

Statement of Sen. James M. Inhofe

“Oversight of the Nuclear Regulatory Commission.”

10:00 AM, Wednesday, October 7, 2015

- This hearing is part of our ongoing oversight into the NRC’s decision-making on fiscal and policy matters. I’d like to begin by welcoming the four commissioners.
- We have received the President’s nomination of Mrs. Jessie Roberson for the open seat and I expect to proceed with a hearing on her nomination once my colleagues and I have visited with her.
- We will continue with the Committee’s practice of a five minute opening statement from Chairman Burns and two minutes for each of the commissioners.

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- The NRC’s mission is a vital one and must be adequately funded. I want our nuclear plants to be safe and they are safe.
 - Following Fukushima, I urged the Commission to perform a “gap analysis” to assess the differences between our regulations and those of the Japanese, in order to guide what regulatory changes might be needed. Instead of taking that approach, the Commission empowered the NRC staff to develop a wish list of more than 40 items including restructuring the regulatory framework.
 - Four and a half years later, the industry has spent more than \$4 billion dollars and the NRC staff has repeatedly sent proposals to the Commission, which they admit are not safety-significant or cost-justified.

- I believe this shows the NRC's bureaucracy has grown beyond the size needed to accomplish its mission.

(*Chart – NRC 2005 – 2015*)

- Ten years ago, the NRC accomplished a lot more work with fewer resources. Despite a shrinking industry, the NRC has continued to grow.
- Over the last few years we have increased our oversight of the NRC's budget and raised concerns about:
 - The NRC's extreme level of corporate overhead costs;
 - Reactor oversight spending increasing despite the decline in operating reactors;
 - Over-budgeting for New Reactors work that no longer exists; and
 - Persistent carry-over funds.
- In response to this scrutiny, the Commission initiated "Project Aim 2020" to "right-size" the agency. I would like to take the NRC at its word.
- However, I am struggling to reconcile this with the NRC's recent response to Senate appropriators when asked about the impact of a possible \$30 million decrease for FY 2016 -- a mere 3% of their budget.
- Rather than seize this as an opportunity to be proactive in the spirit of Project Aim, the NRC took the posture of a bureaucracy fighting to maintain every nickel of spending. I consider this irresponsible.
- This situation is strikingly similar to the state of the agency when I took over as Subcommittee chair in 1997.
- Given the NRC's response to appropriators, I don't have confidence the agency will diligently address the need for reform on its own. I believe it's time for Congress to step in.

- I intend to draft legislation to reform the NRC's budget structure and fee collection in an effort to instill fiscal discipline in the agency and ensure that resources are properly focused on safety-significant matters and timely decision-making.