

**Chairman Lamar Alexander Opening Statement
Committee on Appropriations Subcommittee on Energy and Water Development**

**Hearing to Review the Fiscal Year 2017 Budget Request
for the Nuclear Regulatory Commission**

February 24, 2016

(As prepared for delivery)

We're here today to review the president's fiscal year 2017 budget request for the Nuclear Regulatory Commission, the independent federal agency responsible for regulating the safety of our nation's commercial nuclear power plants and other nuclear materials.

The budget request for the Nuclear Regulatory Commission is \$970.2 million dollars. This is a decrease of \$19.8 million dollars from fiscal year 2016. This decrease from last year's appropriations bill is a positive step toward making the Commission's budget reflect its actual workload.

I also appreciate the Commission's efforts to identify more ways to reduce spending and reduce the NRC's funding needs for the coming year. We want to work closely with the Commission to make sure the Energy and Water Appropriations bill we are drafting reflects those savings, making the best use of taxpayer dollars.

However, we also want to make sure we continue to invest in nuclear power, which provides more than 60 percent of our country's carbon-free electricity. Safely extending licenses for our existing reactors, licensing new reactors, including small modular reactors, and solving the nuclear waste stalemate are all important to the future of nuclear energy.

Today, I will focus my questions on four main areas:

- 1) Licensing facilities for used nuclear fuel and solving the nuclear waste stalemate;
- 2) Safely extending licenses for existing reactors;
- 3) Licensing new reactors; and
- 4) Making sure the Nuclear Regulatory Commission is operating efficiently.

Licensing Facilities for Used Nuclear Fuel

To ensure that nuclear power has a strong future in this country, we must solve the 25-year-old stalemate about what to do with used fuel from our nuclear reactors.

Last year, Sens. Feinstein, Murkowski, Cantwell, and I reintroduced bipartisan legislation, to create temporary and permanent facilities to store and dispose of our used nuclear fuel, consistent with the recommendations of the Blue Ribbon Commission on America's Nuclear Future.

Sen. Feinstein and I, with the support of the leaders of the authorizing committee, plan to include in the Energy and Water bill we're drafting this year, a pilot program for nuclear waste storage and language that allows the Secretary of Energy to contract with private storage facilities, as we have in the past. These new storage facilities and repositories would not take the place of Yucca Mountain — we have more than enough waste to fill Yucca Mountain to its legal capacity — but rather would complement it.

I strongly believe that Yucca Mountain can and should be part of the solution. Federal law designates Yucca Mountain as the nation's repository for used nuclear fuel, and the Commission's own scientists have told us that we can safely store nuclear waste there for up to 1 million years.

But regardless of where we build permanent repositories, we still need facilities where we can consolidate all of the used fuel that is currently located at more than 75 sites around the country. The Blue Ribbon Commission concluded that "it would be prudent to pursue the development of consolidated storage capability without further delay," and Sen. Feinstein and I agree with that recommendation.

Over the last four years, we have heard from communities and states who are interested in hosting a consolidated storage site. I support moving forward with consolidated storage on as many tracks as we can, whether it's at a private facility or one built under our pilot program, and it is important to make sure that the Commission is ready to act expeditiously.

I understand that at least one private company is planning to submit an application to the Commission later this year for a license to build and operate a consolidated storage facility, and there may be others. I want to make sure that the Commission has all the resources it needs in fiscal year 2017 to complete a review of these applications. I also want to be clear that the Commission should continue licensing activities for Yucca Mountain.

The Nuclear Waste Fund, which is money that utilities have collected from customers on their monthly bills from 1983 until 2013 and paid to the government to dispose of their used nuclear fuel plus accrued interest, will have a balance of about \$37.5 billion at the end of the year, and there are still several steps to go in the licensing process for Yucca Mountain.

The government has been prevented from collecting fees since 2013, when the Court of Appeals for the D.C. Circuit Court said the federal government should comply with the Nuclear Waste Policy Act as it is currently written – i.e. open Yucca Mountain – or until Congress enacts an alternative nuclear waste management plan.

Yet for the sixth year, the Commission has not requested any funding to continue licensing activities for Yucca Mountain, even though the Commission will run out of money later this year for that purpose and there are still several more steps that need to be taken.

Safely Extending Licenses for Existing Reactors

Instead of building more windmills, which only produce 14 percent of our carbon-free electricity, or solar farms, which only produce 1 percent of our carbon-free electricity, the best way to make sure the United States has a reliable source of cheap, efficient, carbon-free electricity is to extend the licenses of the nuclear reactors that are already operating.

Most of our 100 reactors have already extended their operating licenses from 40 to 60 years, and some utilities are planning to begin the process to extend these licenses from 60 to 80 years.

The Commission told the Subcommittee in last year's hearing that it had already developed the framework to safely extend licenses beyond 60 years, and I want to make sure that the Commission has the resources it needs to take any additional steps it needs prior to receiving those applications.

Licensing New Reactors

In addition to the reactors we already have, the Commission also needs to be ready to review applications for new reactors, including small modular reactors.

I understand that NuScale may file an application for design certification of a small modular reactor with the Commission later this year. Last week, NuScale received a permit from the Department of Energy, which will allow the company to build a small modular reactor module within 10 years on the property of Idaho National Laboratory and to use the site for 99 years for its operation.

This new reactor design has been supported by the Department of Energy's small modular reactor program, which this subcommittee has funded since 2012. The subcommittee has also provided the NRC with funding to prepare to receive applications for small modular reactors. I want to make sure the Commission is ready to review this new technology once it receives an application.

I also understand that the Commission has requested \$5 million to look at advanced reactor designs, and I'd like to understand more about the Commission's plans for these funds.

Making Sure the Nuclear Regulatory Commission is Running Efficiently

One of the challenges for the Nuclear Regulatory Commission is to make sure the agency is running effectively and focusing on the right goals.

In the early 2000s, the Commission began planning to receive a large number of applications for new reactor licenses, and Congress increased the Commission's funding from \$470 million in FY2000 to a high of \$1.043 billion in FY2014. But most of these expected licenses were never actually submitted, which has left the Commission's workforce and budget out of balance with its actual workload.

In June 2014, the Commission began an effort, known as Project Aim, to address this imbalance by looking at the work that would be needed over the next several years and then aligning its workforce and budget with that forecast. As a result of the first step of this effort, the Commission's budget has decreased. In fact, this year's budget request is about \$74 million dollars less than what the Commission received in 2014.

Last year, we worked with the Commission to cut its budget request by about \$30 million dollars, and I'm pleased this year's budget request continues in the right direction. I understand that the Commission's staff has identified an additional \$32 million in savings that could be applied to this year's budget request. I want to make sure the bill Sen. Feinstein and I are drafting this year reflects those additional savings so taxpayer money is used effectively.

I look forward to working with the Commission as we begin putting together our Energy and Water Appropriations bill for fiscal year 2017, and also with my Ranking Member, Senator Feinstein, who I will now recognize for an opening statement.

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