

## **MANAGEMENT AND SUPPORT**

## MANAGEMENT AND SUPPORT

### BUDGET OVERVIEW

Summary	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	61,256	65,975	67,565	1,590
Contract Support and Travel	84,425	95,917	98,921	3,004
<b>Subtotal Budget Authority</b>	<b>145,681</b>	<b>161,892</b>	<b>166,486</b>	<b>4,594</b>
Full Federal Retiree Cost Adjustment	4,050	4,333	4,472	139
<b>Total Budget Authority</b>	<b>149,731</b>	<b>166,225</b>	<b>170,958</b>	<b>4,733</b>
FTE	614	623	623	0

The budget request of \$166.5M and 623 FTE supports agency activities in six major program areas: management services, information technology and information management, financial management, policy support, permanent change of station, and homeland security. Of the total budget increase of \$4.6M, \$1.6M is for increased salaries and benefits primarily associated with the governmentwide FY 2003 pay raise. The remaining increase of \$3.0M for contract support and travel is primarily in the areas of management services, information technology, and homeland security. The increase in management services results primarily from increases in projected headquarters rent costs and transit subsidies. The increase in information technology (IT) is primarily for maintaining the agency IT infrastructure, including the phase-in of the new Infrastructure Services and Support Contract, increased telecommunication costs, and positioning the agency to move to Web applications. The increase for homeland security is for strengthening NRC's infrastructure and communication capability, including an ongoing assessment of physical and information systems security.

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### MEASURING RESULTS - CORPORATE MANAGEMENT STRATEGIES

The NRC has developed four **corporate management strategies** to help accomplish our strategic and performance goals. These **strategies** also help the support offices better serve their customers within the agency to help them achieve the agency's goals. Our **strategic and performance goals** focus on the mission or business of the NRC. Our corporate management strategies describe the means by which the NRC will conduct its business to ensure success in implementing the FY 2000–FY 2005 Strategic Plan and accomplishing the agency's mission.

#### Four Corporate Management Strategies and Their Implementing Strategies

1. To **employ innovative and sound business practices**, the NRC will employ the following strategies:
  - We will strengthen collaborative processes for conducting business among support offices and between support and program offices.
  - We will improve customer service, balancing internal customer needs with overall agency priorities and available resources.
  - We will find new and better ways of doing business to increase effectiveness and efficiency of operations.
  - We will create and maintain a planning, budgeting, and performance management process that is focused on outcomes and provides an effective tool for setting goals, allocating resources, tracking progress, measuring results, and identifying areas for improvement.
  - We will strengthen our financial systems and processes to ensure that our financial assets are adequately protected consistent with risk and that our financial information is better integrated with decisionmaking.
  - We will acquire goods and services in an efficient manner that helps to accomplish our mission, ensures fair and equitable treatment for all parties wishing to do business with the NRC, and results in the best value to the NRC.
  - We will modify our management and organizational structure, as appropriate, to meet the changing demands of internal and external factors, such as the economic

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deregulation of the electric utility industry and any resulting consolidation of the nuclear industry.

2. To **sustain a high-performing, diverse workforce**, the NRC will employ the following strategies:

- We will recruit, hire, and retain a high-quality, diverse workforce with the skills needed to achieve our mission and goals.
- We will assess our scientific, engineering, and technical core competency needs and design a strategic workforce plan to address critical skills gaps and guide the agency in the recruitment, development, and retention of a highly-skilled diverse workforce. Following the initial assessment of agency technical skills and competencies, and based on lessons learned in the course of that undertaking, this effort will be expanded to address skills and competency requirements in IT, and management and support areas.
- We will foster a work environment that is free of discrimination and provides opportunities for all employees to optimally use their diverse talents in support of our mission and goals.
- We will base our human resource decisions on sound workforce planning and analysis and develop succession strategies for key positions and critical skills.
- We will improve the capability of our workforce through training, development, and continuous learning.
- We will select and develop strong managers who can provide vision and strategic leadership.
- We will focus on results by linking rewards and recognition to outcomes and organizational effectiveness.

3. To **provide proactive information management and information technology services**, the NRC will employ the following strategies:

- We will work jointly with program and support offices to integrate information technology and business planning as a means of achieving agency goals and strategies.

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- We will make it easier for the staff to acquire, access, and use the information they need to perform their work.
  - We will assume a leadership role in improving the agency staff's capability to use current and planned information technology to enhance performance.
  - We will provide and maintain a robust, reliable, cost-effective, and "user-friendly" information technology infrastructure that is driven by the agency business needs.
  - We will work jointly with stakeholders to optimize the delivery of information technology and management service.
  - We will improve the ability of the NRC and external entities to conduct our mutual business electronically.
  - We will provide external stakeholders the ability to easily access desired publicly available information to aid in their participation in the NRC's regulatory processes, and to enhance understanding of the agency's mission, goals, and performance.
4. To **communicate strategic change**, the NRC will use the following strategies:
- We will review and assess the effectiveness of communication channels and methods within the NRC to ensure that they support the needs of a changing environment.
  - We will examine strategies and develop actions for improving internal communications in the agency.
  - We will review and assess specific areas where internal communications can be improved in the agency, including the use of information technology and efficiency of staff meetings.
  - We will build and maintain an environment in which safety, excellence, teamwork, creativity and innovation among our employees contribute to achieving our public confidence goals.
  - We will assess the effectiveness of communications by evaluating the effectiveness of communication channels or methods used to provide information to the public.

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- On the basis of the assessments above, we will develop and implement communication plans that support strategic change and foster the desired work environment.
- We will improve communication with the public by using strategies that recognize the ongoing changes in the environment external to the agency.
- We will respond to requests and inquiries from stakeholders in a timely, courteous, and professional manner.
- We will identify regulatory decisions or issues that are most likely to generate substantial public interest at an early stage of development and initiate actions to inform and involve the public.

## **ACCOMPLISHMENTS**

- Increased the guard force protection at the White Flint Complex, provided protective barriers around the Complex and increased the mail contractor staff to address the anthrax threat, as well as enhanced secure telecommunications between headquarters/regional offices and the nuclear power plants and fuel facilities in response to the September 11, 2001 terrorist attacks.
- Completed a major procurement reform initiative entitled, "Focused Source Selection" under the NRC's Procurement Reinvention Laboratory. The project, which involves early posting of the scope of work during a pre-solicitation phase and an early assessment of bidder capabilities, had a significant impact on the agency's mission by successfully promoting acquisition efficiency and fairness without sacrificing the quality of services needed by the NRC staff. For example, procurement acquisition lead time decreased by more than fifty days.
- Continued to implement performance-based contracts for facility management services, data entry, and other support services. Consistent with performance-based service contracting objectives, NRC includes measurable performance requirements, quality standards, quality surveillance plans, and provisions for reduction of fee or price when services are not performed to provide vendors with a better understanding of contract requirements.
- Continued to expand the application of on-line procurement by publicizing its business opportunities and posting its solicitations electronically on a single, easy to access and easy to use Governmentwide Internet location, <http://www.fedbizopps.gov>. In addition,

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the agency streamlined its paper-intensive ordering and payment functions through increased use of the BankCard.

- Provided required acquisition training for 460 technical and administrative staff which satisfied the project manager certification requirements under the agency's Acquisition Certification and Training Program.
- Initiated energy efficiency projects (e.g., installing motion sensors in employee offices to turn off lights and appliances, improving overhead lighting) at the headquarters complex which will reduce utility costs.
- Developed and implemented a systematic approach to ensure that NRC has the appropriate staff skills and competencies to fulfill its traditional safety mission, to enhance safeguards and security in response to the September 11, 2001 terrorist attacks on the United States, and to address potential areas of new regulatory responsibility.
- Established an agencywide perspective for human capital management and facilitated an integrated and coordinated approach to human capital planning and budgeting for the future.
- Used a variety of new recruitment strategies to increase hiring, more than tripling the number of entry-level hires compared to FY 1999. These initiatives provided benefits in maintaining and improving the diversity of our workforce. Over the past eighteen months NRC has seen unprecedented success in attracting high-qualified outstanding minority scientists and engineers to careers at the NRC. For example, NRC has been able to hire thirty new hires of Hispanic origin. The new recruitment techniques include authorized on-the-spot job offers, in selected circumstances; the personal involvement of NRC senior managers in campus visits; extensive up-front work in coordinating assessments of students' backgrounds prior to visiting universities; and competitive entry-level starting salaries.
- Completed the initial phases of a major redesign of NRC's public Web site to enhance the public's ability to find the information needed to participate in the regulatory process, improve information quality and timeliness, and comply with requirements of the Americans with Disabilities Act.
- Completed a pilot test using "media streaming" technology to broadcast selected public Commission meetings live over the Internet. Broadcasted 16 public Commission meetings over the Internet as a means of improving communications with the public.

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Based on the information gathered in the pilot, the Commission directed the staff to implement an ongoing media streaming program.

- Completed implementation of the production Electronic Information Exchange (EIE) system which allows for electronic submission of documents to the NRC in a certified, validated, and electronically signed form. This system will meet the Government Paperwork Elimination Act requirement that agencies must be able to receive documents electronically by the year 2003. Issued Regulatory Issue Summary 2001-05 which allows the holders of licenses for nuclear power reactors to submit documents electronically via EIE or on CD-ROM.
- Received, for the seventh successive year, an unqualified audit opinion on the Chief Financial Officer's financial statements.<sup>1</sup>
- Met the requirements of the Omnibus Budget Reconciliation Act of 1990 in FY 2001, by collecting fees to offset approximately 100 percent of NRC's new budget authority that was required to be offset by fees.
- Supported the governmentwide electronic commerce initiative by making approximately 100 percent of NRC's payments electronically.
- Met the goal to maintain delinquent debt at year end to less than one percent of NRC's billings for FY 2001.

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### BUDGET AUTHORITY AND FULL-TIME EQUIVALENT BY PROGRAM

Summary	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Program (\$K)</b>				
Management Services	53,089	59,437	61,006	1,569
Information Technology and Information Management	50,242	52,276	54,610	2,334
Financial Management	15,500	14,969	14,778	-191
Policy Support	21,477	23,588	23,981	393
Permanent Change of Station	5,373	5,200	5,200	0
Homeland Security	0	6,422	6,911	489
<b>Subtotal Budget Authority</b>	<b>145,681</b>	<b>161,892</b>	<b>166,486</b>	<b>4,594</b>
Full Federal Retiree Cost Adjustment	4,050	4,333	4,472	139
<b>Total Budget Authority</b>	<b>149,731</b>	<b>166,225</b>	<b>170,958</b>	<b>4,733</b>
<b>Full-Time Equivalent Employment by Program</b>				
Management Services	172	174	175	1
Information Technology and Information Management	170	171	172	1
Financial Management	103	104	104	0
Policy Support	169	171	169	-2
Permanent Change of Station	0	0	0	0
Homeland Security	0	3	3	0
<b>Total FTE</b>	<b>614</b>	<b>623</b>	<b>623</b>	<b>0</b>

### JUSTIFICATION OF PROGRAM REQUESTS

Management and Support is comprised of six programs. Program descriptions and output measures for each program follow.

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### Management Services

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	15,821	16,794	17,348	554
Contract Support and Travel	37,268	42,643	43,658	1,015
<b>Total Budget Authority</b>	<b>53,089</b>	<b>59,437</b>	<b>61,006</b>	<b>1,569</b>
FTE	172	174	175	1

The resource increase for Management Services in FY 2003 includes:

- Salaries and benefits increase resulting from the increase in FTE and the governmentwide FY 2003 pay raise.
- Contract support and travel increase primarily associated with increases in (1) projected headquarters rent costs, (2) transit subsidies, and (3) an increase in the use of the Alternative Dispute Resolution process.
- FTE increase reflects support in connection with the increased use of the Alternative Dispute Resolution process.

NRC *administration* includes responsibility for rent and facilities management, security, administrative services, and acquisition of goods and services. These functions are conducted using innovative and sound business practices and are in direct support of program staff in carrying out the mission and achieving the performance goals of the agency.

Rent and facilities management includes rent charges for the two-building White Flint North complex, the warehouse and other ancillary space, and the regional offices, as well as the day-to-day oversight of office and support space. This includes establishing policies, standards, and procedures for NRC-wide space and building acquisition and utilization, administering the terms of the General Services Administration (GSA) delegation program, operating and maintaining buildings and grounds, and managing the agency's conservation program. Rent

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charges are expected to rise in FY 2003 to reflect projected increases in GSA fees and real estate taxes for headquarters buildings.

The operation of a comprehensive security program includes physical security (guard services and security equipment), personnel security (security investigations/re-investigations), information security (operation of the NRC secure communications center and the NRC intelligence support program), and drug testing.

An efficient and effective administrative support infrastructure is essential in supporting the programmatic efforts of the agency. Management oversight is provided for: (1) transportation services, including management of motor vehicles and traffic mitigation, including employee subsidies for public transit (which will increase as a result of the new Executive Order on Federal Workforce Transportation); (2) office provisions, including warehouse operations, supplies, office equipment, and furniture; (3) administrative services, including conference facilities scheduling and management, audio-visual services, recycling, and various facility-related support services; (4) rule review, internal directives system management, and rulemaking support services; and (5) mail, messenger, and postage services.

Contract management is necessary to ensure that the agency obtains goods and services in an efficient manner consistent with mission needs. It includes the development and implementation of agencywide contracting policies and procedures, and implementation of the agency's Small Business Program, whose primary goal is to ensure that small 8(a), disadvantaged, and women-owned businesses receive a full and fair opportunity to participate in NRC's procurement activities. It also includes the development and application of streamlined procurement processes and adherence to sound business practices in the negotiation, award, administration, and closeout of agency contracts, as well as competitive sourcing.

In managing the agency's *human resources*, a variety of activities are conducted in the areas of recruitment, organization, employee and labor relations, program and policy analysis, placement, utilization, and training and development of agency employees. Administration of NRC-wide occupational health and safety, employee assistance, health and fitness, and child development programs are also part of the Human Resources program. In FY 2003, additional focus will be directed toward managing human capital investment programs, including waivers of dual compensation limitations, expanded usage of retention allowances and recruitment bonuses, Senior Fellowships, Graduate Fellowships, Undergraduate Fellowships, a student loan repayment program, and an agencywide intern program.

Training and development of agency employees comprises three major task areas: external training, in-house training and development, and management development. In concert, these

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task areas support the mission-related need to facilitate workplace learning by ensuring that continuous learning opportunities are supported, promoted, and fully integrated into the organizational culture as changes take place in organizational goals, technologies, programs, and environment, and reforms to NRC's regulatory programs are implemented. In support of this program, human resource professionals facilitate the transfer of new knowledge, skills, and competencies to meet the NRC's organizational, occupational, and individual performance expectations as well as meet recruitment goals. Training and development will continue to be provided using the "systems approach to training" principles. The "systems approach to training" is a standard multi-phase program that includes training needs analysis, training program design and development, implementation of training, and program evaluation.

NRC's recruitment and staffing efforts support the maintenance of a competent, motivated, and culturally diverse workforce. This includes activities necessary to recruit and hire new employees and to assign both new and current employees to positions established to carry out the mission of the agency. Principle activities include position management and evaluation, recruitment contacts, advertising and recruitment visits, and competitive and non-competitive staff placement activities including merit promotion, pay-setting, personnel transaction processing, and personnel records maintenance. Recruitment and retention will be enhanced by approving selected waivers of dual compensation limitations under delegated authority from the Office of Personnel Management, increasing the number of retention allowances paid to current employees, and increasing the number of recruitment bonuses offered to new applicants. Highly-skilled entry-level professional employees will also be encouraged to join the NRC by the addition of a student loan repayment program to offset college loan indebtedness, and creation of a new Undergraduate Fellowship program to subsidize expenses for promising college seniors.

In FY 2003, the NRC will expand its intern program to attract individuals with high potential to the workforce and develop a solid base of capability. The agency projects that approximately one-third of its engineers and scientists will be eligible for retirement by the end of FY 2005. Consequently, NRC has launched a plan of action to assess NRC's scientific, engineering, and technical core competency needs. The NRC has designed a workforce plan to address critical skills gaps and guide the agency in the recruitment, development, and retention of a highly-skilled diverse workforce. This initiative supports the achievement of all the agency's performance goals and ensures that adequate attention is devoted to addressing and resolving core competency issues.

In FY 2003, the NRC will continue to implement several core competency/workforce planning initiatives aimed at aligning NRC human capital management with best practices that are known to exist today. In order to target skill gap closure, the NRC will authorize double encumbering of some positions to effect early replacement hiring and increase the number of

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and compensation for some higher level positions. In addition, a core competency/strategic workforce planning effort involving skills assessment systems and extensive analysis will be implemented to meet the Commission's mandate to maintain the core scientific, engineering, and technical competencies needed to perform NRC's technically-based functions.

Workforce effectiveness and utilization efforts provide the infrastructure, policy, support, information, and analysis necessary for NRC managers and employees to carry out their responsibilities. The task areas include services and products to enhance organizational effectiveness (such as functional realignments, reductions in supervisory/managerial personnel, and increased span of management control) in accordance with agencywide streamlining efforts, and programs to support management and employee effectiveness, including human resource program and policy development, workforce analysis, administration of employee appraisal and recognition programs, employee relations/labor-management partnership activities, management of human resources information and data, human resources computer application development work, executive succession planning, development of core competencies methodologies, administration of benefits and retirement, employee assistance and health services, and safety programs.

