

insight99

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NRC Making 'Significant' Transition

But Panel Wants Quicker Move to More Efficient Regulation

The Nuclear Regulatory Commission is moving toward a more efficient and effective way of regulating nuclear power plants—but it needs to pick up the pace, says a Washington, D.C.-based public policy think tank.

The agency's transition to safety-focused regulation is "significant," according to a bipartisan policy panel established by the Center for Strategic and International Studies. "The NRC has made many changes recently," said the panel, but it should continue to update and improve its operational procedures to keep abreast of changes in the competitive and restructured electric utility market. CSIS issued the study, *The Regulatory Process for Nuclear Power Reactors: A Review*, last month.

The NRC's challenge is to complete the transition to safety-focused regulation while carrying out its overriding responsibility—protecting public health and safety.

The agency has a policy

statement on safety goals, a probabilistic risk assessment policy statement and a statement of its safety philosophy in its strategic plan, said the panel in its report. But does

it have a "clearly defined safety philosophy that is consistently applied for all nuclear power plants?" The answer, said the panel, is no. "A succinct statement of

safety philosophy and a clear definition of adequate protection are essential for the benefit of all stakeholders"—the industry, the NRC and the

Continued on page 2

Nuclear Utilities Tops in Creating Shareholder Value

Study reveals that eight of top 10 energy companies own and operate nuclear plants

Eight of the 10 U.S. energy companies that have been most successful in creating shareholder value own and operate nuclear power plants—27 units in all. Coincidence? Not really. Those eight companies also represent some of the best operators of nuclear plants in the country.

Between 1995 and 1998, the 10 companies—dubbed the "best of the best" by Resource Data International

and Deloitte Consulting—realized the greatest gains in "market value-added," a measure of wealth creation.

Among the strategies shared by these value leaders are mergers, acquisitions and joint ventures, according to a study by the two firms, *Dawn of a New Strategic Era*.

"The market is beginning to recognize that mergers offer tremendous potential to create value, often in excess of the benefits originally esti-

mated when aggressively implemented," said Tom Flaherty, a merger and acquisition (M&A) expert at Deloitte Consulting. The study's authors put it more forcefully: "We believe M&A is not optional."

A comparison of the "value elite" companies' characteristics with those of the other energy companies revealed a "significant gap," said Mark Gressle, a value-based man-

Continued on page 6

CSIS STUDY from page 1 public. "This effort must be undertaken as soon as possible," urged the panel.

The report also suggested changes and improvements to 13 issues, including safety philosophy. Some of the other issues: the agency's plant assessment and enforcement process, decommissioning nuclear facilities that are shut down, license transfers, license renewal, risk-informed regulation and the hearing process.

At a CSIS news conference, NRC Commissioner Edward McGaffigan, one of the panel participants, said that the report "is important to the NRC... [because] it confirms that the NRC is making great strides in the right direction, but that it has much work to do."

Sen. Pete Domenici (R-N.M.), one of the co-chairs of the panel, issued a statement that the panel's single most important conclusion is that the NRC must move toward a more precise definition of adequate protection of public safety.

Another co-chair, Sen. Bob Graham (D-Fla.) said in a statement: "As we enter the 21st century, it is imperative that our national energy supplies come from a variety of sources. That can't happen if regulatory costs crowd out nuclear."

Rep. Joe Knollenberg (R-Mich.) agreed that regulatory efficiency is critical. At the news conference, he said: "In this report we have mapped a new direction for the NRC and nuclear power in the United States. This is a move from bureaucracy to benefit. This is a move from paperwork to performance. This vital document provides a roadmap from the past to the future."

The panel was co-chaired

by Domenici, Graham and Reps. Knollenberg and John Spratt (D-S.C.). Other participants were former NRC Chairman Shirley Ann Jackson; Commissioner

McGaffigan; James Howard, Northern States Power chairman, president and CEO; Connecticut Gov. John Rowland; David Lochbaum of the Union of Concerned

Scientists; and GE Nuclear Energy President Steven Specker. Former NRC Chairman John Ahearne was project chairman. ■

Countdown to Dec. 31: Nuclear Plants Ready for Year 2000

With less than four months to go before the dawn of the new millennium, U.S. nuclear power plants have completed all Year 2000 safety-related items.

