

November 9, 2015

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am pleased to submit the NRC's semiannual report on the status of our licensing and other regulatory activities. The enclosed report covers activities conducted by the NRC during the period from April through September 2015.

During this reporting period, the NRC was actively reviewing nine license renewal applications for a total of 16 reactors. On May 1, 2015, the NRC issued a combined license authorizing DTE Electric to build and operate an Economic Simplified Boiling-Water Reactor at the Fermi site, adjacent to the company's existing reactor near Newport, Michigan. The staff also continued reviewing six new reactor combined license applications for 10 proposed new reactors.

In early September, the NRC issued mid-cycle assessment letters to the nation's 99 operating commercial nuclear power plants regarding their performance through the first half of 2015. The mid-cycle assessment period concluded on June 30, 2015, with 96 plants in the two highest performance categories. Seventy-five of those plants fully met all safety and security performance objectives and will continue to receive baseline inspections. The other 21 reactors need to resolve one or two items of low safety significance and will receive supplemental NRC inspection to follow up on corrective actions. Three reactors, Arkansas Nuclear One 1 and 2 (Arkansas) and Pilgrim (Massachusetts), were in the fourth performance category as of the end of the mid-cycle assessment period and require the highest level of regulatory oversight. Arkansas Nuclear One 1 and 2 were in this category because of two safety findings of substantial significance. Pilgrim was placed in this category because of long-standing performance issues of low-to-moderate significance. NRC oversight of these reactors will include several additional inspections and frequent NRC management involvement to confirm the reactors are addressing the performance issues.

The NRC continues to address post-Fukushima safety enhancements and lessons learned. Our actions during this reporting period are provided in the attached report.

Other Noteworthy Activities and Accomplishments of the Past Six Months

On June 8, 2015, the Commission approved recommendations presented by the staff's Project Aim 2020 report to improve agency efficiency and meet the challenges of an evolving workload while achieving the agency's public health and safety mission. As a key part of its

decision, the Commission directed the staff to undertake a “re-baselining” effort toward making the agency more efficient. This effort will review the agency workload and identify work that could be shed as no longer needed or justified, or able to be performed with fewer resources. The Commission also approved a reduced staff utilization target of 3,600 employees for fiscal year 2016. A wide range of Program Aim 2020-related implementation activities are currently underway and are being tracked as 19 discrete tasks. In fiscal year (FY) 2015, staff completed 2 of the 19 tasks, with substantial progress on four additional tasks.

Also in June, the NRC received an “A” from the Small Business Administration for its FY 2014 efforts to meet the Federal contracting goal for small businesses. This marks the fourth consecutive year that the NRC has earned this recognition. In 2014, approximately 35.5 percent of eligible contracting dollars went to small businesses—exceeding the agency’s goal of 31.5 percent.

On August 11, 2015, the agency issued a revised guidance for the Differing Professional Opinion (DPO) Program. The revision reflected insights from a comprehensive assessment of the program, including feedback from NRC employees. The DPO Program has existed since 1980 as a vehicle for employees to express differing views and complements our Non-Concurrence Process and Open Door Policy. These processes help support the agency’s policy of maintaining an environment that encourages employees to raise concerns and differing views promptly, without fear of reprisal.

On August 13, 2015, the Commission approved a final rule intended to enhance the consistency, timeliness, efficiency, and transparency of its process for addressing petitions for rulemaking. These revisions will clarify the agency’s policies and practices at each stage of the petition-for-rulemaking process, including how the staff evaluates petitions and how it communicates information about both the status of petitions and rulemaking activities that address them. It also improves the process for resolving a rulemaking petition and for closing the petition docket.

On August 27, 2015, the Commission approved publication of the draft proposed rule notice in the *Federal Register* on the mitigation of beyond-design-basis events. This rulemaking will codify the majority of nuclear industry actions taken in response to the March 2011 Fukushima event in Japan, through implementation of Order EA-12-049, “Mitigation Strategies for Beyond-Design-Basis External Events.” In August 2015, the Commission also made its final decision on the Containment Protection and Release Reduction (CPRR) Rulemaking. The Commission approved Alternative 1, to implement Order-EA-109, “Order Modifying Licenses with Regard to Reliable Hardened Containment Vents Capable of Operation under Severe Accident Conditions,” without additional regulatory actions.

Also in August, the NRC released a draft supplement to the environmental impact statement for a permanent repository for spent fuel and high-level radioactive waste at Yucca Mountain. The supplement addresses potential impacts on groundwater and from groundwater discharges. After considering public comments received on the draft, the staff will revise the supplement, as appropriate, before issuing a final supplement in early 2016.

In September, the NRC awarded \$16.6 million in grants to academic institutions for FY 2015. The grants are used for fellowships, faculty development, and scholarships, including

trade school and community college scholarships. Grants were awarded to more than 30 higher education institutions, including Minority Serving Institutions.

Finally, from April through September 2015, the agency conducted approximately 500 public meetings—in the Washington, DC, area and around the country—addressing a full range of NRC issues. The meetings included Commission, Advisory Committee, Licensing Board, and staff-sponsored events. Also during this time, the NRC received 355 new Freedom of Information Act (FOIA) requests and closed 380 pending FOIA requests.

Please feel free to contact me or Eugene Dacus, Director of the Office of Congressional Affairs, at (301) 415-1776, if you have any questions or need additional information.

Sincerely,

/RA

Stephen G. Burns

Enclosure:
As stated

cc: Senator Thomas R. Carper

Identical letter sent to:

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510
cc: Senator Thomas R. Carper

The Honorable James Inhofe
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510
cc: Senator Barbara Boxer

The Honorable Fred Upton
Chairman, Committee on Energy
and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Frank Pallone, Jr.

The Honorable Ed Whitfield
Chairman, Subcommittee on Energy and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Bobby L. Rush

The Honorable John Shimkus
Chairman, Subcommittee on Environment
and the Economy
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515
cc: Representative Paul Tonko

The Honorable Mike Simpson
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, DC 20515
cc: Representative Marcy Kaptur

The Honorable Lamar Alexander
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510
cc: Senator Dianne Feinstein