The Office of *Small Business and Civil Rights* develops, implements, and manages four major programs: (1) Affirmative Action, including the Federal Women's Program and managing diversity process; (2) Civil Rights including the Alternative Dispute Resolution process; (3) Historically Black Colleges and Universities (HBCU); and (4) Small Business Procurement Preference. The programs' missions and major activities support the maintenance of a high-performing and diverse workforce and include: (1) facilitating equal employment opportunity for all NRC employees and applicants for employment through an ongoing affirmative employment process; (2) providing for prompt, fair, and impartial processing of discrimination complaints filed under applicable civil rights statutes, this includes an active and successful Alternative Dispute Resolution process; (3) administering grants to HBCU faculty and students, which affords these individuals the opportunity to participate in NRC's scientific and engineering, research activities; and (4) ensuring that small 8(a), disadvantaged, and women-owned businesses have full and fair opportunity to participate in NRC procurement activities.

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### Program Outputs

The following program outputs have been identified for the Management Services program.

OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
<p>Program assessments to evaluate the effectiveness in various areas of operation and maintenance of the White Flint Complex based upon criteria used by GSA.</p> <p>(FY 1999: Target: A score of 90 or higher (on a scale of 100) on the GSA-supplied criteria. Actual: Average score of 91.)</p>	<p>Target: A score of 90 or higher (on a scale of 100) on the GSA-supplied criteria.</p> <p>Actual: Program assessment resulted in an average score of 93.</p>	<p>Target: A score of 90 or higher (on a scale of 100) on the GSA-supplied criteria.</p> <p>Actual: Program assessment resulted in an average score of 93.</p>	<p>N/A. This output has been revised and will be replaced by the following measure beginning in FY 2002.</p>	<p>N/A</p>
<p>GSA biennial customer satisfaction report on building services provided by ADM at the White Flint Complex.</p>	<p>New measure in FY 2002.</p>	<p>New measure in FY 2002.</p>	<p>N/A</p>	<p>An overall customer satisfaction rating of 80 percent or higher.</p>
<p>Review of draft rules without need for substantive changes and within the Office of the Federal Register and NRC schedules.</p> <p>(FY 1999: Target: Complete reviews within schedule 98 percent of the time. Actual: Completed reviews within schedule 100 percent of the time.)</p>	<p>Target: Complete reviews within schedule 99 percent of the time.</p> <p>Actual: Completed reviews within schedule 100 percent of the time.</p>	<p>Target: Complete reviews within schedule 99 percent of the time.</p> <p>Actual: Completed reviews within schedule 100 percent of the time.</p>	<p>Complete reviews within schedule 99 percent of the time.</p>	<p>Complete reviews within schedule 99 percent of the time.</p>

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<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
<p>OMB Directed Acquisition Reform Initiative Measures</p> <p>Percent of eligible service contracting dollars (contracts over \$25,000) that use Performance-Based Contracting techniques during the Fiscal Year.</p> <p>Percent of required synopses for acquisitions that are posted on the government-wide point-of-entry Web site (<a href="http://www.FedBizOpps.gov">www.FedBizOpps.gov</a>) during the Fiscal Year. Synopses for acquisitions are those valued at over \$25,000 for which widespread notice is required including all associated solicitations; excludes those covered by an exemption in the Federal Acquisition Regulations.</p> <p>Percent of FTEs listed on Federal Activities Inventory Reform Act inventories that are public-private or direct conversion<sup>2</sup> competitions during the fiscal year.</p>	<p>New measure in FY 2002.</p> <p>New measure in FY 2002.</p> <p>New measure in FY 2002.</p>	<p>New measure in FY 2002.</p> <p>New measure in FY 2002.</p> <p>New measure in FY 2002.</p>	<p>Not less than 20 percent.</p> <p>100 percent of all required synopses.</p> <p>Not less than 5 percent of FTEs listed.</p>	<p>Not less than 20 percent.</p> <p>100 percent of all required synopses.</p> <p>Not less than 10 percent of FTEs listed.<sup>3</sup></p>

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OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
<p>Staffing strategies achieve targeted workforce levels.</p> <p>(FY 1999: Target: FTE utilization is within 2 percent of authorized ceiling.</p> <p>Supervisory ratio is maintained at 8:1.</p> <p>Actual: Full-time equivalent staff-year and supervisory ratio reduction targets were met.)</p>	<p>Target: FTE utilization is within 2 percent of authorized ceiling.</p> <p>Supervisory ratio is maintained at 8:1.</p> <p>Actual: Full-time equivalent staff-year and supervisory ratio reduction targets were met. Utilized approximately 99 percent of NRC authorization FTE.</p>	<p>Target: FTE utilization as of June 18, 2001, is within 2 percent of authorized ceiling of 2732 FTE.</p> <p>Supervisory ratio is maintained at 8:1.</p> <p>Actual: Full-time equivalent staff-year and supervisory ratio reduction targets were met. Utilized approximately 99 percent of NRC authorization FTE.</p>	<p>FTE utilization is within a 2 percent band of authorized ceiling of 2813 FTE.</p> <p>Supervisory ratio is maintained at 8:1.</p>	<p>FTE utilization is within a 2 percent band of authorized ceiling of 2847 FTE.</p> <p>Supervisory ratio is maintained at 8:1.</p>
<p>Diversity of agency workforce groups is equivalent to the relevant American labor market (based on Oak Ridge Institutes of Science and Education availability data).</p> <p>(FY 1999: No group more than 25 percent under represented in occupations relevant to NRC.)</p>	<p>Target: Workforce groups are no more than 25 percent under-represented.</p> <p>Actual: No group more than 25 percent under-represented in occupations relevant to NRC.</p>	<p>Target: Workforce groups are no more than 25 percent under-represented.</p> <p>Actual: No group more than 25 percent under-represented in occupations relevant to NRC.</p>	<p>Protected workforce groups are no more than 25 percent under-represented.</p>	<p>Protected workforce groups are no more than 25 percent under-represented.</p>

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<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
Strategic workforce planning efforts adequately address core competency requirements.	New measure in FY 2001.	<p>Target: Hire 25 percent of new professional staff at the entry level.</p> <p>Retain 75 percent of new professional hires over their first four years of NRC employment.</p> <p>Actual: 75 percent of new professional hires retained over their first three years. 25 percent of new professional staff hired at the entry level.</p>	<p>Hire 20 percent of new professional staff at the entry level.</p> <p>Retain 75 percent of new professional hires over their first three years of NRC employment.</p>	<p>Hire 20 percent of new professional staff at the entry level.</p> <p>Retain 75 percent of new professional hires over their first three years of NRC employment.</p>

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### Information Technology and Information Management

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	16,042	16,898	17,462	564
Contract Support and Travel	34,200	35,378	37,148	1,770
<b>Total Budget Authority</b>	<b>50,242</b>	<b>52,276</b>	<b>54,610</b>	<b>2,334</b>
FTE	170	171	172	1

The resource increase for Information Technology and Information Management in FY 2003 includes:

- Salaries and benefits increase resulting from the increase in FTE and the governmentwide FY 2003 pay raise.
- Contract support increases are primarily associated with the phase-in of network printer maintenance, server maintenance, and desktop portables in the new Infrastructure Services and Support Contract and planned contract increases of three percent, increased telecommunications costs, implementation of an EIE Certificate Licensing and Administration System, and to position the agency to move to Web applications.
- FTE increase for a Web team leader to oversee Web initiatives.

The Office of the Chief Information Officer (OCIO) plans, directs, and oversees the NRC's information resources, including information technology infrastructure, applications systems, and delivery of information management services, to meet the mission and performance goals of the agency. The OCIO ensures that information technology resources are acquired and information resources are managed consistent with Federal Information Resources Management laws and regulations, including implementation of the Clinger-Cohen Act of 1996.

The NRC will continue the direction and coordination of information resources planning, including development of IT and information management (IM) measures, development of agency IT architectures and standards, assessment of technology trends and their applicability

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to NRC business needs, direction of planning for new information technology, and management of the agency's IT Capital Planning and Investment Control process.

NRC's *computer security program* will continue to be conducted in accordance with Federal laws and regulations. These program activities implement administrative, technical, and physical security measures for the protection of the agency's information, automated information systems, and information technology, which includes special safeguards to protect classified information, unclassified safeguards information, and sensitive unclassified information that is processed, stored, or produced in all automated information systems.

The NRC will continue to support the agency's mission and programs by ongoing development, integration, implementation, management, and support of the agency's *IT infrastructure* and IM services. Activities include the management and operation of the Customer Support Center and desktop support. Telecommunications services and support provides agency long-distance and headquarters local telecommunications services to meet current business needs, operations and administrative support for agency communications systems, personal communications equipment (pagers, faxes, modems, cellular phones), and support for the NRC Operations Center. NRC IT infrastructure provides for development, integration, implementation, maintenance, and support of all agency network, telecommunications, and desktop resources; the operation and systems programming support of agencywide application systems and timesharing services; and technical support for design of the agency's information technology architecture pertaining to IT infrastructure development, standards, and practices.

*Information management* activities will continue to provide for organizational and electronic integration of agency IM functions and for agencywide IM services. This includes planning, developing policy for, managing, and delivering services related to the Public Document Room; the NRC Technical Library; the File Center; the Freedom of Information Act and Privacy Act programs; the agency's Information Collection Budget; and NRC's records, forms, and correspondence management programs. Activities include duplicating, copying, printing, editing, writing, and graphic services; centralized receipt, processing, distribution, and electronic and paper inventory maintenance of agency documents; and electronic publishing, including NRC's World Wide Web internal and external sites. Activities also include efforts for the enhancement, ongoing operations, and maintenance of ADAMS, the agency's electronic system that supports document creation and capture, workflow maintenance, records management, and search and retrieval by both NRC staff and the public.

NRC will maximize, where applicable, the use of electronic means to deliver services in a manner that promotes security and privacy. *Electronic signature services* will be provided under the EIE program, which allows the public, licensees, and other government agencies to

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electronically exchange documents with the NRC in a secure manner. The EIE system is currently in production on a limited basis and will be available to all NRC licensees and related parties as a result of a current EIE rulemaking effort which will be completed during FY 2002. EIE will play a major role and augment other capabilities in place, in enabling NRC to meet the Government Paperwork Elimination Act requirement to allow the public the option of transacting business with the agency electronically by October 2003.

Program Outputs

The following program outputs have been identified for the Information Technology and Information Management program.

OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
Availability of key infrastructure services which are provided as part of the agency information technology infrastructure.  (FY 1998: Baseline established as 1 percent unavailability.)  (FY 1999: Target: Key infrastructure services will be available 99.5 percent. Actual: Available 99.5 percent.)	Target: Key infrastructure services will be available 99.6 percent.  Actual: Key infrastructure services available 99.6 percent.	Target: Key infrastructure services will be available 99.6 percent.  Actual: Key infrastructure services available 99.6 percent.	Key infrastructure services will be available 99.6 percent.	Key infrastructure services will be available 99.6 percent.

**MANAGEMENT AND SUPPORT**

<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
<p>Availability of agency network servers within the agency information technology infrastructure (determined by the percentage of work hours agency network servers are available for staff use exceeding scheduled downtime and scheduled outages).</p> <p>(FY 1998: Baseline established as 1 percent unavailability.)</p> <p>(FY 1999: Target: Agency network servers will be available 99.5 percent. Actual: Servers available 99.8 percent.)</p>	<p>Target: Agency network servers will be available 99.8 percent.</p> <p>Actual: Agency network servers available 99.8 percent.</p>	<p>Target: Agency network servers will be available 99.8 percent.</p> <p>Actual: Agency network servers available 99.8 percent.</p>	<p>Agency network servers will be available 99.8 percent.</p>	<p>Agency network servers will be available 99.8 percent.</p>
<p>Level of staff satisfaction with information in NRC's primary applications systems.</p> <p>(FY 1998: Baseline established as 3.5 on a scale of 1 to 5.4)</p> <p>(FY 1999: No survey performed in FY 1999 due to higher workload priorities.)</p>	<p>This measure does not have a FY 2000 target. This measure changed from annual to biennial to minimize burden on staff.</p>	<p>Target: Improve staff satisfaction level to 3.8.</p> <p>Actual: Staff satisfaction level was 3.7.</p>	<p>This is a biennial measure and does not have a FY 2002 target.</p>	<p>Maintain staff satisfaction level at 3.8.</p>

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OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
<p>Complete the milestones specific to the ADAMS Assessment Action Plan for Challenge Area 5 for improving access to ADAMS.</p> <p>(FY 1998 Baseline: Not required this year.)</p> <p>New measure in FY 2001.</p>	New measure in FY 2001.	<p>Target: Install ADAMS Version 3.3; conduct public outreach programs; complete plan for future releases.</p> <p>Actual: Installed ADAMS 3.3 version; completed public outreach effort with establishment of ADAMS Public Users Group; completed plan for future releases with development of plan for alternative Web-based public user interface.</p>	Complete evaluation of alternative approach to providing Web availability of ADAMS. If evaluation warrants and a decision is made to proceed, implement a prototype of the alternative approach.	Evaluate results of alternative approach and feed-in to work on ADAMS.
All operational NRC major applications and general support systems meet their requirements of Management Directive 12.5, "NRC Automated Information Systems Program," including a system security plan, contingency plan, certification and accreditation.	New measure in FY 2003.	New measure in FY 2003.	New measure in FY 2003.	100 percent of systems meet Management Directive 12.5 requirements.
<p>Network security.</p> <p>New measure in FY 2002.</p>	New measure in FY 2002.	New measure in FY 2002.	Respond to any new network security vulnerability within 24 hours of discovery.	Respond to any new network security vulnerability within 24 hours of discovery.
<p>Security and Availability of Critical email and Web access infrastructure services.</p> <p>New measure in FY 2002.</p>	New measure in FY 2002.	New measure in FY 2002.	Restore email and Web access to operational status within one hour of discovery of a security incident.	Restore email and Web access to operational status within one hour of discovery of a security incident.

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<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
A measure of how well the Infrastructure Services and Support Contract (ISSC) Program responds to and resolves user problems and requests in a timely fashion. Determined by the percentage of time calls are answered, responded to and resolved within the stated ISSC performance requirements. This applies to desktop, printers, servers, and communication equipment.	New measure in FY 2003.	New measure in FY 2003.	New measure in FY 2003.	96 percent.
A measure of how effective the ISSC Program delivers services to the agency. Determined by the percentage of time service requests are performed within the stated ISSC performance requirements. This measure will capture moves, adds, and changes; security response; and restoration of files.	New measure in FY 2003.	New measure in FY 2003.	New measure in FY 2003.	96 percent.

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### *Financial Management*

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	8,723	10,159	10,309	150
Contract Support and Travel	6,777	4,810	4,469	-341
<b>Total Budget Authority</b>	15,500	14,969	14,778	-191
FTE	103	104	104	0

The resource decrease for Financial Management in FY 2003 includes:

- Salaries and benefits increase resulting from the governmentwide FY 2003 pay raise.
- Contract support and travel decrease primarily due to a reduction in contract support for data entry, and the reduced cost for cross-servicing the core accounting system with a different vendor.

The Office of the Chief Financial Officer (OCFO) provides for the required functions of budget planning, development, and oversight of budget execution. The OCFO manages the agency planning process, which includes updating the agency's strategic plan on a triennial basis, developing the annual performance plan, and issuing the annual performance report, as required by the Government Performance and Results Act of 1993.

**Accounting activities** include the maintenance of cost accounting and automated accounting systems, financial reporting to the Office of Management and Budget and Treasury, payments to vendors for goods and services received, issuing bills, and an annual, audited financial statement.

The NRC is required to recover approximately 96 percent of the agency's budget authority through **license and annual fees** in FY 2002, and 94 percent in FY 2003. Activities necessary to meet the requirement to recover fees include developing and issuing rules that reflect fees to offset the budget authority each year; providing policy, processing applications, and analyzing fee-related data; issuing approximately 5,200 annual fee bills and 1,700 full cost

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licensing and inspection invoices per year; pursuing collection action; and responding to Congressional constituent and licensee correspondence regarding fee billings. The office also provides services directly to employees, such as temporary duty travel services and change of station travel, as well as the traditional functions of payroll services that ensure that disbursements are accurate and timely.

These Financial Management activities require the employment of innovative and sound business practices and the effective communication of strategic change, which support program staff in carrying out the mission of the agency and achieving their performance goals.

### Program Outputs

The following program outputs have been identified for the Financial Management program.

OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
<p>Timeliness and quality of NRC's Annual Financial Statement.</p> <p>(FY 1998: Published the FY 1997 Statement in March 1998; received an unqualified opinion.)<sup>1</sup></p> <p>(FY 1999: Target: Publish the FY 1998 Statement by March 1999 and receive an unqualified opinion. Actual: Published in March 1999 and received an unqualified opinion.)</p>	<p>Target: Publish the FY 1999 Statement by March 2000 and receive an unqualified opinion.</p> <p>Actual: Published the FY 1999 Statement in March 2000 and received an unqualified opinion.</p>	<p>Target: Publish the FY 2000 Statement by March 2001 and receive an unqualified opinion.</p> <p>Actual: Published the FY 2000 Statement in March 2001 and received an unqualified opinion.</p>	<p>Publish the FY 2001 Statement by February 2002 and receive an unqualified opinion and no material weaknesses.</p>	<p>Publish the FY 2002 Statement by February 2003 and receive an unqualified opinion and no material weaknesses.</p>

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OUTPUT MEASURES				
Output	FY 2000	FY 2001	FY 2002 Target	FY 2003 Target
<p>Collect amounts due NRC.</p> <p>(FY 1998: Actual collections were within 0.9 percent of projected collections; receivables at \$2.3 million.)</p> <p>(FY 1999: Target: Achieve 98 percent actual collections when compared with projected collections and maintain past due accounts receivable at \$5 million or less by the end of the fiscal year.</p> <p>Actual: Achieved 98.6 percent.</p> <p>Maintained past due accounts at \$2.7 million.)</p>	<p>Target: Achieve approximately 100 percent actual collections when compared with projected collections and maintain past due accounts receivable at \$5 million or less by the end of the fiscal year.</p> <p>Actual: Achieved 100.7 percent.</p> <p>Maintained past due accounts at \$2 million.</p>	<p>Target: Achieve approximately 100 percent actual collections when compared with projected collections.</p> <p>Maintain past due accounts receivable at 1 percent or less of annual billings for the fiscal year.</p> <p>Actual: Achieved 100.4 percent collected.</p> <p>Maintained past due accounts receivable at 0.5 percent of annual billings.</p>	<p>Achieve approximately 100 percent actual collections when compared with projected collections.</p> <p>Maintain past due accounts receivable at 1 percent or less of annual billings for the fiscal year.</p>	<p>Achieve approximately 100 percent actual collections when compared with projected collections.</p> <p>Maintain past due accounts receivable at 1 percent or less of annual billings for the fiscal year.</p>
<p>Pay Bills</p> <p>(FY 1998: 98 percent of bills by electronic funds transfer (EFT); 94 percent of payments on time.)</p> <p>(FY 1999: Target: Pay 98 percent of bills by EFT; achieve 94 percent of payments on time.</p> <p>Actual: Average of 98 percent of vendor bills paid by EFT; 96 percent of payments on time.)</p>	<p>Target: Pay approximately 98 percent of bills by EFT; achieve 94 percent of payments on time.</p> <p>Actual: Paid 99 percent of bills by EFT; achieved 96 percent of payments on time.</p>	<p>Target: Pay approximately 98 percent of bills by EFT; achieve 94 percent of payments on time.</p> <p>Actual: Paid 100 percent of bills by EFT; achieved 95 percent of payments on time.</p>	<p>Pay approximately 100 percent of bills by EFT; achieve 95 percent of payments on time.</p>	<p>Pay approximately 100 percent of bills by EFT; achieve 95 percent of payments on time.</p>

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<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
<p><b>Fee Rule</b></p> <p>(FY 1998: Issued proposed rule in March 1998 and final rule in June 1998.</p> <p>(FY 1999: Target: Issue proposed rule by March 1999 and publish final rule by June 1999.</p> <p>Actual: Issued proposed rule in March 1999. Published final rule in June 1999.)</p>	<p>Target: Issue proposed rule by March 2000 and publish final rule by June.</p> <p>Actual: Issued proposed rule in March 2000. Published final rule in June 2000.</p>	<p>Target: Issue proposed rule by mid-March. Issue final rule by mid-June.</p> <p>Actual: Issued proposed rule in March 2001. Published final rule in June 2001.</p>	<p>Issue proposed rule by late-March. Issue final rule by mid-June.</p>	<p>Issue proposed rule by late-March. Issue final rule by mid-June.</p>
<p>Submit and publish the Budget Estimates and Performance Plan and Program Performance Report annually to OMB, Congress, and the President on time.</p> <p>(FY 1998: Performance Plan not required this fiscal year. Submitted FY 1998 Budget Estimates on time.)</p> <p>(FY 1999: Target: Submit FY 2000 Budget Estimates and Performance Plan to OMB and Congress</p> <p>Actual: Met target</p> <p>Program Performance Report not required to be submitted.)</p>	<p>Target: Submit FY 2001 Budget Estimates and Performance Plan to OMB and to Congress on time.</p> <p>Actual: Met target.</p> <p>Target: Submit FY 1999 Program Performance Report to Congress and the President on time.</p> <p>Actual: Met target.</p>	<p>Target: Submit FY 2002 Budget Estimates and Performance Plan to OMB and to Congress on time.</p> <p>Actual: Met target.</p> <p>Submit FY 2000 Program Performance Report to Congress and President on time.</p> <p>Actual: Met target.</p>	<p>Submit FY 2003 Budget Estimates and Performance Plan to OMB and to Congress on time.</p> <p>Submit FY 2001 Program Performance Report to Congress and President on time.</p>	<p>Submit FY 2004 Budget Estimates and Performance Plan to OMB and to Congress on time.</p> <p>Submit FY 2002 Program Performance Report to Congress and President on time.</p>

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<b>OUTPUT MEASURES</b>				
<b>Output</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
<p>Submit and publish the tri-annual Strategic Plan to Congress and OMB on time.</p> <p>(FY 1998: Not required this fiscal year. Present Strategic Plan is FY 1997-FY 2002.)</p> <p>(FY 1999: Not required to be updated until FY 2000.)</p>	<p>Target: Submit and publish FY 2000-FY 2005 Strategic Plan to Congress on September 29, 2000. Submit an advanced copy to OMB 45 days before transmitting to Congress.</p> <p>Actual: FY 2000-FY 2005 Strategic Plan submitted to Congress on September 29, 2000. Submitted to OMB 45 days before transmitted to Congress.</p>	<p>Not required until FY 2003.</p>	<p>Not required until FY 2003.</p>	<p>Submit and publish FY 2003-FY 2008 Strategic Plan to Congress by September 2003. Submit an advanced copy to OMB 45 days before transmitting to Congress.</p>

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### Policy Support

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	19,940	21,795	22,109	314
Contract Support and Travel	1,537	1,793	1,872	79
<b>Total Budget Authority</b>	<b>21,477</b>	<b>23,588</b>	<b>23,981</b>	<b>393</b>
FTE	169	171	169	-2

The resource increase for Policy Support in FY 2003 includes:

- Salaries and benefits increase resulting from the governmentwide FY 2003 pay raise offset by the decrease in FTE.
- Contract support and travel increase primarily associated with increases for (1) the Secretariat, due to increased costs for maintenance of the NRC Web site version of the Commission's activities page, and (2) the Advisory Committee for Reactor Safeguards, due to increased activity in reactor license renewal.
- FTE decrease due to completion of a number of pending labor relations proceedings, completion of electronic information exchange rulemaking, and some reduction in fee-related work regarding exemptions and waivers.

Several NRC organizations provide policy support services to the program area staffs in performing their regulatory mission activities and achieving their performance goals. This section describes major support activities that will be conducted during FY 2002–FY 2003.

The *Commission* is the governing body of the NRC. It is responsible for determining fundamental policy and for guiding staff offices to ensure that the civilian use of nuclear energy and nuclear materials is regulated in a manner consistent with public health and safety, environmental quality, national security, and antitrust laws. The following Commission-level offices provide support to the Commission.

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***Commission Appellate Adjudication*** (OCAA) assists the Commission in its disposition of appeals of licensing board and presiding officer decisions and other adjudicatory matters coming before the Commission and monitors pending cases in adjudication. OCAA also has lead responsibility for adjudication of certain aspects of license transfers, which has become an area of agency success.

***Congressional Affairs*** (OCA) is responsible for ensuring that the NRC meets its statutory responsibility to keep the appropriate Congressional committees and members fully and currently informed with respect to the agency's activities. OCA provides advice and assistance to the Chairman, Commissioners, and the NRC staff on all relations with Congress. The Office maintains liaison with Congressional committees and members of Congress on matters of interest to them and to the NRC, coordinates appearances and testimony of NRC officials at hearings and briefings, and schedules and coordinates courtesy visits as needed. The Office also serves as the primary point of contact for all NRC written communications with Congress—reviewing, coordinating, and concurring in all outgoing correspondence to Congress. Also, OCA monitors legislative proposals, bills, markups, and hearings of interest to the agency.

The ***General Counsel*** is the Commission's chief legal advisor and advises the Commission on the legal aspects of agency policy initiatives, programs, rules, and adjudicatory matters. The Office of the General Counsel provides advice and assistance to the Commission and NRC offices on matters involving interagency agreements, legislation, procurement, intellectual property, budget, fees, security, alternate dispute resolution matters and administrative functions; represents the NRC in public rulemaking and administrative hearings involving procurement, personnel, personnel security, labor relations, equal employment opportunity matters; and represents the NRC in coordination with the Department of Justice in proceedings on judicial review. The General Counsel is the designated agency ethics official and provides advice to the Commission and staff on all matters related to ethics and conflict of interest, and is responsible for administering the ethics program prescribed by the Office of Government Ethics.

***Public Affairs*** (OPA) provides the public and media with prompt, accurate, clear, and complete information about NRC policies, programs, and activities to help maintain public confidence in the agency's regulatory program. OPA assists the Chairman in carrying out responsibilities as principal spokesman for the NRC, and assists the Commission and senior NRC staff by managing and directing the agency's public affairs program. This includes keeping top management informed of public interest in and media coverage of NRC's regulatory activities, advising the Commission on public affairs strategies that can be implemented effectively, and advising management on conducting public meetings. To keep the public and media informed, Public Affairs distributes and posts to the NRC Web site press

## MANAGEMENT AND SUPPORT

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releases, speeches, fact sheets, brochures, and other key documents. OPA responds to inquiries from reporters and the public by electronic mail, telephone, facsimile, and letter, providing information as requested. Public Affairs arranges technical interviews with the media, as needed, and maintains regular dialogue with reporters who follow NRC to notify them about major agency actions and release of key documents when they are about to be issued and to gain advance knowledge of what will be reported.

The *Secretariat* provides executive management services to support the Commission and to implement Commission decisions. This includes the planning and scheduling of Commission business by preparing the Commission's meeting agenda and managing the Commission's decisionmaking process; codifying Commission decisions in memoranda directing staff actions; monitoring staff compliance of pending issues and commitments; processing and control of Commission correspondence; maintaining the Commission's historical paper records collection; and administration of the NRC historical program. The Secretariat maintains the Commission's adjudicatory and rulemaking dockets, including the management of the Commission's electronic hearing docket, which enhances the processes for handling the Commission's adjudicatory activities. The Secretariat also integrates automation initiatives into the Commission's administrative systems.

The *Executive Director for Operations* (EDO) leads the operational and administrative activities of the agency. This includes implementation of the Planning, Budgeting, and Performance Management Process, in which the EDO plans and directs the programs and support activities to regulate civilian use of nuclear reactors and nuclear materials which ensure the regulatory mission of the NRC is met. The EDO is responsible for monitoring performance and assessing the effectiveness of agency programs and the efficiency by which they are executed. Additionally, the EDO provides leadership of the NRC's communications activities to improve internal and external communications and increase public confidence in NRC's regulatory activities.

The *Advisory Committee on Reactor Safeguards* (ACRS) is independent of the NRC staff and is statutorily mandated by the Atomic Energy Act of 1954, as amended. The ACRS reviews safety studies and facility license and license renewal applications and reports thereon to the NRC, advises the NRC on the hazards of proposed and existing reactor facilities and the adequacy of proposed reactor safety standards, and performs such other duties as the NRC may require. At present, the ACRS is reviewing several matters related to applications for renewal of nuclear power plant licenses, reactor oversight programs, generic safety issues, rulemaking, risk-informed and performance-based regulatory approaches, code review, and other regulatory activities. The ACRS, on its own initiative, may conduct reviews of specific generic matters or nuclear facility safety-related items. As requested by the Commission, the ACRS also performs a comprehensive review of the NRC Safety Research Program. In addition, upon

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request from the program offices, the ACRS provides technical advice to other outside organizations. Advisory committees by design are structured to offer the public a forum to participate in matters of strong public interest. The independent expert nature of both the ACRS and the Advisory Committee on Nuclear Waste lends itself in the facilitation of increased public confidence and safety related to matters involving the regulation of nuclear reactors, safeguards, and the safe use of nuclear waste materials.

The *Advisory Committee on Nuclear Waste* was established by the Commission in June 1988 to provide independent technical advice on agency activities, programs, and key technical issues associated with the regulation, management, and safe disposal of radioactive waste. In performing its work, the Committee examines and reports on areas of concern as requested by the Commission and may undertake studies and activities on its own initiative, as appropriate. The bases of this advice include regulations governing low-level waste disposal, and other applicable regulations and legislative mandates. The scope of this advice includes reviewing and commenting on issues that affect transportation, storage, decommissioning, and application of risk-informed and performance-based regulation. The Committee interacts with representatives of NRC; ACRS; other Federal, State, and local agencies; Indian tribes; the public; and other stakeholders, as appropriate, to fulfill its responsibilities.

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*Permanent Change of Station*

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	0	0	0	0
Contract Support and Travel	5,373	5,200	5,200	0
<b>Total Budget Authority</b>	5,373	5,200	5,200	0
FTE	0	0	0	0

This program is carried out to ensure that NRC personnel who are required to change duty stations are afforded the required (1) relocation services and expenses in connection with the sale and purchase of a residence, (2) transportation and storage of household goods, (3) subsistence while occupying temporary quarters, and (4) other miscellaneous moving expenses.

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### *Homeland Security*

	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	0	329	337	8
Contract Support and Travel	0	6,093	6,574	481
<b>Total Budget Authority</b>	0	6,422	6,911	489
FTE	0	3	3	0

As a result of the September 11, 2001 terrorist attacks on the United States, significant resources will be devoted to strengthen the NRC's infrastructure and communications capabilities. The following are some of the ongoing and planned efforts during FY 2002–FY 2003.

During FY 2002, NRC established or enhanced security measures to guard against attacks on the headquarters buildings, nuclear power plants, and fuel facilities.

In FY 2002, NRC increased the guard force at the White Flint Complex, implemented additional physical security measures to protect the two buildings in the Complex, and strengthened mail handling procedures to address the anthrax threat. NRC also enhanced secure communications between headquarters/regional offices and nuclear power plants and fuel facility resident sites. Additional personnel security resources will be committed to address the need for NRC clearance requirements for new hires and upgrades for existing staff.

In FY 2003 resources increase as NRC plans to request purchase of a small lot adjacent to the White Flint Complex to ensure exclusive control of a currently shared easement to the driveway accessing the rear of the White Flint Complex. The shared access to the NRC driveway poses a potential security risk. Also, there will be continuing costs through FY 2003 for secure telecommunications equipment for the resident sites and for additional guard protection, mail handling, and security clearance activities at the headquarters offices.

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A cyber threat analysis of NRC's network security and Internet access will be conducted during FY 2002. This analysis will validate that adequate security processes, procedures, and capabilities are in place to protect the agency network infrastructure and Internet access.

In FY 2002–FY 2003 the NRC will provide extended support coverage of 24 hours a day, seven days a week for the agency information infrastructure and Internet access. NRC will also expand infrastructure support services for the NRC Incident Response Center to ensure prompt response to operational infrastructure problems. The NRC will take further steps to secure the agency's internal IT infrastructure to ensure full availability of IT infrastructure services in the event of a cyber threat through enhanced detection and monitoring of the internal network.

In FY 2002–FY 2003, NRC will also expand the capabilities of the NRC public Web site, to provide a sustained capability to disseminate critical health and safety information to the public and stakeholders under surge (high demand for access) conditions.

**ENDNOTES**

1. An unqualified audit opinion means that the financial statements present fairly, in all material respects, the agency's financial position, results of operations, and cash flows in conformity with generally accepted accounting principles.
2. A public-private competition is one in which the affected Government unit and vendors may submit proposals to perform commercial work previously performed by the Government unit. A direct conversion is a competition in which a management judgement is made that it is more cost effective to contract out an activity performed by Government employees (e.g., mail delivery). The requirement then would be competed among private sector contractors only.
3. Using the 2001 Federal Activities Inventory Reform Act inventory as baseline, target for FY 2002 is 26 FTE (5 percent) and FY 2003 is 53 FTE (10 percent). Cumulative target from FY 2002 through FY 2003 is 79 FTE (15 percent).
4. The basic question asks for overall satisfaction with reliability, accuracy, and accessibility of information in selected systems.

**INSPECTOR GENERAL**

## OFFICE OF THE INSPECTOR GENERAL

### MISSION

Congress passed the Inspector General (IG) Act in 1978 to ensure integrity and efficiency within the Federal government and its programs. In accordance with the 1988 amendment to the Act, the NRC's Office of the Inspector General (OIG) was established as a statutory entity on April 15, 1989.