Of the 10,000 items that required Y2K remediation at the nation's nuclear plants, only 40 items were open as of early September—none of them affecting the performance of a safety function or the continued safe operation of a plant. Each open item has a firm completion date scheduled.

ELECTRIC UTILITIES: READY NOW

In its fourth and final quarterly Y2K status report, issued last month, the North American Electric Reliability Council said that the electric power industry is ready for the new millennium. If the transition to the year 2000 were to occur "tonight," the council said Aug. 3, the industry "would operate reliably with the resources that are Y2K ready now."

More than 99 percent of the "critical elements of the U.S. and Canadian electricity supply systems are ready for Y2K," said NERC President Michehl Gent, who presented the report to Energy Secretary Bill Richardson at a Washington, D.C. news conference. The report said testing and remediation at nuclear power plants was more than 99 percent complete.

NRC'S LATEST Y2K REPORT

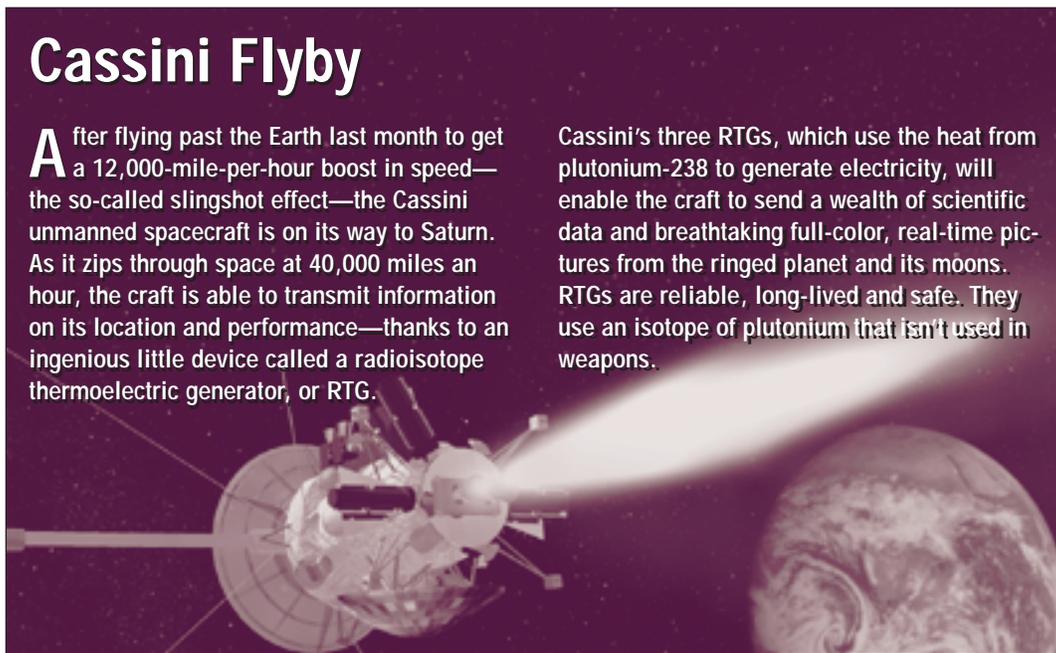
Earlier this month, the Nuclear Regulatory Commission issued a report—confirmed by on-site reviews—that there are no Y2K-related problems affecting the performance of safety systems needed to safely shut down any of the nation's 103 nuclear power plants.

