

## STATEMENT OF SEN. JAMES M. INHOFE

“Oversight Hearing:

FY 2017 Budget Request for the Nuclear Regulatory Commission.”

10:00 AM, Wednesday, April 6, 2016

- I’d like to begin by welcoming the four commissioners, but especially Commissioner Ostendorff who will leave the Commission in June to once again take up teaching at the U.S. Naval Academy. Bill, your service at the NRC came during some tough times. I personally appreciate your service.
  - By July 1<sup>st</sup>, there will be two vacancies at the Commission. Mrs. Jessie Roberson was nominated for the open seat. I have met with the nominee as have many other members of the committee. Before moving forward with her nomination, it is important to know the White House’s intentions on the open seat. The NRC has partisan seats and pairing the nominations informs the committee members decisions.
  - 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 requested \$982 million in budget authority for FY 2017, down slightly from FY 2016.
  - The NRC’s safety mission is a critical one, but it accomplished its mission with significantly fewer resources in the past.

- As a result of Project Aim, the NRC staff has proposed to the Commission an additional \$31 million in cost savings for next year.
- While this is a step in the right direction, I believe the Commission should move beyond incremental savings, and examine its budget and regulatory processes more fundamentally.
- The NRC can do better. I've seen it do better. Unfortunately, the situation we are witnessing now reminds me of the late 1990's.
- Back then, stakeholders identified several areas for improvement:
  - The timeliness and fiscally-responsible review of licensing actions;
  - Stricter application of the Backfit Rule;
  - Systematic application of a clear standard of safety significance in regulatory decision-making rather than vague terms such as “enhanced defense-in-depth”;
  - More disciplined use of Requests for Additional Information, or RAI's;
  - The need for an objective, quantitative assessment of safety performance.
- You may have noticed that this Committee has either written or questioned the Commission on all of these subjects in the last year. It appears that many of the inefficiencies that plagued the NRC in the 1990's have returned.

- Back then, in response to Congressional oversight, Chairman Shirley Ann Jackson held a meeting with stakeholders to delve into their concerns. She followed with a memo tasking agency staff with developing a plan to address those concerns and others raised by this Committee.
- The Executive Director, Joe Callan, seized her challenge and his routine progress reports became legendary examples of the agency's self-improvement capability and responsiveness.
- All of this transpired in under three months.
- In 1998, an industry witness testified:

*“Just as the industry has made a significant transition in the way it operates in a competitive market, the NRC must replace an outdated, ineffective regulatory framework with one that is objective, safety-focused and responsive.”*
- The nuclear industry once again faces challenges in the market place and, once again, the need for the NRC to be an objective, safety-focused, and responsive regulator is imperative.
- Chairman Burns, I urge you take a page out of Chairman Jackson's playbook and tackle these challenges.