The OIG's mission is to (1) independently and objectively conduct and supervise audits and investigations relating to the NRC's programs and operations; (2) prevent and detect fraud, waste, and abuse; and (3) promote economy, efficiency, and effectiveness in NRC's programs and operations. In addition, OIG reviews existing and proposed regulations, legislation and directives and provides comments, as appropriate, regarding any identified significant concern. The Inspector General also keeps the NRC Chairman and members of Congress fully and currently informed about problems, makes recommendations to the agency for corrective action, and monitors NRC's progress in implementing such actions.

### GENERAL GOALS

The OIG's general goals comprise the essential elements necessary to effectively realize OIG's principal mission. They also reflect the vision statement adopted by the OIG. "We are the agents of positive change striving for continuous improvement in our agency's management and program operations and in our office."

The OIG will fulfill its legislative mandate by working to achieve the following general goals as stated in its FY 2000–FY 2005 Strategic Plan: (1) to add value to NRC's technical and administrative programs, OIG will identify opportunities for improvement in agency operations and conduct activities for the purpose of preventing and detecting fraud, waste, and abuse; (2) to keep our stakeholders well informed, OIG will enhance its communication and liaison activities with OIG's customers, including NRC management, Congress, Government agencies, the nuclear industry, and public entities; (3) OIG will make value-added policy, legislative, and regulatory recommendations relating to the NRC's programs and operations; and (4) OIG will improve the effectiveness of its efforts in conducting activities for the purpose of preventing and detecting fraud, waste, and abuse in NRC's programs and operations by ensuring the economical, efficient, and effective operation of our office.

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### BUDGET OVERVIEW

The resources requested for FY 2003 will enable the OIG to meet its mission requirements and to assist the NRC by ensuring integrity, efficiency, and accountability in the agency's programs to regulate the civilian use of byproduct, source, and special nuclear materials in a manner that adequately protects the health and safety of the public, as well as the Nation's common defense and security.

The full range of OIG activities are conducted within the following three major programs.

***Audits:*** The OIG audit staff conducts performance and financial audits in accordance with Government Auditing Standards (Yellow Book). Performance audits are conducted on NRC programs to evaluate the effectiveness and efficiency with which managerial responsibilities are carried out. They focus on whether management controls, practices, processes, and procedures are adequate and effective, and whether programs achieve intended results.

Financial audits include the financial statements audit required by the Chief Financial Officers (CFO) Act of 1990 and other financial-related audits. These audits include such items as internal control systems, transaction processing, financial systems, and contracts.

In preparing reports summarizing audit findings, the OIG strives to maintain an open channel of communication between the agency and management officials to ensure that audit findings are accurate and fairly presented in the audit report.

***Investigations:*** Investigations are performed in accordance with the Quality Standards for Investigations of the President's Council on Integrity and Efficiency, Department of Justice (DOJ) guidelines, the NRC/OIG Special Agent Handbook, and other applicable laws, policies, and regulations. OIG investigators conduct investigations of individuals and entities suspected of offenses against the criminal and civil laws of the United States or NRC regulations, in accordance with the IG Act. The OIG coordinates investigations with DOJ, U.S. Attorney's offices and other law-enforcement agencies. Investigations generally fall into the following categories: fraud, waste, abuse, and mismanagement involving NRC programs, activities and functions; contract and procurement fraud and improprieties; conflict of interest and ethics violations; and NRC employee misconduct and improprieties.

Many sources refer allegations of criminal misconduct and wrongdoing to the investigative staff. These sources include: NRC management and staff, the Congress, public interest groups, the nuclear industry, other Government agencies, and the general public. The OIG maintains a toll-free telephone hotline to facilitate the receipt of allegations.

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In addition to criminal and administrative misconduct investigations, OIG investigators conduct event inquiries that do not specifically involve individual misconduct but rather identify institutional weaknesses that led to or allowed the occurrence of a problem. These institutional weaknesses may serve as precursors for more extensive activity by the OIG's audit and/or investigative staff.

*Management and Operational Support:* The Resource Management and Operational Support staff perform myriad support functions. These include formulating and executing the OIG budget, administering independent personnel services, preparing the OIG Semiannual Report to Congress, supporting information technology within OIG, and coordinating strategic planning activities.

In addition to these major programs and as part of OIG's mission to prevent and detect fraud, waste, and abuse and to promote economy and efficiency, OIG conducts regulatory reviews of proposed legislation, regulations, directives, and policy initiatives that affect NRC's programs and operations. Significant concerns which are documented by the OIG in regulatory commentaries are given to the agency for consideration, and provide OIG's objective analysis of vulnerabilities created by proposed or existing statutes, regulations, or policies.

Summary	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	4,970	5,300	5,500	200
Contract Support and Travel	530	880	1,300	420
<b>Subtotal Budget Authority</b>	5,500	6,180	6,800	620
Full Federal Retiree Cost Adjustment	332	345	352	7
<b>Total Budget Authority</b>	5,832	6,525	7,152	627
FTE	44	44	44	0

The FY 2003 budget request of \$6.8M and 44 FTE establishes a baseline for the resources necessary for the OIG to fulfill its legislative mandates and achieve the general goals in its strategic plan. Prior to FY 2003, supplemental funding was necessary, available, and used to fully fund mission requirements. In FY 2002, OIG will supplement its budget with \$427,000 in carryover funds. This prior year money will be used to support its work under the CFO Act and to provide technical assistance to auditors. However, supplemental funding will no longer be available beginning in FY 2003.

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### ACCOMPLISHMENTS

The OIG issued 16 performance and financial audits of NRC's programs and operations and 22 contract audits for FY 2001. Significant examples of our most recent work include:

- The *Independent Auditor's Report and Principal Statements for the Year Ended September 30, 2000*, provided an unqualified opinion on NRC's FY 2000 financial statements. The auditors identified material weaknesses in managerial cost accounting and license fee development procedures. The Chief Financial Officer agreed with audit report recommendations and stated that corrective actions were underway.
- The *Special Evaluation of NRC's Most Serious Management Challenges* responded to a Congressional request to update a December 1999 list of challenges. As a result of this work, NRC's most recent strategic plan includes a crosswalk, which clearly shows a connection between the management challenges identified by the Inspector General and steps that the agency is taking to address them.
- The *Review of NRC's Dry Cask Storage Program* found that NRC could save approximately \$75,000 per design and significantly reduce the time required to certify new cask designs by using the direct final rule. NRC management agreed and is making the regulatory changes to allow the use of the direct final rule in new cask certifications.
- The *Accountability and Control Over NRC's Noncapitalized IT Equipment* found that NRC's official database for the agency's property transactions contains inaccurate information and improved management controls are needed to better safeguard agency equipment. Statistical projections showed that this database did not accurately reflect the location of as many as 3,571 items of noncapitalized IT equipment costing approximately \$8.4 million. Management agreed and is implementing corrective actions to improve accountability and control.
- The *Review of NRC's Safety Evaluation Process* found that NRC has developed detailed procedures to handle license amendment requests submitted by nuclear power plant licensees, and to provide for resultant safety evaluations. However, the procedures do not contain adequate records management controls to ensure that all process, review, and concurrence steps have been completed and adequately documented. As a result, public confidence in NRC's approval of license amendments and supporting safety evaluations could be compromised.
- The *Independent Evaluation of NRC's Information Security Program as Required by the Government Information Security Reform Act (GISRA)* reflects the results of an independent contractor's evaluation performed on behalf of the OIG. This evaluation focused on the

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program management, implementation, and evaluation aspects of unclassified information security. The evaluation did not identify mission critical material weaknesses, but did identify the need for improved management controls over NRC's information technology assets. NRC managers agreed with the report's recommendations and submitted a Corrective Action Plan addressing the recommendations to the Office of Management and Budget, as required by GISRA.

The OIG completed 54 investigations and event inquiries that focused on violations of law or misconduct by NRC employees and contractors as well as allegations of irregularities or abuse in NRC programs and operations. Significant examples of our most recent work include:

- Investigated allegations that the NRC staff was altering devices to steal satellite television programming and selling these devices to other staff members. OIG confirmed that an NRC supervisor and another employee were altering the access cards used within DIRECTV satellite television devices to receive unrestricted, free access to DIRECTV's programming. We determined that these individuals were using NRC-owned computers in addition to personally-owned computers to perform illegal alterations. OIG also found that a second NRC manager had paid one of the individuals to alter his access card, enabling him to receive free programming. The three NRC employees have left the Federal Government. To date, one of the individuals has plead guilty in Federal Court for signal theft and related charges; sentencing is scheduled for February 11, 2002. The other two individuals accepted pre-trial diversions.
- Investigated allegations made by several NRC licensees that an NRC inspector made intimidating remarks during inspections of their facilities. OIG found that the inspector made threatening statements about arresting a radiation safety officer, revoking materials licenses, and other inappropriate comments. We also determined that the inspector cited several licensees with written violations of NRC regulations that did not exist, and that he falsified three inspection reports. As a result of the investigation, the inspector was given a 14-calendar day suspension without pay by the agency.
- Investigated the misuse of an NRC pager by an NRC contractor after reviewing two-way pager billing records. OIG determined that the contractor employee had used the two-way communication features of the assigned pager to send e-mail messages via the Internet. The overwhelming majority of these communications were personal in nature and involved an Australia-based female. As a result of the investigation, NRC is pursuing reimbursement for these charges from the contractor firm.
- Investigated an allegation involving the misuse of handicapped parking spaces within the NRC White Flint parking garage. OIG determined that the handicapped parking spaces within the parking facility were being administered in a manner that was inconsistent with

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both the General Services Administration (GSA), Federal Property Management Regulations and Montgomery County Parking Regulations. OIG ascertained that according to the State of Maryland, Montgomery County Parking Regulations, only persons with an approved vehicle administration placard or a handicapped registration plate issued by a state may utilize official handicapped parking spaces within the garage. Further, neither the state nor the GSA make provisions for employees that are temporarily handicapped to utilize officially marked handicapped spaces, absent official motor vehicle administration plates or placards. As a result of the investigation, NRC developed parking procedures that include appropriate administration of handicapped parking spaces.

The OIG undertook several proactive initiatives to improve NRC employee awareness as to potential contractor fraud. In furtherance of this initiative, OIG presented a fraud awareness information session to regional managers and their staff, and developed and issued fraud awareness bulletins that provided NRC employees with case examples from across the OIG community on various fraudulent activities.

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**BUDGET AUTHORITY AND FULL-TIME EQUIVALENT BY PROGRAM**

Summary	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Program (\$K)</b>				
Audits	2,368	2,592	3,111	519
Investigations	2,193	2,371	2,453	82
Management and Operational Support	939	1,217	1,236	19
<b>Subtotal Budget Authority</b>	<b>5,500</b>	<b>6,180</b>	<b>6,800</b>	<b>620</b>
Full Federal Retiree Cost Adjustment	332	345	352	7
<b>Total Budget Authority</b>	<b>5,832</b>	<b>6,525</b>	<b>7,152</b>	<b>627</b>
<b>Full-Time Equivalent Employment by Program</b>				
Audits	18	18	18	0
Investigations	18	18	18	0
Management and Operational Support	8	8	8	0
Total	44	44	44	0

**JUSTIFICATION OF PROGRAM REQUESTS**

The Inspector General strategic arena is comprised of three program areas: Audits, Investigations, and Management and Operational Support. Following are resources tables and program descriptions that detail the resources and associated efforts within each program.

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### Audits

Summary	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	2,033	2,168	2,250	82
Contract Support and Travel	335	424 <sup>1</sup>	861	437
<b>Total Budget Authority</b>	<b>2,368</b>	<b>2,592</b>	<b>3,111</b>	<b>519</b>
<b>FTE</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>

The resource increase for Audits in FY 2003 includes:

- Salaries and benefits increase resulting from the governmentwide FY 2003 pay raise.
- Contract support and travel increase to procure technical audit support to assist in fulfilling mandated requirements under the CFO Act.

The audit program is designed to provide assurance to the Chairman and to Congress that NRC programs and operations are working efficiently and effectively. To this end, the OIG audit staff conducts performance and financial audits.

The FY 2003 contract support and travel resources request of \$861,000 will allow the OIG to conduct 16 to 18 audits. The audits planned for this period will be based on a comprehensive annual audit plan that includes input from various elements of NRC, Congress, other Federal agencies, the nuclear industry, and OIG staff. The planned audits are designed to encourage efficiency, economy, and effectiveness of NRC programs and operations; detect and prevent fraud, waste, and mismanagement; improve program activities at headquarters and regional locations; and respond to unplanned priority requests and emerging issues.

The audit plan includes several audits to meet legislative requirements which will require the procurement of private-sector contract support to augment existing staff resources. Specifically, audit contract services will be used to perform with OIG oversight the annual audit of NRC's financial statements in compliance with the Chief Financial Officers Act; and contract audit services from the Defense Contract Audit Agency and other third party sources will be used to fulfill NRC's Federal Acquisition Regulations requirements.

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In addition, the requested contract support funding will permit OIG to acquire the requisite expertise to assist in conducting information security audits and to acquire the specialized skills of experts to address technical aspects of program audits.

The OIG will also review NRC performance information developed to fulfill the requirements of the Government Performance and Results Act as part of regularly scheduled audit activity. OIG will select specific output measures for examination. Reviews conducted under each review will examine the data systems used, and determine the accuracy and reliability of the data supporting outcome goals and output measures.

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### *Investigations*

Summary	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	2,033	2,168	2,250	82
Contract Support and Travel	160	203	203	0
<b>Total Budget Authority</b>	<b>2,193</b>	<b>2,371</b>	<b>2,453</b>	<b>82</b>
<b>FTE</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>

The resource increase for Investigations in FY 2003 includes a salary and benefits increase resulting from the governmentwide FY 2003 pay raise.

Consistent with the Inspector General Act of 1978, as amended, the mission of the investigative program is to perform investigative activities related to the integrity of NRC's programs and operations. The OIG receives and investigates allegations concerning violations of Federal laws and regulations, as well as allegations of mismanagement, waste, or staff misconduct that could adversely impact on public health and safety.

The majority of investigative activities focus on violations of law and misconduct by NRC employees and contractors as well as allegations of irregularities or abuse in NRC programs and operations. However, proactive investigations may also be conducted where indications of potentially systematic violations such as theft of government property or contract fraud have been raised. In addition, OIG periodically undertakes event inquiries that focus on root cause analysis of institutional weaknesses associated with a particular event.

FY 2003 contract support and travel resources request of \$203,000 will allow the OIG to conduct between 50-70 investigations and event inquiries covering a broad range of misconduct and mismanagement affecting various NRC programs. Further, OIG will continue its regional liaison activities to facilitate closer coordination between the OIG and NRC regional employees. OIG will conduct fraud awareness briefings, and participate in projects or task forces that strengthen agency operations. In addition, OIG will work with NRC staff to educate them to the vulnerabilities associated with computer intrusion involving unauthorized access into NRC operating systems.

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### *Management and Operational Support*

Summary	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Budget Authority by Function (\$K)</b>				
Salaries and Benefits	904	964	1,000	36
Contract Support and Travel	35	253	236	-17
<b>Total Budget Authority</b>	939	1,217	1,236	19
<b>FTE</b>	8	8	8	0

The resource increase in Management and Operational Support in FY 2003 includes:

- Salary and benefit increase resulting from the governmentwide FY 2003 pay raise.
- Contract support and travel decrease resulting from a reduction in OIG-specific information technology requirements.

The Inspector's General management and operational support staff consist of senior managers, administrative support and General Counsel. OIG senior managers lead a diverse program and provide policy direction and guidance in the conduct and supervision of audits and investigations, as well as provide leadership and coordination in recommending policies to prevent and detect fraud and abuse in agency programs and operations.

Operational support staff prepares the OIG Semiannual Report to Congress and provides all administrative and operational support for OIG programs including formulating and executing the OIG budget, administering information technology and human resources programs, training, and procurement support to the OIG.

The OIG General Counsel provides independent legal advice and assistance to the Inspector General on all legal matters, serves as legal advisor to the OIG staff, and coordinates and drafts regulatory commentary.

The FY 2003 contract support and travel resources request of \$236,000 will allow OIG to complete, maintain, and enhance an integrated management information system developed for its audit, investigative and management support programs. In addition, OIG will replace outdated program-

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specific hardware and software, and procure online database access for the OIG investigative program.

Further, funding in this budget request as coordinated by the operational support staff, will allow OIG to meet its mandated audit and investigative training requirements as well as providing other individual training. OIG auditors will obtain Continuing Professional Education as required by Government Auditing Standards and OIG investigators will train to maintain basic law enforcement skills to fulfill their obligations under the Deputation Memorandum of Understanding with the Department of Justice.

**LINKAGE BETWEEN THE GENERAL GOALS OF  
THE OIG FY 2000–FY 2005 STRATEGIC PLAN  
AND THE FY 2002–FY 2003 PERFORMANCE PLAN**

The OIG’s strategic plan includes four general goals and a number of supporting objectives that describe planned accomplishments.

The following is a linkage between the general goals of the OIG FY 2000–FY 2005 Strategic Plan and the FY 2002–FY 2003 Performance Plan. This includes a tie-in between the level of activity by the OIG in its audit, investigation, and support functions with the objectives related to the general goals. It also includes the performance indicators, FY 2002/FY 2003 target levels for accomplishing our performance indicators, and our FY 1999–FY 2001 performance results.