According to NRC Chairman Greta Joy Dicus, "our audits, inspection reviews and other oversight activities have not identified any issues that would preclude licensees from achieving Year 2000 readiness." ■

Cassini Flyby

After flying past the Earth last month to get a 12,000-mile-per-hour boost in speed—the so-called slingshot effect—the Cassini unmanned spacecraft is on its way to Saturn. As it zips through space at 40,000 miles an hour, the craft is able to transmit information on its location and performance—thanks to an ingenious little device called a radioisotope thermoelectric generator, or RTG.

Cassini's three RTGs, which use the heat from plutonium-238 to generate electricity, will enable the craft to send a wealth of scientific data and breathtaking full-color, real-time pictures from the ringed planet and its moons. RTGs are reliable, long-lived and safe. They use an isotope of plutonium that isn't used in weapons.



ONE ON ONE

With NRC Chairman Greta Joy Dicus



It has been 3-1/2 years since Greta Joy Dicus joined the Nuclear Regulatory Commission—and they have been very challenging years for the agency. During that time, the NRC went through a great deal of organizational introspection, which led to a major reorganization and the development of a new, more objective regulatory oversight process for nuclear power plants. Effective July 1, Dicus was appointed chairman of the agency. In an interview with Nuclear Energy Insight at NRC headquarters, Chairman Dicus shared her perspective on the changes that have taken place at the agency and her plans for the future.

Q. How is today's NRC different from the one you joined in 1996?

A. We have become a much more open agency, much more “transparent”—that is, we're trying to make it easier for the public to understand what the NRC does and why. We are involving all of our stakeholders, more than ever before. Another major change concerns Congress—a key stakeholder—and its new interest in the NRC. Previously, the NRC was almost unknown. Now Congress knows we exist, and that gives us the opportunity to let Congress be part of our resolution of issues. I'm finding that to be very useful.

Q. You have repeatedly expressed your commitment to regulatory reform. What role do you envision yourself playing in maintaining the continuity of change?

A. My term does not conclude until June 30, 2003. Although most estimates indi-

cate that it may take five to eight years to fully change NRC regulations and processes, one of my goals is to see the agency completely—or nearly so—make the necessary changes to its regulatory programs. I also believe the concept of continuity underscores the value of a commission form of oversight for an agency like the NRC. When a commissioner serves a five-year term, he or she has the opportunity to work toward completion of long-term goals. New commissioners become part of the process and, in time, obtain the insights and knowledge needed to maintain continuity and to achieve longer-term goals.

Q. How will the new oversight process—and the ready availability of information on it—affect how people feel about the NRC?

A. I think that having the [plant] performance indicator data available to the public will help to increase public confidence in what we are doing. *[Editor's*

note: Nine nuclear power plants are pilot testing the new oversight process. Each plant tracks 19 indicators. The results are posted on the NRC's Web site.] If people look at the performance indicators—see what they are, how they are looked at—they can judge for themselves. That's part of having this transparency: Give people who really want to know, the opportunity to start evaluating [plant performance] for themselves.

Q. Both the NRC and the Environmental Protection Agency have views on the radiological standards for the cleanup of nuclear facility sites. As a radiation biologist with extensive experience, could you explain why the NRC believes its site cleanup standards are fully protective of public health and safety?

A. There is virtually no difference between 25 millirem [the NRC's standard for site cleanup] and 15 millirem [EPA's proposal]. At extremely low levels of radiation, there is great uncertainty about actual health effects. The uncertainty band is so large that, when you try to calculate the risk from 25 millirem vs. 15 millirem, the difference is within the margin of error. From that point of view, you can say that it is essentially the same number. You might show that you could meet a 15-millirem standard—at extraordinary extra cost over a 25-millirem standard. Yet you can't show that there is a meaningful difference in the health benefits. I'm very comfortable with the 25-millirem limit for dose to the public from a decommissioned nuclear facility or from a possible waste repository at Yucca Mountain. The public is well protected.

