators to ensure the uniform protection of public health and safety across the U.S. from the use of these materials. The funding allows the agency to assess the performance of both Agreement State and NRC's radioactive material programs.

Decommissioning and Low-Level Waste

The FY 2025 budget request of \$26.9 million supports oversight of decommissioning of power reactors as the use of accelerated decommissioning schedules increases. Specifically, the agency will engage in licensing and oversight of decommissioning for 23 power reactor sites, two non-power utilization facilities, four complex materials sites, 29 uranium mill tailings sites,

and five uranium recovery sites. The expected workload includes the review of eight anticipated license termination plans; oversight of 22 Uranium Mill Tailings Radiation Control Act Title I sites; seven Title II Uranium Recovery Sites that are under Department of Energy's long-term care and maintenance; and two code development rulemaking and guidance activities.

Fuel Facilities

The FY 2025 budget of \$24.6 million supports licensing and oversight activities for nine major fuel facilities and 10 licensees that possess greater-than-critical-mass special nuclear material, such as universities and research and test facilities. It will continue maintenance and support of a national database for special nuclear material, called the Nuclear Materials Management and Safeguards System; engagement in international activities; support of U.S. non-proliferation activities, including implementation of international safeguards; and support of licensing the import and export of nuclear materials and equipment.

Corporate Support

The FY 2025 budget request of \$317 million for the corporate support business line will be used for information technology/information management, outreach, policy support, legal support, hiring, training, and acquisitions. These activities are necessary for the agency to accomplish its mission, handle increasing workload, and to carry out and comply with legal and regulatory requirements applicable to all government agencies, such as Freedom of Information Act and civil rights programs.

Headquarters Operation Center Relocation Project

In May 2023, the U.S. General Services Administration notified the NRC that it must vacate the space in the Three White Flint North building by Sept. 3, 2027. The NRC's 2025 budget request

of \$14.35 million will support relocation of NRC staff and assets in Three White Flint North to be collocated with other NRC staff and operations in the One White Flint North building. This will include relocation of critical NRC functions such as the NRC's Headquarters Operations Center, Special Use Areas and Consolidated Data Center. This includes \$6.85 million under the Corporate Support Business Line for the renovation and modernization of one floor in One White Flint North and the information technology (IT) infrastructure of the Consolidated Data Center; and \$7.5 million under the Operating Reactors Business Line for the specialized construction, telecommunications, IT, and audiovisual equipment for the Headquarters Operations Center and Special Use Areas.

Research Activities

The NRC's FY 2025 budget request of \$78.7 million will allow for research activities for new technologies, such as artificial intelligence; assess the impact of extreme weather events and seismic hazards; support experimental programs that provide data for advanced fuels and higher burnup; and provide tools to monitor and assess reactor components for long-term operation and operational enhancements. The NRC's research activities provide independent expertise and information for making timely regulatory judgments, anticipating potentially significant safety problems, and resolving safety issues.

Office of the Inspector General

The FY 2025 budget request for the NRC's Office of the Inspector General (OIG) is \$19.6 million, which will support audits and investigations of both the NRC (\$18.1 million) and the Defense Nuclear Facilities Safety Board (\$1.5 million). The mission of OIG is to independently and objectively audit and investigate programs and operations to promote effectiveness and efficiency by preventing and detecting fraud, waste, and abuse.

Conclusion

The FY 2025 budget request allows NRC to focus on conducting our mission activities and to prepare for the challenges that lay ahead. I look forward to continued engagement with members of this Committee and look forward to answering any questions you may have.

Thank you.