

June 4, 1999

MEMORANDUM TO: Anthony J. Galante  
Chief Information Officer

FROM: Annette Vietti-Cook, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-99-083 - FISCAL YEAR 1998  
NRC ANNUAL REPORT

The Commission has approved publication of the FY 1998 Annual Report with the attached comments.

The staff should consider the necessity of future versions of the annual report and how well they serve our stakeholders, including the Congress and the public. As part of the NRC efforts to be more effective and efficient, the staff should examine whether the NRC should continue to issue periodic reports such as the NRC Annual Report. The NRC Annual Report was issued to satisfy a requirement of the Energy Reorganization Act of 1974 which stipulates that "The Commission shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Commission during the preceding fiscal year." In order to comply with the Government Performance and Results Act (GPRA), we also will be required to prepare and submit an annual report on program performance to the President and Congress no later than March 31, 2000. This program performance report will provide a review of our accomplishments in achieving the performance goals of the previous fiscal year. In addition, the report will evaluate the performance plan for the current fiscal year relative to the performance achieved against the performance goals in the previous fiscal year. These reporting requirements appear to overlap and will result in the NRC producing two reports that contain similar information. Additionally, the GPRA includes a provision which would allow agencies to incorporate all program performance information required to be submitted as part of the financial statement requirements in the annual program performance report. Because these reporting requirements are similar in content and timing, it appears that it may be feasible to merge the Annual Report with the Performance Plan and the Accountability Report.

Further, in completing its evaluation, if the staff determines that elimination of the NRC Annual Report is not achievable, the staff should consider designing the report to be more concise and clearer to the target audience without duplicating information in other documents. As part of this effort, the staff should examine a few corporation annual reports to use as a guide for modeling a report that highlights NRC achievements and better serves the public.

Attachment:  
As stated

cc: Chairman Jackson  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
EDO  
OGC  
CFO  
OCA  
OIG  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
PDR  
DCS

## Comments and Changes to the FY 1998 Annual Report

1. On page ix (first page of the Highlights), paragraph 2, correct the text to clarify that Commissioners are approved with the advice *and consent* of the Senate.
2. On page ix (first page of the Highlights), paragraph 3, - add after the word "licensing" the word ", certification". Also, at the fifth bullet change to read: "inspecting licensed and certified facilities and activities;" then add a new bullet reading "certifying privatized uranium enrichment facilities".
3. On page ix (first page of the Highlights), - delete the sixth bullet. In the seventh bullet, insert "on light-water reactor safety" following "conducting research."
4. On page x, under "Changes in the Commission and Organization", change the first sentence in the second paragraph by changing the second appearance of the word "and" to "by" and the word "consolidate" to "consolidating".
5. On page x, under "Program Highlights, Nuclear Reactor Safety," - significant accomplishments such as establishing a streamlined review process for license renewal applications and issuance of the final approval of the AP-600 design should be included.
6. On page xi, under "Nuclear Waste Safety," - revise the first sentence to read, "license for the North Anna Nuclear Station."
7. On page xii, under "Communicating with Stakeholders," - the text should highlight the plain language initiative and efforts to involve stakeholders by holding meetings to discuss improvements to the regulatory process.
8. On page xiii, under "Information Management," paragraph 1 - If available, provide WWW average daily hit rate for FY 1998; in any event, include this data point in the FY 1999 Annual Report. (Also applies to p. 77, first column, first paragraph of the section titled, "World Wide Web Site")
9. On page 1, - in numbered activities in lower half of page, change item 3 to read: "increasing public responsiveness and communication; and "
10. On page 5, under "Year 2000 Problem in Nuclear Power Plants," - clarify that NRC plans to review Y2K program activities at all 103 operating reactors, and to conduct special audits of Y2K contingency plans at six of those plants (per Press Release-99-57).
11. On page 5, under "Year 2000 Problem in Nuclear Power Plants," - in the last sentence change "FY 1999" to "CY 1999".
12. On page 5 - check to ensure that the "http" listing for the SRP at the top of the second column is accessible on the external web page.
13. On page 7 - the discussion of the agency responses to the events listed in Table 1.1

should summarize the significance and overall impact on public health and safety of each event, including the risk implications of each.

14. On page 7 - correct the spelling of "Washington" in next to last paragraph in second column.
15. On page 10 - "http" reference in first paragraph does not appear to be accessible from external NRC webpage.
16. On page 10, under "Issuance of Risk-Informed License Amendments" - most of the examples involved reductions in unnecessary regulatory burden, but none were required in the face of deregulation. Therefore, the last paragraph should be removed or revised to discuss that these activities were done to reduce unnecessary regulatory burden.
17. On page 11, under "Seismic Design of Piping," second paragraph - change "basis" to "bases."
18. On pages 13-14, under "Independent Program Assessment" - change "Anderson" to "Andersen." Revise the paragraph to discuss the accomplishments in the past tense.
19. On page 14, the discussion of Generic Safety Issues should include definitions for the acronyms GSI and USI.
20. On page 16, under "Radiation Exposures and Overexposures," - This information is a duplicate of information of page 32 and should be deleted. Second, staff should reconsider the value of including the charts on pages 33 - 36, 45 and 47 which provide annual exposure data. This information can be confusing to the general public. It would be preferable to include a statement that indicates that this information is published annually and publicly available.
21. On page 18, in the paragraph under the Panel Caseload table, line 4, the '30-percent' should be changed to '40-percent.'
22. On page 19, paragraph 1 (continued from the previous page), last sentence, the phrase regarding the MOX fuel plant ("a MOX fuel plant for burning plutonium") should be changed to reflect that the purpose of this plant is to manufacture mixed-oxide (MOX) fuel for use in power reactors as a means of disposing of excess weapons plutonium.
23. On page 19, the paragraph straddling the first and second columns contains repetitive phrases and should be rewritten.
24. On page 23, Table 1.5 Civil Penalty Information - the information does not appear to be correct - NRC imposed one civil penalty? The distinction between "proposed" and "imposed" should be explained.
25. On page 27, paragraph 2 - add the word "specific" after the number "7,000" and as next to last word in the same sentence. Also, remove "s" from "Agreements" in the same sentence where it first appears. Finally, add the following before the last sentence in the paragraph: "Other radioactive materials, primarily incorporated into devices, are used under general licenses issued by the NRC and Agreement States."