Q. How do you see the future of nuclear technologies—especially nuclear energy—in the United States?

A. We see that in Asia, the nuclear energy industry is growing. In the United States, we're seeing license transfers take place, people interested in buying reactors, license renewal. Clearly, [nuclear energy] is one of our viable energy sources. As long as it's national policy that we will use an energy mix, we'll have a viable nuclear industry. ■

The Next Generation Gets a Well-Rounded Energy Education

Teachers Learn the ABCs of Nuclear Energy...and Include It in Their Curriculum

Dear Webmaster, We are a fifth grade class and are wondering if you can see an atom under a powerful microscope? How are atoms split? Thank you for your help. We are studying electricity in class.

I am a ninth grade student at Lovejoy High School. This year I have selected 'Nuclear Energy' as the topic for my 4-H project achievement competition. My goals are to demonstrate the advantages of nuclear energy and to explain some of its myths. Any information you can provide will be welcome.

*Hello, I have a project due tomorrow, and I need to know a few things. How is a nuclear power plant's fuel made?
Katrina*

Student requests for information—rare a few years ago—now flood into the Nuclear Energy Institute. Could more teachers be including nuclear energy in their curriculum? Possibly so. A growing number of electric utilities—and educational institutions—are now sponsoring teacher workshops aimed at demystifying nuclear energy. Armed with new knowledge and teaching materials, educators are returning to their classrooms—eager to present a balanced picture of this safe, environmentally friendly electricity source to students.

Each year, for example, some 30 New York state teachers spend two weeks at SUNY College's Institute for Energy Education, absorbing information on energy technologies, including nuclear energy. The result? Tens of thousands of students across the state gain a better understanding of how energy touches their lives.

"This is the key to education," said one teacher who participated in the institute's 1998 course. "Children need to make the connection [between science and technology in the classroom] and their everyday lives."

tute, sponsored by the New York Power Authority. "Conservatively, we calculate that about 410,000 students have been directly influenced by the materials and ideas coming out of the institute over this period."

Not every teacher education program has the long reach of the Oswego institute. Some make a relatively small, but profound, impact—like the Teacher Internship Initiative run through the Francis Marion University in South Carolina.

Fletcher Williams, who teaches chemistry to 11th and 12th graders at Darlington High School in Darlington, spent six weeks at the H.B. Robinson nuclear power plant in Hartsville, S.C., this summer under the initiative.

"One of my intentions was to try to bridge the gap between industry and school," says Williams.

He found the environmental and chemistry group at the plant so pleasant to work with that he asked some of the staff to serve as mentors to his students. Sixteen have agreed. "But we'll have to assign several pupils to each mentor, because I have about 75 in my classes," says Williams. "As a result of the initiative, I've developed a learning unit in nuclear science—which is seldom taught in any detail in high school chemistry." Williams has asked some of the plant staff to speak to his classes



In the classroom and the nuclear power plant, teachers learn about the "safety-first" mentality of nuclear energy.

Nearly 350 teachers have passed through the institute's doors since it was launched 15 years ago, estimates Roger Hinrichs, professor of physics at State University of New York College at Oswego and a co-director of the insti-



when he teaches the unit next spring.

What's important, say a number of teachers who have attended workshops and seminars around the country, is to encourage students to think for themselves, to make their own decisions.

"At the end of my unit [on energy and power generation,] I ask my students to explain where they want their electricity to come from—and why," says Judy Meredith, who teaches 8th graders in Yuma, Ariz. "Some day, these kids will be running the country, and I want them to be ready to do it."

GETTING THE FACTS

But students can't make sound decisions about energy if they don't have all the facts. Vicky Farland, who teaches 8th grade science at Centennial Middle School in Arizona, says that six years ago, her predecessor withdrew all information on nuclear energy from the curriculum because she was opposed to it. Farland restored the subject—after attending Arizona Public Service's five-day Teachers' Energy Workshop, which included a visit to the Palo Verde nuclear power plant. "Ten years ago, you would have had to drag me into a nuclear power plant," she says. But one week made all the difference. "I'm pro-environment, and it was important to see that nuclear power is safe. People need to understand the safety-first mentality."