<u>General Goal 1</u>				
<b>To add value to the NRC’s technical and administrative programs, OIG will identify opportunities for improvement in the agency and conduct activities for the purpose of preventing and detecting fraud, waste, and abuse in NRC’s programs and operations.</b>				
<b><u>Objectives</u></b>				
<ol style="list-style-type: none"> <li>1. Conduct timely, effective, and independent audits and investigations.</li> <li>2. Proactively identify and act on current and emerging issues.</li> <li>3. Advise the NRC in areas of OIG expertise.</li> <li>4. Enhance programs for prevention and awareness of fraud, waste, and abuse.</li> </ol>				
<b><u>FY 2003 Activities</u></b>	<b>Objectives</b>			
	1	2	3	4
OIG will conduct 16 to 18 audits during FY 2003. The audits planned for this period will be based on input from various elements of NRC, Congress, other Federal agencies, the nuclear industry, and OIG staff. The planned audits will encourage efficiency, economy, and effectiveness of NRC programs and operations; detect and prevent fraud, waste, and mismanagement; improve program activities at headquarters and regional locations; and respond to unplanned priority requests and emerging issues. OIG will also conduct the annual audit of NRC’s financial statements and necessary contract audit activities.	x	x	x	x
OIG will conduct 50-70 investigations and event inquiries during FY 2003. The majority will focus on violations of law or misconduct by NRC employees and contractors as well as allegations of irregularities or abuse in NRC programs and operations. Where indications of potentially systematic violations such as theft of government property or contract fraud have been raised, proactive investigations will also be conducted.	x	x	x	x

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OIG has established the following performance indicators for measuring its results in achieving General Goal 1.

1.1. Conduct timely, effective, and independent audits and investigations.

Performance Indicators for Audits	FY 2002/FY 2003 Targets
Keep average cost per audit to 1 FTE or less.	1 FTE applied per audit. (I)
Complete audits in 6 months or less, on average.	Complete audits in 6 months on average. (O)
Obtain satisfactory peer review to be completed every three years.	Achieve 100 percent compliance with audit standards per triennial peer review (FY 2000, FY 2003). (O)
Obtain agency agreement on at least 90 percent of audit recommendations. <sup>2</sup>	Obtain agency agreement on 90 percent of audit recommendations. (O)
Obtain final agency action on 65 percent of audit recommendations within one year. <sup>3</sup>	Final action completed within one year on 65 percent of audit recommendations. (O)

Key to Performance Indicators

Input = I    Output = O    Outcome = O

FY 2001 Performance:    0.62 FTE applied per audit.  
                                   5.4 months per audit on average.  
                                   100 percent feedback obtained on issued audit reports at exit conference and in resolution process.<sup>4</sup>  
                                   93.6 percent agreement by agency on audit recommendations within 90 days of report issuance.  
                                   63.8 percent final actions completed on audit recommendations over one year old.

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FY 2000 Performance: 0.53 FTE applied per audit.  
 6.9 months per audit on average.  
 100 percent compliance with audit standards per peer review.  
 100 percent feedback obtained on issued audit reports, and the new audit report process.

FY 1999 Performance: 0.48 FTE applied per audit.  
 5.1 months per audit on average.  
 100 percent feedback obtained on issued audit reports.  
 100 percent agreement by the agency on audit recommendations.

Performance Indicators for Investigations	FY 2002/FY 2003 Targets
Complete 80 percent of all non-fraud investigations including event inquiries by the established due date. <sup>5</sup>	Complete 80 percent of all non-fraud investigations including event inquiries by the established due date. (O)
Complete 90 percent of active cases in less than 2 years. <sup>6</sup>	Complete 90 percent of active cases in less than 2 years. (O)
Refer 30 percent of investigations for criminal prosecution. <sup>7</sup>	Achieve 30 percent rate for cases referred for criminal prosecution. (O)
Achieve a minimum success rate of 90 percent for actions taken by NRC management in response to investigative reports issued by OIG (e.g., additional training, program reviews and modifications). <sup>8</sup>	Achieve 90 percent success rate for management actions in response to OIG investigative reports. (O)
Achieve a minimum success rate of 70 percent for Program Fraud and Civil Remedies Act (PFCRA) cases accepted by NRC's Office of General Counsel (OGC).	Achieve 80 percent acceptance rate for PFCRA referrals. (O)
Address the majority of investigative issues raised in customer surveys.	Address 90 percent of survey investigative issues. (O)
Address the majority of investigative issues identified in quality control reviews.	Address 100 percent of investigative quality control issues. (O)

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FY 2001 Performance: 68 percent of all non-fraud investigations completed by the established due date.

100 percent of active cases completed in less than 2 years.

41 percent rate achieved for cases referred for criminal prosecution.

93 percent success rate achieved for management actions in response to OIG investigative reports.

100 percent success rate achieved for PFCRA referrals.

A customer survey was not performed this period.

A quality control review was not performed this period.

FY 2000 Performance: 5.0 months per investigation on average.<sup>9</sup>

259.5 hours per completed investigation on average.

40 percent of cases initiated were referred.

100 percent success rate for management referrals.

PFCRA referrals - none.

100 percent of survey issues addressed.

100 percent of quality control issues addressed.

FY 1999 Performance: 7.96 months per investigation on average.

230 hours per completed investigation on average.

Convictions/pleas - Not applicable.

96.8 percent success rate for management referrals.

100 percent success rate for PFCRA referrals.

100 percent of survey issues addressed.

100 percent of quality control issues addressed.

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### 1.2. Proactively identify and act on current and emerging issues.

Performance Indicator for Audits	FY 2002/FY 2003 Targets
Develop a detailed annual audit plan, listing audits to be performed and estimated required resources, with input from agency management, Congress, industry, other Government agencies, GAO and the public.	Complete Audit Plan by October 1, 2001 for FY 2002 and October 1, 2002 for FY 2003. (I)

FY 2001 Performance: Plan completed by milestone date.

FY 2000 Performance: Plan completed by milestone date.

FY 1999 Performance: Plan completed in December 1998.

Performance Indicator for Investigations	FY 2002/FY 2003 Targets
Develop a detailed annual investigative plan, based in part on sources of information developed by investigative staff. Sources include members of public interest groups, NRC employees, representatives of other agencies and licensees.	Complete Investigative Plan by October 1, 2001 for FY 2002 and October 1, 2002 for FY 2003. (I)

FY 2001 Performance: Plan completed by milestone date.

FY 2000 Performance: Plan completed by milestone date.

FY 1999 Performance: Plan completed in May 1999.

### 1.3. Advise the NRC in areas of OIG expertise.

Performance Indicators for Audits and Investigations	FY 2002/FY 2003 Targets
Participate in one or more targeted management projects or task forces by OIG auditors and/or investigators.	Participate in at least one project or task force by OIG auditors and/or investigators. (O)
Identify reports that either define agency institutional weaknesses or provide assessments as to how well NRC programs are meeting intended objectives and/or purposes.	Complete 16 reports annually in FY 2002 and FY 2003. <sup>10</sup> (O)

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FY 2001 Performance: Participation on 20 task forces and special projects by OIG auditors or investigators.

Completed 19 reports.

FY 2000 Performance: Participation on seven tasks forces and management projects by OIG auditors and investigators.

Completed 21 reports.

FY 1999 Performance: Participation on two intergovernmental task forces by OIG investigators.

Completed 18 reports.

1.4. Enhance programs for prevention and awareness of fraud, waste, and abuse.

<b>Performance Indicator for Audits and Investigations</b>	<b>FY 2002/FY 2003 Targets</b>
Complete annual training for NRC employees and others, in areas most at risk for fraud, waste, and abuse.	Conduct training at major Headquarter's components and/or NRC regional offices. Training will be provided by senior members of the OIG staff. (O)
	Fraud awareness training will be provided by OIG investigative staff to NRC Contract Project Officers/Managers and other identified employees. (O)

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- FY 2001 Performance: Misconduct and fraud awareness training conducted at three regions.
- Security awareness crime prevention training provided to NRC employees.
- Training provided to NRC Project Officers/Managers on detecting contract fraud indicators.
- OIG briefed employees at NRC Decommissioning Counterpart Meeting.
- OIG briefed senior regional managers in all four regions.
- One OIG fraud bulletin was issued.
- FY 2000 Performance: Computer security awareness presentation conducted by OIG investigators.
- Fraud awareness briefings were presented to NRC's Division of Contracts and Property Management and Region II personnel. In addition, two OIG fraud bulletins were issued.
- FY 1999 Performance: OIG participated in training for Office of the General Counsel Regional Counsels.
- As part of OIG's ongoing educational effort within the agency and the community at large, OIG published a brochure on "Fraud Awareness."

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<b>General Goal 2 (Strategic Goal)</b>
<b>To keep our stakeholders well-informed, OIG will enhance its communication and liaison activities with OIG's customers, including NRC management, the U.S. Congress, Government agencies, the nuclear industry, and public entities.</b>
<b>Objectives (Strategies)</b> 1. Develop and maintain liaison activities with OIG customers.
<b>FY 2003 Activities</b>
Periodically meet with the NRC Chairman, the Commission, other key NRC executives and members of Congress. Hold planning conferences and invite customers for input, provide reports to Congress summarizing results of OIG activities and accomplishments.

OIG has established the following performance indicators for measuring its results in achieving General Goal 2.

### 2.1. Develop and maintain liaison activities with OIG customers.

<b>Performance Indicators for the Office</b>	<b>FY 2002/FY 2003 Targets</b>
OIG management will meet periodically each year with NRC's senior management officials to discuss emerging issues. <sup>11</sup>	OIG management will meet at least quarterly each year with NRC's senior management officials to discuss emerging issues. (O)
OIG management will brief the NRC Chairman and the NRC Commissioners periodically on OIG matters. <sup>12</sup>	OIG management will brief the Chairman monthly and the Commissioners quarterly on OIG matters. (O)
OIG management will meet periodically with appropriate Congressional Committees and issue summaries of audits and investigations to the U.S. Senate Committee on Governmental Affairs. <sup>13</sup>	OIG management will meet twice each year with appropriate oversight committees and provide quarterly summaries of reports to the Committee on Governmental Affairs. (O)
OIG will timely produce and appropriately distribute a Semiannual Report to Congress and other interested parties.	Semiannual reports will be distributed no later than one month following the end of the reporting period. (O)
OIG will make publicly releasable reports available on the Internet.	Audit reports, investigative event inquiries, and the Semiannual Report to Congress will be on the Internet within four weeks of issuance. (O)
OIG will reply in a responsive manner to public inquiries. <sup>14</sup>	Respond to 90 percent of all FOIA/PA requests within deadlines established by law, applicable regulations, and OIG policy, with an appeal ratio of 20 percent or less. (O)

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Performance Indicators for the Office	FY 2002/FY 2003 Targets
OIG investigators will be assigned liaison responsibilities for designated Government agencies and meet with representatives of these agencies on a periodic basis.	Investigators will meet quarterly with designated Government agency representatives and report results to the Assistant Inspector General for Investigations. (O)
OIG representatives will interact with public interest groups involved with nuclear safety issues.	Perform liaison activities monthly. (O)

FY 2001 Performance: Met at least three times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Met three times with appropriate oversight committees.

Quarterly summaries were timely provided to oversight committees and quarterly summaries of reports provided to the Committee on Government Affairs.

Semiannual reports were issued within one month after close of reporting period.

Audit reports, investigative event inquiries and semiannual reports were available on the Internet within four weeks of issuance.

Investigators met quarterly with designated Government agency representatives and reported results to the Assistant Inspector General for Investigations.

OIG performed monthly liaison activities.

FY 2000 Performance: Met 4 times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Quarterly summaries were timely provided to oversight committees.

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Semiannual reports were issued within one month after close of reporting period.

Audit reports were available on the Internet within four weeks of issuance.

Event Inquiries were made publicly available upon issuance. Internet target not met.

Investigators met with designated agencies on a routine basis.

OIG performed liaison activities with public interest groups.

FY 1999 Performance: Met 4 times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Quarterly summaries were timely provided to oversight committees.

Semiannual reports were issued within one month after close of reporting period.

Audit reports were available on the Internet within four weeks of issuance.

All investigative Event Inquiries were made publicly available upon issuance. Internet target not met.

Investigators met with approximately 14 designated agencies on a quarterly basis.

OIG performed monthly liaison activities.

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<b><u>General Goal 3 (Strategic Goal)</u></b>
<b>OIG will make value-added policy, legislative, and regulatory recommendations relating to NRC's programs and operations.</b>
<b><u>Objectives</u></b> 1. Review existing and proposed legislation and regulations.
<b><u>FY 2003 Activities</u></b>
OIG will review existing and proposed policy legislation, and regulations relating to NRC's programs and operations. OIG will provide timely reports that make recommendations concerning the impact of such legislation or regulations as they pertain to economy and efficiency of programs and operations and vulnerability to fraud, waste and abuse.

OIG has established the following performance indicators for measuring its results in achieving General Goal 3.

3.1. Review existing and proposed legislation and regulations.

<b>Performance Indicators for OIG General Counsel</b>	<b>FY 2002/FY 2003 Targets</b>
90 percent of responses to requests from the agency for comment/input on existing and proposed legislation and regulations will be made within the due date(s).	90 percent of requests will be reviewed within the due date. (O)
NRC will take responsive action on the majority of OIG comments relating to the review of proposed policy, legislation, and regulations.	OIG will obtain agency agreement to take responsive actions to comments in 60 percent of the matters reviewed. (O)

FY 2001 Performance: Targets were met.

FY 2000 Performance: Targets were met.

FY 1999 Performance: Targets were met.

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<b>General Goal 4 (Strategic Goal)</b>			
<b>OIG will improve the effectiveness of its efforts in conducting activities for the purpose of preventing and detecting fraud, waste and abuse in NRC's programs and operations by ensuring the economical, efficient and effective operation of our office.</b>			
<b>Objectives</b>			
1. Maximize organizational efficiency and effectiveness. 2. Evaluate the sufficiency of the current Issue Area Monitor Program (IAM). 3. Develop a specialized training program and increase the organizational knowledge of the OIG staff.			
<b>FY 2003 Activities</b>	<b>Objectives</b>		
	1	2	3
OIG will evaluate the OIG report production process and determine where and how they can be streamlined. OIG will also assess the efficiency of current methods for information distribution within OIG and establish a means to allow OIG staff to provide direct input to the IG/Deputy IG regarding audit and investigative issues.	x		
OIG will evaluate how current agency issue areas are monitored and consider whether it is appropriate to expand the current OIG program, which is currently an audit staff function, to include investigations.		x	
OIG will establish a specialized training program for the OIG staff to enhance awareness of investigative, audit, legal and pertinent legislative processes.			x

OIG has established the following performance indicators for measuring its results in achieving General Goal 4.

4.1. Maximize organizational efficiency and effectiveness.

<b>Performance Indicators for the Office</b>	<b>FY 2002/FY 2003 Targets</b>
OIG will evaluate its process for producing reports.	OIG will review the OIG report production process on an annual basis. (O)
OIG will evaluate the way it processes information to determine potential inefficiencies and barriers to effective communication.	OIG will implement the audit and investigation components of its Management Information System (MIS) in FY 2002. During FY 2002, OIG will define the requirements and prepare the business case for the Resource Management and Operational Support (RMOS) component of the MIS in FY 2003. (O)

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Performance Indicators for the Office	FY 2002/FY 2003 Targets
The IG and Deputy IG will schedule periodic meetings with OIG staff in order to obtain direct input regarding audit and investigative issues.	The IG and Deputy IG will meet directly with OIG audit and investigative staff on a semiannual basis each year to obtain input on audit and investigative issues. <sup>15</sup> (O)

FY 2001 Performance: The report production process was evaluated.  
 A business requirements analysis was completed for the OIG Management Information System.  
 IG and Deputy IG met directly with OIG audit and investigative staff.

FY 2000 Performance: The report production process was evaluated. As a result, a new discussion draft report process was initiated and the exit conference process was revised.  
 A followup review addressing the information retrieval issue was conducted and a new database system was designed and developed.  
 IG and Deputy IG met three times with audit and investigative staff.

FY 1999 Performance: An initial assessment addressing the information retrieval issue was completed and the report preparation process was reviewed.  
 IG and Deputy IG met quarterly with audit and investigative staff.

4.2. Evaluate the sufficiency of the current Issue Area Monitor (IAM) program.

Performance Indicator for the Office	FY 2002/FY 2003 Targets
OIG will use a team approach to review the IAM process.	A review will be conducted in FY 2002. (O)

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- FY 2001 Performance: A review of the Issue Area Monitor program was initiated in FY 2001 and will be completed in FY 2002.
- FY 2000 Performance: A review was completed in the first quarter and a summary report issued in the second quarter of FY 2000.
- FY 1999 Performance: The Issue Area Monitor program was reviewed in November 1999.

