

Congress of the United States
Washington, DC 20515

May 23, 2013

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Dodaro:

We are writing to request the Government Accountability Office (GAO) examine the methods and procedures currently being utilized by the Nuclear Regulatory Commission (NRC) to conduct cost analyses when developing and proposing new policies and regulations. In the wake of the nuclear accident in Japan, the cumulative burden of actions flowing from the agency has been increasing. In light of this regulatory activity, it is critical that the NRC conduct adequate cost estimates to ensure the issuance of new rules or requirements are based on full and accurate technical and cost-benefit assessments. This is particularly important when rules or requirements add marginal *enhancements* to existing nuclear power reactor safety—cases in which safety benefits may not be significant enough to warrant the additional costs.

It is our understanding that the NRC has a track record of producing cost estimates for its requirements on nuclear power reactors that can be egregiously off target from the actual costs of implementing the requirements. A recent case in point concerns the NRC's cost estimates for SECY 12-0157, "Consideration of Additional Requirements for Containment Venting Systems for Boiling Water Reactors with Mark I and Mark II Containments." The NRC's own Advisory Committee on Reactor Safeguards noted that the agency staff's recommendation had failed the cost-benefit test and several concerns were raised about the inadequacy of the cost estimate.

As always, nuclear safety is of the utmost importance to us and the future success of the industry. However, the costs of regulatory burden are ultimately paid by consumers and businesses. As such, it is incumbent upon the NRC to ensure through disciplined technical and cost-benefit analyses that regulatory changes are justified.

To help us understand how NRC performs its cost analyses, we ask that your examination address the following questions:

1. What is NRC's process for estimating the costs of proposed new requirements for operating reactors?
2. Does this process include requests for information from reactor owners? If so, how is this information utilized?

3. To what extent does NRC's cost estimating process follow best practices?
4. To what extent does NRC review the accuracy of completed cost estimates and capture any lessons learned?

Thank you for your prompt attention with this request. Please have your staff work with Ward Cormier of the Senate Environment and Public Works Committee Republican Staff at (202) 224-6176 and Annie Caputo of the House Energy and Commerce Committee Republican Staff at (202) 225-2927 on the specifics of the examination.

Sincerely,



David Vitter
Ranking Member
Senate Committee on Environment
& Public Works



Fred Upton
Chairman
House Committee on Energy
& Commerce