A REASSURING FIELD TRIP

When 8th grade teacher Laura McDonald toured Virginia Power's North Anna nuclear plant in June, she was seven months pregnant. But the only thing she was concerned about was

whether she'd get too tired. "I was impressed with the precautions [taken to protect workers from radiation exposure]," she says. "People work there eight hours a day, every day, so I understood that a two-hour tour wouldn't expose me to anything that would harm me."

The tour was part of the University of Virginia's summer course for middle and high school teachers—Science of Nuclear Energy and Radiation. McDonald, who teaches physical science, chemistry and physics, says she'll be making some changes as a result of the course. "I'm adding an assignment on nuclear energy for my physical science class. And there are some teaching materials I've used in the past—a video, a chemistry worksheet—that aren't accurate. I may not use them now, but if I do, I'll explain why they're inaccurate."

Donna Armani, who also attended the University of Virginia course, is adding a one-month series on nuclear energy for seniors taking her course on independent science research. Armani is so enthusiastic about what she learned during the summer course that she and another Virginia teacher are conducting a workshop on nuclear energy at the November meeting of the Virginia Association of Science Teachers. "Radiation and nuclear energy are required subjects in grade four for the Virginia SOLs [Standards of Learning]," says Armani, who teaches at Broad Run High School in Ashburn, Va. "We'll give teachers a list of resources—with samples—that they can use."

BETTER UNDERSTANDING Teachers can't teach what they don't understand, says Kerin Goedert. "I didn't teach nuclear power before," she says, adding that it "scared" her. But after attending the Detroit Edison Foundation's Educators Energy Workshop in August, "I have a better understanding of how nuclear power plants work," she says. Goedert is including nuclear energy in her 9th grade electricity unit this year.

Neil Walker talked a fellow teacher at East High School in Green Bay, Wisc., into attending a Nuclear Energy Education Seminar at the Kewaunee nuclear plant. "I wanted him to go because I thought he was opposed to nuclear energy. But it turned out he was uninformed," says Walker, who teaches 12th grade physics and 9th grade physical science. That is often the case. "Many people—like me—are very ignorant about nuclear energy," commented one teacher after a Science Teachers' Workshop at Entergy's River Bend nuclear plant in Louisiana.

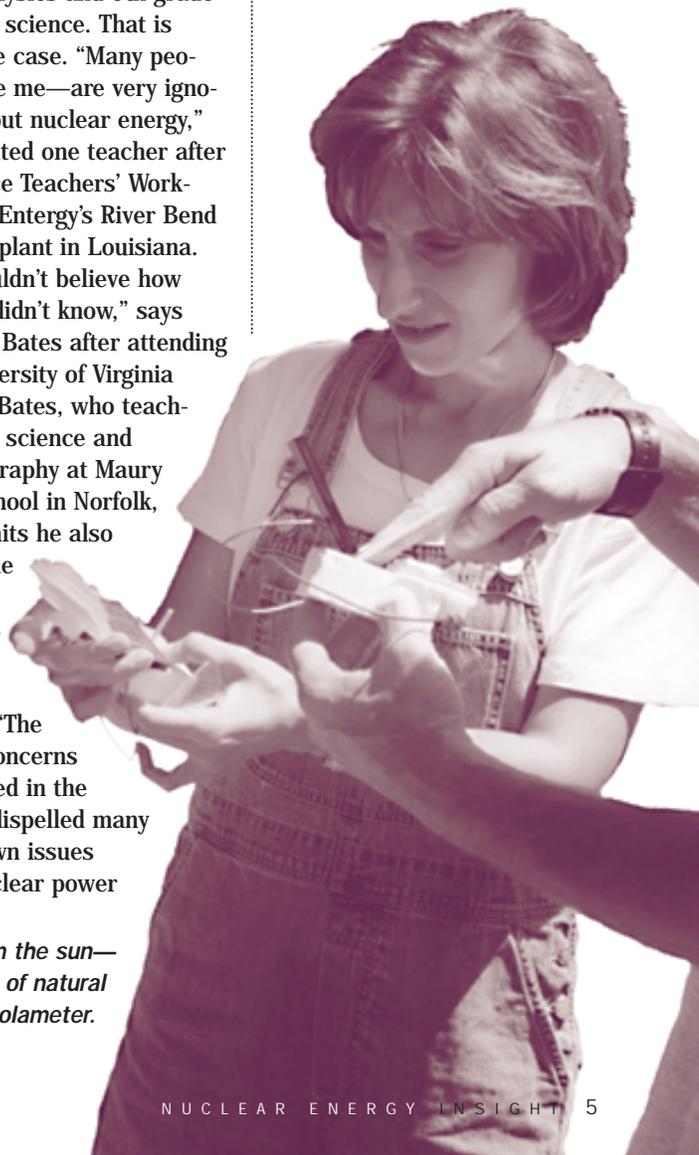
"I couldn't believe how much I didn't know," says Michael Bates after attending the University of Virginia course. Bates, who teaches earth science and oceanography at Maury High School in Norfolk, Va., admits he also had some misconceptions about nuclear energy. "The safety concerns addressed in the course dispelled many of my own issues with nuclear power