4.3. Develop a specialized training program and increase the organizational knowledge of the OIG staff.

Performance Indicators for Audits	FY 2002/FY 2003 Targets
Auditors will obtain Continuing Professional Education (CPE) in accordance with Government Auditing Standards.	Each OIG auditor will complete a minimum of 20 hours of CPEs in each year and a total of 80 hours for both years combined. Of the 80 hours, 24 hours must be directly related to Government environment and to Government auditing. For entry-level employees with less than 2 years with the audit organization, a pro rata number of hours will be acceptable. (O)
Newly hired OIG auditors will attend an NRC developed technical training course for non-engineers at the Technical Training Center (TTC).	At least 50 percent of newly hired auditors will complete the TTC course. (O)

- FY 2001 Performance: Auditors met training and Individual Development Plan (IDP) requirements. Technical training target not met.
- FY 2000 Performance: Auditors met training requirements. IDP target not met.<sup>16</sup>
- FY 1999 Performance: Auditors met training requirements. IDP target not met.

Performance Indicators for Investigations	FY 2002/FY 2003 Targets
Investigators will attend periodic technical training relevant to NRC operations and refresher training relating to their law-enforcement function.	Each investigator will receive at least 40 hours of training. (O)
Newly hired investigators will attend an NRC-developed training course for non-engineers at the TTC.	At least 50 percent of newly hired investigators will complete the TTC course. (O)

## **INSPECTOR GENERAL**

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- FY 2001 Performance: Investigators met training requirements. IDP and technical training targets not met.
- FY 2000 Performance: Investigators met training requirements. IDP target met.<sup>17</sup>
- FY 1999 Performance: Investigators met training requirements. IDP target not met.

### **VERIFICATION AND VALIDATION OF MEASURED VALUES AND PERFORMANCE**

The OIG uses numerous small database systems to measure OIG performance, e.g., Microsoft Access and Clipper applications. In some instances, customer and other stakeholder surveys, as well as peer reviews, are used to determine whether OIG has achieved its stated goals.

### **CROSS-CUTTING FUNCTIONS WITH OTHER GOVERNMENT AGENCIES**

The NRC's OIG has a cross-cutting function relating to its investigatory case referrals to the Department of Justice and other state and local law enforcement entities.

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### **FY 2003 OFFICE OF THE INSPECTOR GENERAL LINKS TO PERFORMANCE GOALS**

The following table depicts the relationship of the Inspector General program and associated resource requirements to its strategic goals.

<b>Links to Arena Performance Goals</b>	<b>Performance Goals</b>			
	<b>Add Value to NRC Programs</b>	<b>Enhance Communication</b>	<b>Value-Added Policy and Regulatory Recommendations</b>	<b>Improve Effectiveness</b>
<b>FY 2003 Programs (\$6,800K, 44 FTE)</b>				
<b>Audits (\$3,111K, 18 FTE)</b>	X	X	X	X
<b>Investigations (\$2,453K, 18 FTE)</b>	X	X	X	X
<b>Management and Operational Support (\$1,236K, 8 FTE)</b>		X	X	X

## INSPECTOR GENERAL

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### ENDNOTES

1. Resources for the CFO audit and audit technical assistance will be partially funded in FY 2002 with \$427,000 in OIG carryover funds.
2. Revised performance indicator. Previous criteria captured agency agreement on at least 80 percent of audit recommendations with an 80-90 percent target level.
3. New performance indicator for FY 2001.
4. Performance indicator to obtain customer feedback on timeliness and quality of audits was closed in FY 2001 due to ineffectiveness of performance indicator since each audit is required to have 100 percent customer feedback.
5. Revised performance indicator in FY 2001 and FY 2002. Previous criteria captured completion of both fraud and non-fraud investigations in eight months or less during period Fiscal Years 1997-2000. In FY 2001, performance indicator tried to measure applied time to elapsed time for fraud and non-fraud investigations. We determined that the indicator ineffectively measured the activity and was statistically non achievable. The revised performance indicator will measure non-fraud investigations with targeted completion dates.
6. Revised performance indicator in FY 2001 and FY 2002. Previous criteria captured and applied an average of 185 hours or less on completed fraud and non-fraud investigations. In FY 2001, performance indicator tried to measure applied time to elapsed time for fraud and non-fraud investigations. We determined that the indicator ineffectively measured the activity and was statistically non achievable. The revised performance indicator will measure the age of active cases with a target of 90 percent that are less than 2 years old.
7. Revised performance indicator for FY 2001. Previous indicator for FY 2000 was 25 percent of investigations referred to the Department of Justice (DOJ). Prior to FY 2000, performance indicator measured DOJ convictions and pleas on cases referred. The revised indicator increased the number of referrals from 25 percent to 30 percent and changed DOJ to criminal prosecution.
8. Revised performance indicator in FY 2000. The revised indicator increased the minimum success rate from 70 percent to 90 percent.
9. Performance indicator revised in FY 2001 due to change in measuring elapsed time for fraud and non-fraud investigations from an average number of hours to an age of active cases with a target of 90 percent that are less than 2 years old.
10. Revised performance target in FY 2002 increasing the number of reports from 12 to 16.
11. Revised performance indicator in FY 2002 changing IG/Deputy IG to OIG management and NRC's Executive Director for Operations (EDO), Chief Financial Officer (CFO), Chief Information Officer (CIO), and General Counsel to NRC's senior management, and adding "to discuss emerging issues."

## **INSPECTOR GENERAL**

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12. Revised performance indicator in FY 2002 changing IG/Deputy IG/senior members of OIG staff to OIG management.
13. Revised performance indicator in FY 2002 changing IG/Deputy IG/senior members of OIG staff to OIG management.
14. New performance indicator for FY 2002.
15. Revised performance target decreasing the number of meetings with audit and investigative staff from a quarterly basis to a semiannual basis due to a determination that semiannual meetings are sufficient to accomplish the performance indicator.
16. Performance indicator closed in FY 2001 due to the voluntary nature of an Individual Development Plan (IDP). Further, the acquisition of Continuing Professional Education (CPE) as required by Government Auditing Standards for auditors and the attendance at an NRC-developed training course for non-engineers at the Technical Training Center are considered to be better indicators of performance.
17. Performance indicator closed in FY 2001 due to the voluntary nature of an IDP. Further, the maintenance of basic law enforcement skills to fulfill OIG obligations under the Deputation Memorandum of Understanding with the Department of Justice and the attendance at an NRC-developed training course for non-engineers at the Technical Training Center are considered to be better indicators of performance.

## **APPENDICES**



**APPENDIX I**  
**SUPPORTING TABLES**

**APPENDIX I: SUPPORTING TABLES**

**BUDGET AUTHORITY BY FUNCTION**

NRC Appropriation	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
<b>Salaries and Expenses (S&amp;E) (\$K)</b>				
Salaries and Benefits <sup>1</sup>	308,019	332,588	348,304	15,716
Contract Support	178,771	226,509	237,135	10,626
Travel	12,884	12,861	12,966	105
Total (S&E)	499,674	571,958	598,405	26,447
<b>Office of the Inspector General (OIG) (\$K)</b>				
Salaries and Benefits <sup>1</sup>	5,302	5,645	5,852	207
Contract Support	320	660	1,080	420
Travel	210	220	220	0
Total (OIG)	5,832	6,525	7,152	627
<b>Total NRC Appropriation (\$K)</b>				
Salaries and Benefits <sup>1</sup>	313,321	338,233	354,156	15,923
Contract Support	179,091	227,169	238,215	11,046
Travel	13,094	13,081	13,186	105
Total (NRC)	505,506	578,483	605,557	27,074

<sup>1</sup> The Administration has proposed legislation for FY 2003 to fully fund all Federal retiree costs in each Federal agency budget. For NRC, this will require an additional \$20.6 million (\$20.2 million for S&E and \$0.4 million for OIG) in budget authority in FY 2003. For comparability purposes, the full funding of Federal retiree costs would have been an additional \$18.3 million (\$18.0 million for S&E and \$0.3 million for OIG) in FY 2001 and \$19.4 million (\$19.1 million for S&E and \$0.3 million for OIG) in FY 2002 and are included in the budget estimates for those years.

**APPENDIX I: SUPPORTING TABLES**

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**PROGRAM FINANCING**

	FY 2001 Enacted	FY 2002 Estimate	FY 2003 Estimate	
			Request	Change from FY 2002
Nuclear Waste Fund	21,552	23,650	24,900	1,250
General Fund	30,709	75,380	62,381	-12,999
All Other Work	453,245	479,453	518,276	38,823
Total	505,506	578,483	605,557	27,074

**APPENDIX II**  
**LEGISLATIVE PROGRAM PROJECTIONS**

**APPENDIX II: LEGISLATIVE PROGRAM PROJECTIONS**

<b>U. S. NUCLEAR REGULATORY COMMISSION</b> <b>LEGISLATIVE PROGRAM PROJECTIONS</b> (Dollars in millions.)				
	SALARIES AND EXPENSES APPROPRIATION		INSPECTOR GENERAL APPROPRIATION	
	Budget Authority <sup>1</sup>	Budget Outlays <sup>1</sup>	Budget Authority <sup>1</sup>	Budget Outlays <sup>1</sup>
FY 2002 Enacted <sup>2</sup>	572	552	6	6
FY 2003 Estimate	598	591	7	7
FY 2004 Estimate	611	608	7	7
FY 2005 Estimate	623	620	7	7
FY 2006 Estimate	638	634	7	7
FY 2007 Estimate	652	649	8	7

<sup>1</sup> Projections as reported in OMB's MAX database.

<sup>2</sup> The Administration has proposed legislation for FY 2003 to fully fund all Federal retiree costs in each Federal agency budget. For NRC, this will require an additional \$20.6 million (\$20.2 million for S&E and \$0.4 million for OIG) in budget authority in FY 2003. For comparability purposes, the full funding of Federal retiree costs would have been an additional \$18.3 million (\$18.0 million for S&E and \$0.3 million for OIG) in FY 2001 and \$19.4 million (\$19.1 million for S&E and \$0.3 million for OIG) in FY 2002 and are included in the budget estimates for those years.

**APPENDIX III**  
**VERIFICATION AND VALIDATION OF**  
**NRC MEASURES AND METRICS**

## **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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### **VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

This appendix describes the means whereby the NRC verifies and validates the performance measures relating to its strategic and performance goals. The NRC has been working to improve its performance data since its first performance report in 1999. One improvement introduced in this FY 2002 Performance Plan is to link an explanation of data verification and validation with each safety or performance goal. This allows our stakeholders to see specifically what data is being collected for each measure and why the NRC believes these data are appropriate. The agency also recognizes that these performance measures can continue to be improved. As an integral part of the Commission's evolving Planning, Budgeting, and Performance Management process, the performance measures will continue to be refined.

#### **A general description of the NRC's data collection procedures**

This section presents a general description of the NRC's data collection process. Most of the data used to measure the strategic goals and the performance goals focused on maintaining safety are attained or derived from the NRC's abnormal occurrence (AO) data and reports submitted by licensees. The AO criteria were developed by NRC in order to comply with the legislative intent of Section 208 of the Energy Reorganization Act of 1974, as amended. The Act requires the NRC to inform Congress of unscheduled incidents or events that the Commission determines to be significant from the standpoint of public health and safety. Events that meet the AO criteria are included in an annual "Report to Congress on Abnormal Occurrences" (NUREG-0090). In addition, in 1997, the Commission determined that events occurring at Agreement State licensed facilities that meet the AO criteria should be reported in the annual AO report to Congress. Therefore, the AO criteria developed by the NRC are applied uniformly to events that occur at facilities licensed or otherwise regulated by the NRC and the Agreement States.

Data for the abnormal occurrences originate from external sources, such as Agreement States and NRC licensees. The NRC believes these data are credible because: (1) the information needed from external sources is required to be reported to the NRC by regulations; (2) the NRC maintains an aggressive inspection program that, among other activities, audits licensees and evaluates Agreement State programs to determine that information is being reported as required by the regulations; and (3) there are agency procedures for reviewing and evaluating licensees. The NRC database systems that support this process include the Sequence Coding and Search System (SCSS), the Accident Sequence Precursor (ASP) Database, the Nuclear Materials Events Database (NMED), and the Radiation Exposure Information Report System.

The NRC has established procedures for the systematic review and evaluation of events reported by NRC licensees and Agreement State licensees. The objective of the review is to identify events that

### **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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are significant from the standpoint of public health and safety based on criteria that include specific thresholds. The NRC uses a number of sources to determine the reliability and the technical accuracy of events information reported to NRC. Such sources include: (1) the NRC licensee reports themselves, which are carefully analyzed, (2) NRC inspection reports, (3) Agreement State reports, (4) periodic review of Agreement State regulatory programs, (5) NRC consultant/contractor reports, and (6) U.S. Department of Energy Operating Experience Weekly Summaries. In addition, there is daily interaction and exchange of events information between headquarters and regional offices, and periodic conference calls between headquarters, the region, and Agreement States to discuss event information. Events identified that meet the abnormal occurrence criteria are validated and verified by all applicable NRC headquarters program offices, regional offices, and agency management prior to submission to Congress.

Data protection is maintained by the agency's computer security program. This program provides administrative, technical, and physical security measures for the protection of the agency's information, automated information systems, and information technology infrastructure. This includes special safeguards to protect classified information, unclassified safeguards information, and sensitive unclassified information that is processed, stored, or produced on designated automated information systems.

In FY 2001, the Commission undertook efforts to improve the performance data received from Agreement States. With over 15,000 Agreement State regulated licensees and over 5,000 licensees regulated by the NRC, the Nuclear Materials Safety arena presents a significant challenge to reporting and collecting performance data. The Commission has analyzed present and past years data to verify the accuracy of the data ("Nuclear Materials Safety Arena Performance Data," SECY-00-0217). This analysis identified several concerns with the collection and analysis of the materials events data.

As a result of this analysis, the NRC has adopted a number of measures to improve the data it reports. For example, NRC staff members traveled throughout the country providing training to Agreement State, and NRC regional and headquarters personnel on the database and data collection procedures. In addition, an NRC/Agreement State Working Group was formed to make recommendations for a more effective, efficient, and realistic materials event program. The working group was asked to complete several tasks, including a review of the event reporting requirements, an examination of NRC's guidance to licensees for event reporting, and a review of the quality of the event information in the NMED. The working group completed its report in April 2001 and made several recommendations for improving the materials event program which are being evaluated for implementation.

## **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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### **Validation and Verification for Each Strategic and Performance Measure**

The discussion of strategic and performance measure data verification and validation for each individual measure is divided into two parts: (1) Section 1, which contains the safety-related strategic and performance goals and measures for each arena, and (2) Section 2, which contains all of the non-safety-related performance goals and measures for each arena. The reason for this division is two-fold. First, many of the non-safety-related performance goals and measures are the same across the arenas and combining similar performance goals across the arenas eliminates unnecessary duplication. Secondly, the non-safety-related performance goals and measures were only recently introduced in the FY 2000–FY 2005 Strategic Plan and are in a less developed stage than the safety-related performance goals and measures, most of which have been in place for several years and have been refined over time.

## APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS

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### SECTION 1 SAFETY-RELATED STRATEGIC AND PERFORMANCE GOALS

#### NUCLEAR REACTOR SAFETY

**STRATEGIC GOAL:** Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors.

**Measures:**

- *No nuclear reactor accidents.*
- *No deaths resulting from acute radiation exposures from nuclear reactors.*
- *No events at nuclear reactors resulting in significant radiation exposures.*
- *No events that result in releases of radioactive material from nuclear reactors causing an adverse impact on the environment.*

**Verification:** Nuclear reactor events are reported by licensees in Licensee Event Reports (LERs). A Sequence Coding and Search System is used to review LER data. Each potential abnormal occurrence is discussed during periodic meetings of the NRC's abnormal occurrence coordinators at headquarters and the regional offices to determine if it meets the abnormal occurrence reporting criteria. Any nuclear reactor accidents, deaths from acute radiation exposure from nuclear reactors, events at nuclear reactors that result in significant radiation exposure, or events that result in releases of radioactive material from reactors that cause an adverse impact on the environment that meet the criterion for an abnormal event would be identified through LERs. Licensee compliance with reporting criteria as well as radiological and environmental release criteria is periodically inspected by NRC specialists. If a licensee reports an event involving core damage, NRC inspectors carefully investigate the event. The investigation ensures the validity of the information contained in licensee reports. In addition, a resident inspector is on duty at each reactor and monitors the facility on a real-time basis. The resident inspector verifies the safe operation of the facility and would be aware of any instances in which core damage has occurred or any instance in which radiation was released from the reactor in excess of reporting limits.

Abnormal occurrence write-ups are prepared and events are evaluated at the NRC under specific criteria to select those events that are to be recommended to the Commission to be considered abnormal occurrences. The NRC's Office of Nuclear Regulatory Research makes the final determination of which events should be recommended to be considered potential abnormal

## **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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occurrences. NRC Management Directive 8.1 “Abnormal Occurrence Reporting Procedure” provides a thorough documentation of the abnormal occurrence reporting process.

### **Validation:**

#### No nuclear reactor accidents

Nuclear reactor accidents are those that result in significant core damage. Nuclear reactor accidents have the potential to endanger public safety or to harm the environment.

