ENERGY & COMMERCE
CHAIR RODGERS

MEMORANDUM June 12, 2023

TO: Members of the Subcommittee on Energy, Climate, and Grid Security

FROM: Committee Majority Staff

RE: Hearing entitled "Oversight of NRC: Ensuring Efficient and Predictable Nuclear Safety Regulation for a Prosperous America"

I. INTRODUCTION

On Wednesday, June 14, 2023, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy, Climate, and Grid Security will hold a hearing entitled "Oversight of the NRC: Ensuring Efficient and Predictable Nuclear Safety Regulation for a Prosperous America." The hearing will examine the Nuclear Regulatory Commission's (NRC) role in regulating and licensing commercial power plants, advanced nuclear technologies, and other uses of nuclear materials.

II. WITNESSES

- **The Honorable Christopher T. Hanson**, Chairman, NRC
- **The Honorable Jeff Baran**, Commissioner, NRC
- **The Honorable David A. Wright,** Commissioner, NRC
- **The Honorable Annie Caputo,** Commissioner, NRC
- **The Honorable Bradley R. Crowell,** Commissioner, NRC

III. BACKGROUND

Nuclear energy plays a critical role in American energy security, reliable generation of power, and American international leadership. In 1946, Congress passed the Atomic Energy Act of 1946 to establish the Atomic Energy Commission (AEC). The AEC was first responsible for nuclear regulation and licensing. Congress fundamentally revised the Atomic Energy Act to remove barriers to the peaceful, civilian application of nuclear technology. The Atomic Energy Act of 1954 established the policy that "the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition and private enterprise."[1]

The AEC oversaw the development of the nuclear industry into the 1970s. As a result

[1] 42 USC 2011

of the concerns surrounding the ability of the AEC to regulate the same industry it helped create, Congress passed the Energy Reorganization Act of 1974, which abolished the AEC and assigned the regulation and licensing of nuclear energy and nuclear materials to the NRC to ensure the safe use of radioactive materials for beneficial civilian use while protecting people and the environment.[2]

The NRC operates as an independent safety regulator and oversees the commercial nuclear industry pursuant to the Atomic Energy Act, as amended. In keeping with the established policy, the NRC, per its mission statement, "licenses and regulates the Nation's civilian use of radioactive materials to provide reasonable assurances of adequate protection of public health and safety, to promote the common defense and security, and to protect the environment."[3]

Today, the NRC's regulatory mission covers three main areas: Reactors, Materials, and Waste. The NRC regulates commercial nuclear power plants; research, test, and training reactors; nuclear fuel cycle facilities; and nuclear materials used in medicine, academia, and industry. The Commission is also responsible for regulating the transport, storage, disposal of nuclear materials and waste, and facility decommissioning, in addition to the import and export of radioactive materials.

The current United States' nuclear fleet consists of 93 reactors, at 53 plants, in 28 states.[4] Nuclear energy is the largest source of carbon-free electricity in the U.S. In 2021, nuclear generated 50.4 percent of the nation's carbon-free electricity and nearly 19 percent of the nation's total electricity.[5] The NRC is responsible for the regulation, licensing, and safety of the current fleet. The NRC is viewed internationally as the leader in nuclear safety licensing and regulation, the NRC has long been considered the gold standard for nuclear regulation. The Commission is also responsible for licensing new and advanced reactors. In 2019, Congress passed and President Trump signed the Nuclear Energy Innovation and Modernization Act (NEIMA). NEIMA was intended to develop a revised licensing framework for advanced reactors. This law reformed the NRC's fee structure and required regulatory reforms to help enable efficient licensing of advanced nuclear reactor technologies.

The NRC is headed by a five-member Commission. The five Commissioners are appointed by the President and confirmed by the Senate for five-year terms. The President designates one of the Commissioners to be the Chair and official spokesperson of the Committee. The NRC is presently operating with all five Commissioners, including the current Chair, Christopher Hanson. By statute, the Chairman is the official spokesperson for the Commission and is responsible for the administrative functions of the Commission. The Chair is governed by the general policies of the Commission and by such regulatory decisions, findings, and the determinations as the Commissions may be authorized to make by law.

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[2] https://www.nrc.gov/about-nrc.html
[3] Nuclear Regulatory Commission, "About NRC", https://www.nrc.gov/about-nrc.html.
[4] https://www.nrc.gov/reactors/operating.html. This includes Vogtle Unit 3, which reached full power on May 29, 2023 and is expected to energy commercial service in June.
[5] https://www.nei.org/resources/fact-sheets/u-s-nuclear-plants

In April 2023, a bipartisan group of committee leaders sent letters to nuclear energy stakeholders requesting information on the NRC's regulatory efforts to ensure safe, efficient, predictable regulation for the nuclear industry in the United States.

The NRC's fiscal year 2024 budget request, including for the Office of the Inspector General, is $1 billion to support 2,949 full-time employees. This request is an increase of $63.2 million or approximately 6.7 percent compared to the FY 2023 enacted budget.[6] Of the $979 million in budget authority, NRC expects to recover 823.2 million in fees assessed to applicants and licensees, resulting in a net appropriation request of $156 million, an increase $19 million over 2023 enacted budget.[7]

The NRC major program budget requests are organized under four activities: [8] $530.8 million for Nuclear Reactor Safety, including licensing, regulating, and overseeing civilian nuclear power, research and test reactors, and medical isotope facilities; $152.9 million for Nuclear Materials and Waste Safety, including spent fuel storage and transportation, nuclear materials users, decommissioning and low-level waste, high level waste, and fuel facilities; $304 million for Corporate support, including IT, policy support, human resource management, administrative services; and $0 funding requested for University Nuclear Leadership Program, which includes grants for nuclear engineering education.

IV. ISSUES

The following issues may be examined at the hearing:

- NRC rulemaking, regulatory, and licensee oversight issues
- Policy issues associated with licensing advanced nuclear technologies
- NRC's budget proposal for FY 2024
- Management and leadership of the NRC

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Peter Spencer, Elise Krekorian, or Mary Martin of the Committee staff at (202) 225-3641.

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[6] See budget request at https://www.nrc.gov/docs/ML2306/ML23069A000.pdf this request does not an estimated $16 million for the University Nuclear Leadership Program, which NRC annually requests no funding, while funding is eventually provided by Congress.

[7] The NRC assesses service fees to recover the costs of NRC work that provides specific benefits to identifiable recipients, such as licensing activities, inspections, and special projects. The Nuclear Energy Innovation and Modernization Act (NEIMA) requires the NRC to recover, to the maximum extent practicable, approximately 100 percent of the Commission's budget authority for the fiscal year, not including certain amounts excluded from this fee-recovery requirement.

[8] See, also, FY 2024 Congressional Budget request summary linked here.