plants," he says. "And the course provided a lot of information to use in presenting students with a more realistic picture of nuclear energy. I need to help students decide for themselves."

A Michigan teacher echoed that thought at the end of the Detroit Edison Foundation's workshop: "[It] challenged some traditional concepts regarding nuclear energy. I will now read more, discuss more and challenge my students to do the same."

Norfolk teacher Bates says that "society is willing to accept the simple message that radiation is bad and nuclear plants will hurt you." That's a perception he—and many other teachers across America—are working hard to change. ■

Teachers measure radiation from the sun—which accounts for about 8 percent of natural background radiation—using an insolameter.



For Nuclear Energy, the Future Is Now

Two Government Advisory Committees Urge Increased Funding for Nuclear Research and Development

The next five years represent a historic window of opportunity for the energy technologies that will power the U.S. economy in the 21st century, according to a presidential advisory panel. During that time, decisions on research and development will shape the energy-supply landscape of the United States—and possibly the world—for much of the next 100 years.

To ensure a stable energy future, the U.S. government should pursue—among other initiatives—international cooperation in energy-technology innovation, including nuclear energy, said the

During the next five years, decisions on research and development will shape the energy-supply landscape of the United States—and possibly the world—for much of the next 100 years, according to a presidential advisory panel.

President's Committee of Advisors on Science and Technology in a report issued this summer.

The committee recommended that an international component be added to the Energy Department's Nuclear Energy Research Initiative (NERI). To support collaboration on international R&D, it proposed an additional \$10 million a year. NERI funds research on advanced technologies aimed at improving the cost, safety, waste management and proliferation resistance of nuclear energy systems. The initiative was launched as a result of a 1997 report on U.S. energy R&D by the president's advisory committee, which recommended initial funding of \$50 million.

Another advisory committee—this one formed by DOE to help plan the

future of nuclear energy R&D—last month endorsed the president's committee recommendation for an extra \$10 million for international collaboration. It also urged DOE and Congress to boost NERI funding to \$40 million in fiscal year 2001 from the \$25 million requested for fiscal year 2000. With the international component, that would put total support for NERI at \$50 million in fiscal year 2001.

If nuclear energy is to help “mitigate global climate impacts” and retain a role in the U.S. energy portfolio, “creativity must be encouraged in terms of significantly reducing the cost of new reactors, while maintaining acceptable or even improving safety levels, developing proliferation-resistant fuel cycles and managing high-level waste,” said the DOE advisory committee. ■

TOP-VALUE COMPANIES *from page 1*

agement expert at Deloitte Consulting. “The ‘best of the best’ are more value-conscious than cost-conscious,” while the rest “are more cost-conscious than value-conscious.”