#### No deaths resulting from acute radiation exposures from nuclear reactors

Determining whether or not any deaths result from acute radiation exposure is valid and fundamentally essential to protecting public health and safety. Events of this magnitude are rare. If such an unlikely event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and necessary actions needed by the licensee and NRC to mitigate the consequences and prevent recurrence. This strategic goal measure is a direct measurement of the occurrence of radiation-related deaths at nuclear reactors.

#### No events at nuclear reactors resulting in significant radiation exposures

Nuclear power generation produces radiation which can be harmful if not properly controlled. Measuring the number of events resulting in significant radiation exposures, as well as any deaths from radiation exposure, indicates whether radiation-related deaths and illness are being prevented.

#### No events that result in releases of radioactive material from nuclear reactors causing an adverse impact on the environment

The radiation which is produced in the process of generating power from nuclear materials can also potentially harm the environment if not properly controlled. Releases that have the potential to cause an adverse impact on the environment are currently undefined. As a surrogate, data on the frequency that radiation is released into the environment that exceed specified limits are collected for this performance measure. Appendix A of NUREG-0090, Criterion 1.B.1, defines such releases as those involving “the release of radioactive material to an unrestricted area in concentrations which, if averaged over a period of 24 hours, exceeds 5,000 times the values specified in Table 2 of Appendix B to 10 CFR Part 20, unless the licensee has demonstrated compliance with 20.1301 using 20.1302(b)(1) or 20.1302 (b)(2)(ii).” The essence of the criterion is that events that result in unintended permanent functional damage to an organ or a physiological system as determined by a physician are used as the measure for events that result in releases of radioactive material causing an adverse impact on the environment. Such events are reported in LERs, which are sent to the NRC as reportable occurrences. This strategic goal measure is a direct measurement of instances in which harmful impacts on the environment occur from nuclear reactors.

## APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS

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- *No radiological sabotages at nuclear reactors.*

**Verification:** Licensees are required to call the NRC to report any breaches of security or other event that may potentially lead to sabotage at a nuclear facility within one hour of its occurrence. The NRC safeguard requirements are described in 10 CFR Part 73, "Physical Protection of Plants and Materials," Section 73.71 and Part 73 Appendix G, "Reportable Safeguards Events." Information Assessment Teams would followup any significant events and determine what further actions are needed. A written report would also be filed by the licensee within thirty days of the incident that describes the incident and the steps that were taken to protect the nuclear facility. This information will allow the NRC to adequately assess whether a radiological sabotage has occurred.

**Validation:** The events to be reported are those that endanger nuclear reactor facilities by deliberate acts of sabotage directed against those facilities. Events of this type are extremely rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence. The investigation ensures the validity of the information and assesses the significance of the event.

**PERFORMANCE GOAL: Maintain safety, protection of the environment, and the common defense and security.**

### Measures:

- *No more than one event per year identified as a significant precursor of a nuclear accident.*

**Verification:** The Commission has an ASP program to systematically evaluate U.S. nuclear power plant operating experience to identify, document, and rank those operating events that were most significant in terms of the potential for inadequate core cooling and core damage (i.e., precursors). The ASP Program evaluation process has five steps. First, operating experience data is screened to identify events and/or conditions which may be potential precursors to a nuclear accident. The data that are evaluated includes: LERs from a SCSS database, Incident Investigation Team or Augmented Inspection Team reviews; NRC's daily screening of operational events; and other events identified by NRC staff as candidates. The second step is to conduct an engineering review of these screened events, using specific criteria, to identify those events requiring detailed analysis as candidate precursors. Third, a conditional core damage probability is calculated by mapping failures observed during the event or to accident sequences in risk models. Fourth, the preliminary potential precursor analyses is provided to the NRC staff and the licensee for independent peer review. Lastly, findings from the analyses are provided to the licensee and the public.

### **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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**Validation:** The ASP program identifies those events which have a 1/1000 ( $10^{-3}$ ) or greater probability of leading to a nuclear reactor accident.

- *No statistically significant adverse industry trends in safety performance.*

**Verification:** The data for this performance measure is derived from data supplied by all power plant licensees in LERs, Monthly Operating Reports, and in performance indicator data submitted for the Reactor Oversight Process (ROP). This data is required by 10 CFR Part 50.73, plant technical specifications, or is submitted by all plants as part of the ROP. Detailed NRC guidelines and procedures are in place to control each of these reporting processes. The NRC reviews these procedures for appropriateness periodically and in response to licensee feedback. The NRC also conducts periodic inspections of licensees' processes for collecting and submitting the data to ensure its completeness, accuracy, consistency, timeliness, and validity.

The data is reported by all licensees at least quarterly. The NRC staff reviews all of the data and conducts inspections to verify safety significant information. The NRC employs a contractor to review the data submitted by licensees, input the data into a database, and compile the data into various indicators. Quality assurance processes for this work have been established and included in the statement of work for the contract. The experience and training of key personnel is controlled through administration of the contract. The contractor identifies discrepancies to both licensees and the NRC for resolution. The NRC reviews the indicators and publishes them on the NRC's web site quarterly. Feedback from licensees and the public is incorporated where appropriate.

**Validation:** The data and indicators that support reporting against the performance measure provide a broad range of information on nuclear power plant performance. The indicators are tracked to provide an indication of whether industry performance is improving, steady, or degrading over time. Statistical techniques are applied to the indicators to identify trends in the indicators. If any adverse trends in the indicators are identified, the NRC addresses the issues through its processes for addressing generic safety issues and issuing generic communications to licensees. The NRC is developing additional, risk-informed indicators to enhance the current set of indicators. The staff considers the costs and benefits of collecting the data through ongoing, extensive interactions with industry regarding the indicators. The Industry Trends Program is reviewed by senior managers of the NRC annually and the results are reported to the Commission.

- *No events resulting in radiation over exposures from nuclear reactors that exceed applicable regulatory limits.*

**Verification:** Licensees report over exposures through the LER system. A SCSS LER database, maintained at the Oak Ridge National Laboratory, receives all LERs and codes them into a

## **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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searchable database. The SCSS database is used to identify those LERs reporting over exposures. The NRC conducts inspections of the licensees if there is any indication in the LER that an exposure exceeded, or could have exceeded, a regulatory limit. In addition, areas of the facility that may be subject to radiation contamination have monitors which record radiation levels. Any instances in which high levels of radiation exposure occurred would be immediately known.

**Validation:** Given the nature of the process of using radioactive materials to generate power, over exposure to radiation is a potential danger from the operation of nuclear power plants. Such exposure to radiation that exceeds the applicable regulatory limits may potentially occur either through a nuclear accident or other malfunctions at the plant. Tracking the number of over exposures to radiation which occur at nuclear reactors is therefore an important indicator of the degree to which safety is being maintained.

- *No more than three releases per year to the environment of radioactive material from nuclear reactors that exceed the regulatory limits.*

**Verification:** The SCSS LER database maintained at the Oak Ridge National Laboratory receives all LERs and codes them into a searchable database. The SCSS database will be utilized to identify those LERs reporting releases. The number of releases reported by licensees are applied to this measure. The NRC conducts periodic inspections of the licensees to ensure that releases to the environment through effluent pathways are being properly monitored and controlled. Any instances in which radiation had been released into the environment would be recorded on the monitors. If there is any indication in the LER that there has been an accident or inadvertent release, the NRC would conduct followup inspections.

**Validation:** The generation of nuclear power creates radioactive materials which can be harmful if not properly controlled. Releases of radioactive materials that exceed regulatory limits are therefore tracked as a performance measure because they have the potential to endanger public safety or harm the environment.

- *No breakdowns of physical security that significantly weaken the protection against radiological sabotage or theft or diversion of special nuclear materials in accordance with abnormal occurrence criteria.*

**Verification:** Licensees are required to report to the NRC within one hour any known breakdowns of physical security, based on the requirements in 10 CFR Part 73, "Physical Protection of Plants and Materials," Section 73.71 and Part 73 Appendix G, "Reportable Safeguards Events." If such an event is reported, the Headquarters Operations Officer prepares an official record of the initial event report. The NRC response to such an event would commence immediately upon notification with

### **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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the activation of its Information Assessment Team. A licensee's initial telephonic notification(s) must be followed within a period of 30 days by a written report submitted to the NRC.

Once a quarter the NRC staff evaluates all of the reported events based on the criteria contained in 10 CFR 73.71 and a summary of the results of the evaluation is prepared and the findings reported in the NRC office operating plan. Events are also reported annually to the public in the "Safeguards Summary Event Lists," NUREG-0525, 1999, Vol. 3. While all details of the event may not be available to the public (sensitive security safeguards information), the existence of all events is made public.

**Validation:** The events to be reported are those that threaten nuclear activities by deliberate acts directed against reactor facilities, such as radiological sabotage. If a licensee reports such an event, the reports are validated by the Information Assessment Team, which evaluates the initial report and determines what further actions may be necessary. Tracking breakdowns of physical security gives an indication of whether the necessary security precautions are being taken to protect the public, given the potential consequences of a nuclear accident due to sabotage or the inappropriate use of nuclear material either in this country or abroad.

## APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS

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### NUCLEAR MATERIALS SAFETY

**STRATEGIC GOAL:** Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material.

**Measures:**

- *No deaths resulting from acute radiation exposures from civilian uses of source, byproduct, or special nuclear materials, or deaths from other hazardous materials used or produced from licensed material.*

**Verification:** Events resulting in deaths could be reported to the NRC and/or Agreement States through a number of sources, but primarily through required licensee notifications. These events are summarized in Event Notifications and Preliminary Notifications which are used to widely disseminate the information to the appropriate managers and staff. For events of this magnitude, media reports would likely provide another source of reporting, which would lead NRC to verify and validate the information through other sources. For Nuclear Materials Safety arena activities, the NMED is an essential system used to collect information on such events. For fuel cycle activities, this extends to other hazardous materials used with, or produced from licensed material consistent with 10 CFR Part 70. The decision on whether or not to ascribe the cause of a death to conditions related to acute radiation exposures, or other hazardous materials, will be made by NRC or Agreement State technical specialists, or our consultants. The fuel cycle and materials inspection programs are key elements in verifying the completeness and accuracy of licensee reports. The Integrated Materials Performance Evaluation Program (IMPEP) also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and Conference of Radiation Control Program Directors (CRCPD) meetings.

**Validation:** Determining whether or not any deaths result from acute radiation exposure is valid and fundamentally essential to protecting public health and safety. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence.

### **APPENDIX III: VERIFICATION AND VALIDATION OF NRC MEASURES AND METRICS**

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- *No more than six events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, and special nuclear materials.*

**Verification:** Events meeting this threshold would be reported to the NRC and/or Agreement States through a number of sources but primarily through required licensee notifications. Event Notifications and Preliminary Notifications are used to communicate this information internally. For events of this magnitude, media reports would likely provide another source of reporting, which would lead us to verify and validate the information through other sources. For Nuclear Materials Safety arena activities, the NMED is an essential system used to collect information on such events.

Significant exposures are defined as those that result in unintended permanent functional damage to an organ or a physiological system as determined by a physician, as agreed upon by NRC or Agreement State technical specialists, or our consultants. Hazardous material exposures only apply to fuel cycle activities in the Nuclear Materials Safety arena. For fuel cycle activities, this extends to other hazardous materials used with, or produced from, licensed material consistent with 10 CFR Part 70. The fuel cycle and materials inspection programs are key elements in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

Recently, NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic staff reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPD meetings. In FY 2001, a working group evaluated activities in the Nuclear Materials arena to determine whether significant program changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** Any event resulting in unintended permanent functional damage to an organ or physiological system compromises public health and safety. Events of this magnitude are infrequent. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence. In addition to these immediate actions, the NRC holds periodic Generic Assessment Panel meetings where management will validate previously screened events.

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- *No events resulting in releases of radioactive material resulting from civilian uses of source, byproduct, or special nuclear materials that cause an adverse impact on the environment.*

**Verification:** Events meeting this threshold would be reported to the NRC and/or Agreement States through a number of sources but primarily through required licensee notifications. Event Notifications and Preliminary Notifications are used to communicate this information internally. For events of this magnitude, media reports would likely provide another source of reporting, which would lead us to verify and validate the information through other sources. For Nuclear Materials Safety arena activities, the NMED is an essential system used to collect information on such events.

Releases that have the potential to cause “adverse impact” are currently undefined. As a surrogate, we will use those that exceed the limits for reporting AOs as given in AO criteria 1.B.1. The fuel cycle and materials inspection programs are key elements in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic staff reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPCD meetings. In FY 2001, a working group evaluated activities in the Nuclear Materials Safety arena to determine whether significant program changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** The events reported under this measure are those that threaten the environment. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence. In addition to these immediate actions, the NRC holds periodic meetings where staff and management will validate previously screened events.

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- *No losses, thefts, or diversion of formula quantities of strategic special nuclear material; radiological sabotages; or unauthorized enrichment of special nuclear material regulated by the NRC.*

**Verification:** Licensees are required to report events in which there are losses, thefts, or diversions of formula quantities of strategic special nuclear material; radiological sabotages; or unauthorized enrichment of special nuclear material regulated by the NRC to the NRC Headquarters Operations Center within one hour of their occurrence. The licensee is also required to file a followup written report within 30 days of the event to the NRC. The report must include sufficient information for NRC analysis and evaluation. Events are entered and tracked in the NMED.

The NRC initiates independent investigations that verify the reliability of reported information. NRC investigation teams evaluate the validity of materials event data, in order to assure that proper event data is being reported and collected. Any failures of appropriate licensee reporting would be discovered through the routine inspection program. The NRC holds periodic meetings to validate previously screened events.

**Validation:** Events collected under this performance measure are actual losses, thefts, diversions of formula quantities of strategic special nuclear material; actual radiological sabotage; or unauthorized enrichment of special nuclear material. Such events could compromise public health and safety, the environment, and the common defense and security. Events of this magnitude are not expected and would be rare. This measure does not apply to attempts to steal, divert, or enrich special nuclear material without authorization. Attempts to steal, divert, or inappropriately enrich special nuclear material are covered by a parallel measure at the performance goal level. The information reported under 10 CFR Parts 73 and 74 is required so that NRC is aware of events that could endanger public health and safety or national security. Any strategic-plan-level failures would result in immediate investigation and followup.

- *No unauthorized disclosures or compromises of classified information causing damage to national security.*

**Verification:** Any alleged or suspected violations of the Atomic Energy Act, Espionage Act, or other Federal statutes related to classified information are reported to the NRC under the requirements of 10 CFR 95.57. However, for performance reporting, the NRC only counts those disclosures or compromises that actually cause damage to national security. Such events are reported to the cognizant security agency (i.e., the security agency with jurisdiction) and the regional administrator of the appropriate NRC regional office, as listed in Appendix A of 10 CFR Part 73. The Regional Administrator then contacts the Division of Facilities and Security at NRC headquarters. The Division of Facilities and Security assesses the violation and notifies other offices

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at the NRC as well as other government agencies, as appropriate. A determination is then made as to whether the compromise caused damage to national security. Any unauthorized disclosures or compromises of classified information causing damage to national security would result in immediate investigation and followup by the NRC.

**Validation:** Events collected under this performance measure are unauthorized disclosures of classified information causing damage to national security. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation, including consequences, root causes, and actions needed by the licensees and NRC to mitigate the consequences and prevent recurrence. NRC investigation teams validate the materials event data, in order to assure the proper event data is being reported and collected.

**PERFORMANCE GOAL: Maintain safety, protection of the environment, and the common defense and security.**

**Measures:**

- *No more than 350 losses of control of licensed material per year.*

**Verification:** Events meeting this threshold would be reported to NRC and/or Agreement States through a number of sources but primarily through required licensee notifications. Event Notifications and Preliminary Notifications are used to communicate this information internally. For the Office of Nuclear Material Safety and Safeguards (NMSS) activities, the NMED is an essential system used to collect information of such events. This measure tracks reportable incidents of material entering the public domain in an uncontrolled manner. Many of the events counted here do not, on an individual basis, have a public health and safety impact. For example, most of the losses of control of licensed material are of shielded material, which are unlikely to result in over exposures or releases to the environment. However, they are included because they may indicate licensee program weaknesses, which, if ignored, could later trigger a more significant problem. The materials inspection program is a key element in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic staff reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPD meetings. In addition, in FY 2001, a working group evaluated the Nuclear Materials safety arena program to determine whether significant program

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changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** Nuclear material outside the control of the licensee has the potential to compromise public health and safety, and/or the environment. NRC holds periodic meetings where staff and management will validate previously screened events.

- *No occurrences of accidental criticality.*

**Verification:** Inadvertent criticality accidents are required to be reported whether or not they result in exposures or injuries to the workers or the public, and whether or not they result in adverse impacts to the environment. Criticality events are reported by the licensee immediately to the NRC Headquarters Operations Center by telephone through the cognizant licensee safety officer. Followup written reports are required to be submitted to the NRC within 30 days of the initial report. The report must contain specific information concerning the event as specified by 10 CFR 70.50(c)(2) and 10 CFR 76.120(d)(2). The NRC will dispatch an Augmented Inspection Team to confirm the reliability of the data. The event is also tracked by the NMED. An event of this nature is immediately investigated and followed-up by the NRC.

