

November 15, 2016

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 "Semiannual Status Report on the Licensing Activities and Regulatory Duties of the United States Nuclear Regulatory Commission." The enclosed report covers NRC activities from April through September 2016. It includes a list of rulemaking activities, including their priority and schedule, as requested in the Joint Explanatory Statement that accompanied the Consolidated Appropriations Act, 2016.

During this reporting period, the NRC was actively reviewing 8 license renewal applications for a total of 12 power reactors. The staff also continued reviewing four new reactor combined license applications for seven proposed new reactors. Shortly after the close of this reporting period, the NRC issued combined licenses for two reactors in Levy County, FL.

In early September 2016, the NRC issued mid-cycle assessment letters to the Nation's 99 operating commercial nuclear power plants regarding their performance during the first half of 2016. The mid-cycle assessment period ended on June 30, 2016, with 96 plants in the two highest performance categories. Eighty-seven of those plants fully met all safety and security performance objectives and will continue to receive baseline inspections. The other nine reactors need to resolve one or two items of low safety significance and will receive supplemental NRC inspection to follow up on corrective actions. At the end of the mid-cycle assessment period, three reactors (Arkansas Nuclear One 1 and 2 (in Arkansas) and Pilgrim (in Massachusetts)) were in the fourth performance category. As such, these three plants will receive the highest level of regulatory oversight. Arkansas Nuclear One 1 and 2 were in the fourth performance category because of two safety findings of substantial significance. The NRC placed Pilgrim 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.

As part of the agency's Project Aim initiative to become more efficient and effective, the Commission approved the staff's recommendation to discontinue the mid-cycle assessments after this assessment period. The staff has determined that the discontinuation will not adversely impact the NRC's mission, principles, or values. In place of mid-cycle assessments, the staff will use ongoing routine assessment activities for site-specific oversight, including continuous assessment activities and the continued use of the annual assessments.

The NRC also continues to address post-Fukushima safety enhancements and lessons learned. The enclosed report describes the agency's Fukushima-related actions during the reporting period.

Other Noteworthy Licensing and Regulatory Activities of the Past 6 Months

In April 2016 Waste Control Specialists (WCS) submitted to the NRC an application for a consolidated interim storage facility (CISF) for spent fuel in Andrews County, Texas; the NRC staff is currently evaluating the WCS application to determine whether it is acceptable for staff review. The agency also expects to receive an application for a CISF in southeastern New Mexico from Holtec International in March 2017.

In early May 2016, the NRC staff published its final environmental impact statement supplement on a proposed permanent repository for spent nuclear fuel and high-level radioactive waste at Yucca Mountain in Nevada. This document supplements environmental impact statements the U.S. Department of Energy (DOE) prepared on the proposed repository. The supplement analyzes potential impacts on ground water and impacts associated with surface water discharges and determines all impacts would be "SMALL"¹. In addition, in August 2016, the NRC made nearly 3.7 million documents from the adjudicatory hearing on the proposed high-level radioactive waste repository publicly available in its online documents database. These documents were formerly part of the Licensing Support Network, the document access system that was shut down when the repository hearing was suspended in September 2011.

Also in May 2016, the NRC and the U.S. Department of Defense finalized a memorandum of understanding (MOU) describing the two agencies' respective roles in the cleanup of radium and other unlicensed radioactive materials at military sites. The MOU provides two ways the NRC will be involved in military cleanup projects. First, at sites where the U.S. Environmental Protection Agency (EPA) has oversight under Superfund, NRC staff would limit its involvement to staying informed about remedial actions. Second, at sites without EPA oversight, the NRC would monitor the cleanup of unlicensed radiological material, which could include document review and comment, site observations, and confirmatory radiological surveys.

NRC also issued its draft "NRC Vision and Strategy: Safely Achieving Effective and Efficient Non-Light-Water Reactor Mission Readiness" in May 2016. Subsequently, on June 7-8, 2016, the NRC and DOE held the second in their joint workshop series on innovative advanced reactor technologies. These workshops are designed to facilitate discussion on the opportunities and challenges for safely developing and deploying advanced non-light-water reactors. These workshops focus on both DOE's and NRC's strategic activities to support advanced reactor design, regulatory review, and deployment.

In late June 2016, the NRC made available to the public an unclassified version of its annual report to Congress detailing the previous year's security inspection program. This report is required under the Energy Policy Act of 2005. The report indicates that in 2015, the NRC conducted 242 security inspections at commercial nuclear power plants and Category I fuel

¹ A determination of "SMALL" indicates that the environmental effects are not detectable or are so minor that they will neither destabilize nor noticeably alter any important attribute or the resource.

cycle facilities. Those included 22 force-on-force inspections involving simulated attacks on the facilities to test the effectiveness of a licensee's security.

On July 28, 2016, the NRC conducted the mandatory hearing on the application from Duke Energy Florida, LLC, for combined licenses to construct and operate two new AP1000 reactors at the Levy Nuclear Plant site in Levy County, Florida. The application was filed in 2008. The NRC issued the final environmental impact statement in April 2012 and the final safety evaluation report in June 2016. The mandatory hearing is the final step in Title 10 of the *Code of Federal Regulations* Part 52 licensing process. Shortly after the close of the reporting period, the Commission authorized issuance of the combined licenses.

Also during the reporting period, the NRC received an "A" from the Small Business Administration (SBA) for its FY 2015 efforts to meet the Federal contracting goals for small businesses. In FY 2015, the NRC had \$239 million in eligible contracting dollars. Of that amount, over 31 percent went to small businesses—exceeding the agency goal of 29 percent. This marks the fifth consecutive year the NRC has earned this recognition from the SBA.

Rulemaking activities during the reporting period included issuing a final rule amending NRC regulations to reflect the licensing, inspection, special project, and annual fees the agency will charge applicants and licensees during FY 2016. The amended regulations reduce annual fees for most licensees primarily due to a decrease in the NRC's budget. The NRC also published a final rule amending its regulations to establish a separate fee structure for light-water small modular reactors because it anticipates that it will soon receive small modular reactor license applications.

Finally, from April through September 2016, the agency conducted approximately 471 public meetings—both 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 367 new Freedom of Information Act (FOIA) requests and closed 449 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 Pete Olson
Vice 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