Companies that become “value-centric” and focus on maximizing value for customers and employees—not just shareholders—will be the most successful in maximizing shareholder value, predicts the study. Those companies also will be able to attract the best employee talent and win the most loyal

customers—all prerequisites for success in the 21st century, according to the study.

The top value-creating companies identified by the study are:

- AES Corp. (non-nuclear)
- Williams Companies (non-nuclear)
- Consolidated Edison
- Southern Company
- Edison International
- Duke Energy
- Reliant Energy
- Florida Power & Light
- CMS Energy.

Nuclear Energy Vital to Hemispheric Prosperity

“Nuclear energy has successfully avoided the emission of millions of tons of greenhouse gases since the beginning of its commercial use four decades ago. At the same time, [it] has produced billions of kilowatts of electricity for hospitals, schools and homes. ... Our hemisphere must... have this vital energy source available to fuel its continued economic development.”

—NEI President and CEO Joe Colvin at the 4th Hemispheric Energy Ministers Meeting, July 29 in New Orleans

Making the Connection: Rising Internet Use Drives Up Electricity Demand

For several years now, conventional wisdom has held that there's a substantial surplus of electricity generating capacity in America—and hence no reason to worry about reliability of supply or stability of price.

Forecasters expected electricity demand to grow anywhere between 1.1 percent and 1.9 percent annually over the next 15 to 20 years. In fact, growth rates have been climbing at an average of 2.5 percent for the past five years. Last year, electricity use soared by 3.6 percent.

One reason that demand is growing faster than expected, defying conventional wisdom and forecasters' expectations, is the Internet.

The Internet is showing explosive growth in the number of users, the number of Web sites and the billions of dollars in e-commerce. But above all, the Internet has a voracious appetite for power—the appetite of microprocessors and integrated circuits housed in the millions of different kinds of boxes that constitute the information age's tools, says Mark Mills, president of Mills-McCarthy & Associates. Electricity use by the equipment on the Internet has grown from “essentially nothing” 10 years ago to almost 8 percent of total U.S. electricity consumption today, says Mills in a new study.

And that's just the beginning.

Within two decades, Mills predicts, as much as half the nation's electric supply will be used to meet the direct and indirect needs of the Internet.

Sound improbable? Mills says he's confident that these projections “understate the true impact of the microprocessor and Internet revolution on the electric industry.” Designers of PCs, Web servers and data routers know that their boxes must be plugged into an outlet, he says. But they haven't considered the aggregate kilowatt-hour impact of their work.

Mills estimates the Internet's annual demand for electricity at 295 billion kilo-

watt-hours. The information age will need “lots of power, cheap power and increasingly reliable power,” Mills says in a recent analysis commissioned by the Western Fuels Association.

The nation's nuclear power plants are doing their part to meet rising demand. Last year, output soared—reaching 673 billion kilowatt-hours of nuclear-generated electricity, a near-record. And 1999 is shaping up as an even better year. For the first five months, nuclear plant production was 9 percent higher than for the same period last year.

If nuclear energy, which is our nation's second largest source of electricity, is to continue helping to satisfy the country's growing demand for electricity, it's vital to extend the operating lives of America's nuclear plants by renewing their licenses, says Marvin Fertel, NEI senior vice president, nuclear infrastructure support and international programs. But that won't be enough, he adds. To fully meet the surging use of power in the 21st century, the United States will need new emission-free nuclear power plants. ■

Preliminary Environmental OK for Yucca Mountain

An environmental review of the Energy Department's proposed high-level nuclear waste repository at Yucca Mountain in Nevada reveals nothing that would disqualify the site.

The repository's short-term impacts on public health and safety would be small, DOE said last month in its draft environmental impact statement.

The long-term impacts would be less than 1 percent of the average American's exposure from natural background radiation.

On the other hand, leaving the used fuel at nuclear power plant sites around the country—the “no-action” alternative analyzed by the agency—could have “widespread” public health and environmental consequences over the long term (10,000 years) if there were no effective institutional control of the used fuel.

Maintaining such control would cost billions of dollars more, in the short term, than the cost of a repository.