26. On page 27, paragraph 2 states that the NRC regulates approximately 7,000 materials licensees, while the first full paragraph on page 28 states that the NRC administered approximately 5,830 materials licensees. This apparent inconsistency should be resolved.
27. On page 28, under "Generic Materials Licensing and Inspection Activities," - add the word "specific" to the following locations - first column following the number "5,830" in line 5, following the number "70" in line 8, following the number 15,000 in line 11, and in the table following the word Materials in the title. Under "Agreement States Program" in the second column add the word "specific" following the number "15,000" in the last paragraph, line 5.
28. On page 28, under "Generic Materials Licensing and Inspection Activities," - add at the end of this section a brief paragraph to discuss NRC's efforts to revise its "generally licensed" device program and address orphan sources found nationwide through cooperative efforts with the States.
29. On page 28, under "Medical Use of Byproduct Material" - change the last line of the paragraph to delete the phrase "the summer of" and revise it to reflect the current schedule for publishing the final rule.
30. On page 31, under "Fuel Cycle Facilities" - change the end of the second sentence in the first paragraph to read: "... authorization to process onsite source material."
31. For the Charts beginning on page 33 and continuing to page 36 the following comments apply:
  - The first chart deals only with reactors and should not be in this Chapter.
  - The first line of the second chart addressing "reactors" should be removed and the title should include the word "Materials" before the word "Licensees". The 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> charts will be in NUREG-0713 and are unnecessary detail for this annual report.
32. Chapter 3, Nuclear Waste Safety - should be expanded to include a discussion of NRC activities related to uranium recovery. The purpose is to discuss the ongoing rulemaking effort, now completed, to promulgate a "cleanup" rule specific to this category of licensees and to acknowledge the industry's "white paper" and staff efforts to address significant regulatory and jurisdictional issues raised in the paper.
33. On page 54, column 1, paragraph 2 first bullet on this page), line 11 - add the phrase "radioactive materials safety" before the phrase "radiation protection".
34. On page 59, column 1, paragraph 2, - in second sentence change "nuclear, radiation," to "nuclear and radiation safety,". Also, the reference to Commissioner Rogers in the second paragraph in column 2 should say "Former" Commissioner Rogers.
35. In Chapter 4, in or near Page 59, it would be useful to provide a chart or list that summarizes the IAEA and NEA conferences and committees in which the NRC staff participated. These important activities deserve some highlighting.

36. On page 62, in the section on "Public Information," include a brief discussion of the August 7<sup>th</sup> tasking memo and periodic Updated Staff Response, including the Web address.
37. On page 64, column 2, - referencing staff participation in the activities of NARUC add "..., including Commissioner Dicus' representation of the Commission as a member of the NARUC Subcommittee on Nuclear/Waste Issues."
38. On page 73, under "The Chief Financial Officers Act," paragraph 2, last sentence - change the date to "FY 1998".
39. On page 74, under "Government Performance and Results Act," - paragraph 2 should be updated. Delete the first five sentences and revise the sixth sentence to read, "The NRC's first strategic plan, which covered FY 1997 through FY 2000 was submitted . . . ." At the end of the paragraph insert, "Currently, the NRC is in the process of updating the Strategic Plan to reflect fully the regulatory reform efforts underway."
40. On page 74, under "Managing Receivables" - replace the text with the following, "The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), as amended, requires that in FY 1998, the NRC collect fees (under 10 CFR Part 170) and annual fees (under 10 CFR Part 171) that approximate 100 percent of the agency's budget authority, less the amount appropriated to the NRC from the Nuclear Waste Fund. Public Law 101-508 appropriated \$472.8 million to the NRC for FY 1998. Of the funds appropriated to the NRC, \$15 million was derived from the Nuclear Waste Fund and \$3 million was appropriated for regulatory reviews and other assistance provided to the Department of Energy and other Federal agencies, both of which are excluded from licensee fee revenues. In FY 1998, the total amount collected through fees and other charges was \$458.9 million. Of this total, \$454.8 million offsets the appropriation, bringing the net appropriation for FY 1998 to \$18 million. The remaining \$4.1 million will be used to reduce the total fees assessed in FY 1999."
41. On page 75, under "Year 2000 at the NRC", "Internal Program," at the end of the first paragraph add the following sentence, "As of February 5, 1999, remediation and implementation of all NRC computer information systems needing repair because of the Year 2000 problem were completed."