Transportation of used fuel accounts for most of the repository's hypothetical short-term impact—mainly from a “very

low [number of] nonradiological traffic fatalities.” DOE projects a very low radiological impact under both normal and postulated accident conditions.



To date, scientists have identified nothing that would disqualify Yucca Mountain as a suitable place to store used nuclear fuel and high-level waste.

DOE is accepting comments on the statement until Feb. 9 and will hold 16 public meetings around the country during the comment period. ■

Introducing Wall Street to the New NRC

Financial Analysts Learn Details of New Oversight Process

In the middle of August, most denizens of Manhattan escape to the Hamptons or Nantucket. You wouldn't expect a briefing on the Nuclear Regulatory Commission's new process for assessing nuclear plant performance to be a big draw. But more than two dozen financial analysts turned up last month for just such a briefing.

The new assessment process—now being pilot-tested at nine nuclear plants—will help eliminate regulatory unpredictability and inefficiency, NEI executives told the analysts. Regulatory risk, arguably the single largest business uncertainty for nuclear energy and an unacceptable burden in a competitive market, should be significantly moderated by the new assessment process, NEI assured the analysts.

Regulatory reform is a shared imperative among the NRC, the industry and Congress, emphasized Marvin Fertel, NEI senior vice president for nuclear infrastruc-

ture support and international programs. Nothing in this new assessment program will "undermine the NRC's role," he said. "There's nothing more important to the industry than a credible, effective regulator. It helps us with public perception, it helps us in the political arena, and it helps us to operate our plants better."

Fertel said that sustained improvements in plant performance have been crucial to initiating regulatory reform. "The industry's outstanding performance, by any measure, enables the NRC to consider change at this point in time," he said.

Fertel noted that plant output is up 9.2 percent for the first four months of 1999 over 1998, a near record year. In 1998, the operating nuclear power plants recorded a capacity factor of 84.3 percent, and most companies are targeting a three-year rolling average of 90 percent.

The new assessment process is objective, predictable and safety-focused,

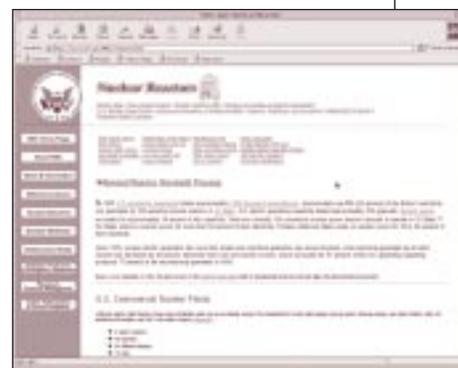
Find Out How the Pilot Plants Are Doing

The Nuclear Regulatory Commission is evaluating the performance of nine plants in its pilot program to test the new regulatory oversight process, and it's posting the results for all to see. Just visit the NRC's Web site

<<http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>>

where you'll find color-coded charts that show how each of the plants is performing in areas measured by 19 indicators.

Once the new process is implemented, the NRC's Web site will provide plant-status information in real-time through quarterly reports.



said Steve Floyd, NEI director of regulatory reform and strategy. Particularly valuable to analysts, the new process will provide plant-status information in real-time through quarterly reports available on the NRC Web site. By contrast, the old Systematic Assessment of Licensee Performance ratings and the "watch list" of plants that the NRC deemed in need of close attention could lag actual plant performance by 1½ to two years. In many cases, companies "had to live with a black eye when their performance actually had already improved," said Floyd.

Fertel told the analysts that the next step in regulatory reform is to revise the reg-

ulations themselves. He noted that discussions between NEI and the NRC have already begun to make the regulations risk-informed—using probabilistic analysis to determine issues with the most safety significance, and performance-based—focusing oversight on results rather than prescriptive requirements.

"What we are working toward," said Fertel, "is a situation where the NRC is focused on maintaining health and public safety, while the plants, after ensuring safety, have the latitude to improve reliability and efficiency." ■

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