**Validation:** Events collected under this performance measure are actual occurrences of accidental criticality. Such events could compromise public health and safety, the environment, and the common defense and security. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation, including consequences, root causes, and actions needed by the licensee and NRC to mitigate the consequences and prevent recurrence.

- *No more than 40 events per year resulting in radiation over exposures from radioactive material that exceed applicable regulatory limits.*

**Verification:** Events meeting this threshold would be reported to NRC and/or Agreement States through a number of sources, but primarily through required licensee notifications. Event Notifications and Preliminary Notifications are used to communicate this information internally. For NMSS activities, the NMED is an essential system used to collect information of such events. Over-exposures are those exposures that exceed the dose limits as provided by 10 CFR 20.2203(a)(2). Multiple people may be affected by a single causal event. For fuel cycle activities, this extends to other hazardous materials used with, or produced from, licensed material, consistent with 10 CFR Part 70. Reportable chemical exposures are those that exceed license commitments. It would also

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include chemical exposures involving uranium recovery activities under the Uranium Mill Tailings Radiation Control Act.

The fuel cycle and materials inspection programs are key elements in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPD meetings. In FY 2001, a working group evaluated activities in the Nuclear Materials Safety arena to determine whether significant program changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** Radiation over exposures and reportable chemical exposures collected under this measure may be indicative of licensee programmatic weaknesses that could ultimately compromise public health and safety. NRC holds periodic meetings where staff and management will validate previously screened events.

- *No more than 45 medical events per year.*

**Verification:** Medical events reported under 10 CFR Part 35 are counted under this performance measure. Events meeting this threshold would be reported to NRC and/or Agreement States through a number of sources, but primarily through required licensee notifications. Multiple people may be affected by a single causal event. Event Notifications and Preliminary Notifications are used to communicate this information internally. For NMSS activities, the NMED is an essential system used to collect information of such events. The Materials Inspection program is a key element in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic staff reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPD meetings. In FY 2001, a working group evaluated

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activities in the Nuclear Materials Safety arena to determine whether significant program changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** Medical events can potentially be significant from a health and safety standpoint. NRC holds periodic meetings where staff and management will validate previously screened events.

- *No more than 6 releases per year to the environment of radioactive material from operating facilities that exceed the regulatory limits.*

**Verification:** Releases under the 30-day reporting requirement under 10 CFR 20.2203(a)(3) are counted under this performance measure. Events meeting this threshold would be reported to NRC and/or Agreement States through a number of sources, but primarily through required licensee notifications. Event Notifications and Preliminary Notifications are often used to communicate this information internally. For NMSS activities, the NMED is an essential system used to collect information of such events.

The materials inspection program is a key element in verifying the completeness and accuracy of licensee reports. The IMPEP also provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

NRC has taken a number of steps to improve the timeliness and completeness of materials event data. These steps include: assessment of the NMED data during periodic Generic Assessment Panel reviews, emphasis and analysis during the IMPEP reviews, NMED training in the regions and in Agreement States, and discussions at all Agreement State and CRCPD meetings. In FY 2001, a working group evaluated activities in the Nuclear Materials Safety arena to determine whether significant program changes may be warranted, with an emphasis on making the program more risk-informed, and performance-based. Another working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the performance measures used in this arena.

**Validation:** Releases are tracked in order to assure protection of the environment. NRC holds periodic meetings where staff and management will validate previously screened events.

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- *No non-radiological events that occur during the NRC-regulated operations that cause impacts on the environment that can not be mitigated within applicable regulatory limits, using reasonably available methods.*

**Verification:** Events meeting this threshold are reported to NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. Morning Reports are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. A failure to meet this performance target would result in immediate followup by NRC. Failures to meet performance targets in Agreement States would require followup actions coordinated through the NRC's Office of State and Tribal Programs. Releases that cause impacts to the environment that cannot be mitigated within applicable regulatory limits using reasonably available methods are not readily defined. The expert judgement of NRC personnel and that of other agencies, such as the EPA, are relied upon to make that determination.

**Validation:** This measure only involves chemical releases from the NRC-regulated activities under the Uranium Mill Tailings Radiation Control Act. It is limited to non-radiological environmental impacts from operations, including remediation. Note that this measure does not apply to decommissioning of sites under the Nuclear Waste Safety arena. Events reported under this measure are those that could lead to a non-radiological impact on the environment that could not be mitigated within applicable regulatory limits, using reasonably available methods. Examples of events include chemical releases resulting from excursions at in situ leach facilities or releases from mill tailings piles that could contaminate the groundwater. Events of this magnitude would be rare. If such an event were to occur it would result in prompt and thorough investigation.

- *No more than five substantiated cases per year of attempted malevolent use of source, byproduct, or special nuclear material.*

**Verification:** Malevolent use is defined as the deliberate misuse of radioactive material with the intent to cause physical or psychological harm to a person or persons, or to cause physical damage to a facility or to the environment. NRC evaluates intentional violations and deliberate acts against this definition. It includes events involving NRC or Agreement State licensees. Events meeting this threshold are reported to NRC and/or Agreement States primarily through required licensee notifications, though reports may also be received from other sources, e.g., allegations could be another source for such reports. Event Notifications and Preliminary notifications are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. The NRC responds to either a licensee report or allegation by initiating an independent investigation.

The NRC holds periodic meetings with management and staff to validate previously screened events.

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**Validation:** Events collected under this performance measure are substantiated cases of attempted malevolent use of source, byproduct, or special nuclear material. Such events could compromise public health and safety, the environment, and the common defense and security.

- *No breakdowns of physical protection or material control and accounting systems resulting in a vulnerability to radiological sabotage, theft, diversion, or unauthorized enrichment of special nuclear material.*

**Verification:** Events as described above must be recorded within 24 hours of the identified event in a safeguards log that is maintained by the licensee. The log must be retained as a record for 3 years after the last entry is made or until termination of the license. The NRC relies on its safeguards inspection program to ensure the reliability of recorded data. A determination of whether a substantiated breakdown has resulted in a vulnerability to radiological sabotage, theft, diversion, or unauthorized enrichment of special nuclear material is made by the NRC. When making substantiated breakdown determinations, the NRC evaluates the materials event data, in order to assure the proper event data is being reported and collected.

**Validation:** Events collected under this performance measure may indicate a vulnerability to radiological sabotage, theft, diversion, or loss of special nuclear materials. Such events could compromise public health and safety, the environment, and the common defense and security. The NRC relies on its safeguards inspection program to help validate the reliability of recorded data and determine whether a breakdown of a physical protection or material control and accounting system has, in actuality, resulted in a vulnerability.

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### NUCLEAR WASTE SAFETY

**STRATEGIC GOAL:** Prevent significant adverse impacts from radioactive waste to the current and future public health and safety and the environment, and promote the common defense and security.

**Measures:**

- *No deaths resulting from acute radiation exposures from radioactive waste.*

**Verification:** Events meeting this threshold are reported to the NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. These events are summarized in Event Notifications and Preliminary Notifications which are used to widely disseminate the information to the appropriate managers and staff. The reports are entered into the NMED for tracking and evaluation purposes. For events of this magnitude, media reports may also provide another source of reporting which would lead NRC to verify and validate the information through other sources. The decision on whether or not to ascribe the cause of a death to conditions related to acute radiation exposures will be made by NRC or Agreement State technical specialists, or our consultants. The IMPEP provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

**Validation:** Determining whether or not any deaths result from acute radiation exposures is valid and fundamentally essential to protecting public health and safety. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence.

- *No events resulting in significant radiation exposures from radioactive waste.*

**Verification:** Significant exposures are defined as those that result in unintended permanent functional damage to an organ or a physiological system as determined by a physician, as agreed upon by NRC or Agreement State technical specialists, or our consultants. Events meeting this threshold are reported to the NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. Event Notifications and Preliminary Notifications are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. For events of this magnitude, media reports may also provide another source of reporting, which would lead us to verify and validate the information through other sources. The IMPEP provides a mechanism to verify that Agreement States and NRC

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regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

**Validation:** Any event resulting in an unintended permanent functional damage to an organ or physiological system, compromises public health and safety. Events of this magnitude are not expected and would be rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence. In addition to these immediate actions, the NRC holds periodic meetings where staff and management will validate previously screened events.

- *No releases of radioactive waste causing an adverse impact on the environment.*

**Verification:** Releases of radioactive waste that have the potential to cause an adverse impact on the environment are currently undefined. Therefore, for this performance measure, releases that exceed the limits for reporting AOs as given in AO criteria 1.B.1 are counted as releases that cause an adverse impact on the environment. Events meeting this threshold are reported to NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. For events of this magnitude, media reports may also provide another source of reporting, which would lead us to verify and validate the information through other sources. Event Notifications and Preliminary Notifications are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. The IMPEP provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED.

**Validation:** The events reported under this measure are those that threaten the environment. Events of this magnitude are rare. If such an event were to occur, it would result in prompt and thorough investigation of the event, its consequences, its root causes, and the necessary actions needed by the licensee and NRC to mitigate the situation and prevent recurrence. In addition to these immediate actions, the NRC holds periodic meetings where staff and management will validate previously screened events.

- *No losses, thefts, diversions, or radiological sabotages of special nuclear material or radioactive waste.*

**Verification:** Licensees report events which entail losses, thefts, diversions, or radiological sabotages of special nuclear material or radioactive waste within one hour of their occurrence to the NRC Headquarters Operations Center. A followup written report is required to be submitted within 30 days of the event to the NRC. The report must include sufficient information for NRC analysis

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and evaluation. The NRC also initiates an independent investigation of the reported event. Events are entered and tracked by the NMED. Any strategic plan failure results in immediate investigation and followup, and is tracked in the Safeguards Summary Event List Database.

Any lack of appropriate licensee reporting would be discovered through the routine inspection program. The NRC holds periodic meetings where staff and management will validate previously screened events.

**Validation:** This measure only applies to *actual* losses, thefts, diversions, or *actual* radiological sabotage. *Attempts* to steal, divert, or conduct sabotage using special nuclear material or radioactive waste are covered by a parallel measure at the performance goal level. Such events could compromise public health and safety, the environment, and the common defense and security.

**PERFORMANCE GOAL: Maintain safety, protection of the environment, and the common defense and security.**

### **Measures:**

- *No events resulting in radiation over-exposures from radioactive waste that exceed applicable regulatory limits.*

**Verification:** Radiation over exposures are counted as those exposures that exceed dose limits as provided by 10 CFR 20.2203(a)(2). Events meeting this threshold are reported to the NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. Event Notifications and Preliminary Notifications are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. The IMPEP provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED. In FY 2001, a working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the metrics used in this arena.

**Validation:** Radiation over exposures collected under this measure may be indicative of programmatic weaknesses that could ultimately compromise public health and safety. NRC holds periodic meetings where staff and management will validate previously screened events.

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- *No breakdowns of physical protection resulting in a vulnerability to radiological sabotage, theft, diversion, or loss of special nuclear materials or radioactive waste.*

**Verification:** Breakdowns of physical protection resulting in a vulnerability to radiological sabotage, theft, diversion, or loss of special nuclear materials or radioactive waste are recorded within 24 hours in a safeguards log that is maintained by the licensee. The log must be retained as a record for 3 years after the last entry is made or until termination of the license. No explicit reporting requirements exist for substantiated breakdowns of physical protection. The NRC relies on its safeguards inspection program to ensure the reliability of recorded data. The NRC uses the inspection program information to determine whether a breakdown of physical protection has occurred. The NRC evaluates the event data when making a determination whether a breakdown of physical protection has occurred in order to assure the proper event data is being reported and collected.

**Validation:** Events collected under this performance measure, may indicate a vulnerability to radiological sabotage, theft, diversion, or loss of special nuclear materials or radioactive waste. Such events could compromise public health and safety, the environment, and the common defense and security. The NRC relies on its safeguards inspection program to help validate the reliability of recorded data and determine whether a breakdown of a physical protection or material control and accounting system has, in actuality, resulted in a vulnerability.

- *No radiological releases to the environment from operational activities that exceed the regulatory limits.*

**Verification:** Radiological releases to the environment from operational activities that exceed the regulatory limits are required to be reported within 30 days under 10 CFR 20.2203(a)(3). Events meeting this threshold are reported to the NRC and/or Agreement States primarily through required licensee notifications, though other sources may also report events. Event Notifications and Preliminary Notifications are used to communicate this information internally. The reports are entered into the NMED for tracking and evaluation purposes. The IMPEP provides a mechanism to verify that Agreement States and NRC regions are properly collecting and reporting such events as received from the licensees, and entering them into NMED. In FY 2001, a working group analyzed the event reporting process within NRC and with the States. Their efforts will also serve to improve the data collection process for the metrics used in this arena.

**Validation:** Releases are tracked in order to assure protection of the environment. NRC holds periodic meetings where staff and management will validate previously screened events.

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- *No instances where radioactive waste and materials under the NRC's regulatory jurisdiction cannot be handled, transported, stored, or disposed of safely now or in the future.*

#### **Verification:**

In the Nuclear Waste Safety arena, the NRC monitors the transportation needs for materials and wastes under its regulatory authority. NRC, in coordination with the Department of Transportation, monitors reports and events that could affect the safe transportation of materials and wastes under NRC's regulatory authority. NRC also monitors the needs for storage and disposal of nuclear waste under its regulatory authority. Allegations also may provide information about instances where radioactive waste and materials under the NRC's regulatory jurisdiction may not have been handled, transported, stored, or disposed of safely. The NRC monitors events that might indicate a licensee's or license contractor's current or future inability to perform a required function or activity in a safe manner. Any event, condition or substantiated allegation formally reported to the NRC is evaluated for safety impact and potential generic implications. In FY 2001, the NRC completed a review of formerly terminated licensed sites with potential contamination that could require cleanup and disposal. NRC identifies a responsible party that will need to clean up such sites and works with the party to facilitate cleanup.

**Validation:** There are no expected instances where the regulatory framework will not provide for the safe handling, transportation, storage, and disposal of the majority of radioactive waste or materials now or in the future. However, there may be a potential for sites that were thought to be previously cleaned up and NRC's licenses terminated to require additional cleanup. To address this issue, NRC evaluated all terminated licenses and, in FY 2001, identified a few facilities that could require additional cleanup. Appropriate followup actions are underway for these few facilities.

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### **INTERNATIONAL NUCLEAR SAFETY SUPPORT**

**STRATEGIC GOAL: Support U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation.**

**Measures:**

- *Fulfills 100 percent of the significant obligations over which the NRC has regulatory authority arising from statutes, treaties, conventions, and Agreements for Cooperation.*

**Verification:** At the beginning of the fiscal year, the NRC prepares a list of its significant obligations. The list is coordinated with the NRC International Council (IC) and forwarded to the Commission for review and comment. The NRC monitors activities it undertakes during the year in regard to these obligations. A year-end status report is forwarded to the Department of State (DOS) Office of Nuclear Energy Affairs for their information and as a means of external confirmation.

**Validation:** The obligations to be tracked are those that, if unfulfilled, could undermine U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation. The circumstances surrounding any such failures of the NRC, their implications and recovery plans, are reported to the Commission and separately described in DOS or International Atomic Energy Agency (IAEA) reports, confirming their national and international significance.

**Illustrative Examples of “significant obligations over which the NRC has regulatory authority arising from statutes, treaties, conventions, and Agreements for Cooperation.”**

Nuclear Non-Proliferation Treaty - [1969] and the U.S. Nuclear Non-Proliferation Act - [1978]

NRC is obliged to carry out procedures to facilitate the timely processing of requests for export licenses in order to enhance the reliability of the U.S. in meeting its commitments to supply nuclear reactors and fuel to countries that adhere to effective non-proliferation policies. NRC is also obliged to provide timely views to the Executive Branch when consulted regarding proposed Agreements for Cooperation in the Peaceful Uses of Nuclear Energy, subsequent arrangements and transfers of nuclear technology.

Convention on Early Notification of a Nuclear Accident - [1986]

The U.S. Government is obliged to report to the IAEA and affected countries, any U.S. nuclear accidents which have the potential for international trans-boundary release of radioactive material

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that could be of safety significance to another country. In that context, NRC must report such accidents within its purview to Executive Branch contacts, following established U.S. Government procedures.

#### **Convention on Assistance in the Case of Nuclear Accident or Radiological Emergency - [1987]**

The U.S. Government is obliged to cooperate in order to facilitate prompt assistance and support in the event of nuclear accidents or radiological emergencies. The U.S. Government is required to notify the IAEA of its available experts, equipment, and other materials for providing assistance and would decide whether it can render requested assistance and on what terms. In that context, NRC must advise Executive Branch contacts of its assistance capabilities, following established U.S. Government procedures.

#### **Convention on the Physical Protection of Nuclear Material - [1987]**

NRC is obliged to require U.S. licensees to meet mandatory criteria for the physical protection of nuclear material during international transport.

#### **Convention on Nuclear Safety (CNS) - [1996]**

NRC is obliged to take regulatory and administrative measures to implement obligations under the CNS as they apply to NRC-licensed nuclear facilities, including provisions for Reporting, Existing Nuclear Installations, Legislative and Regulatory Framework, Regulatory Body, Responsibility of the License Holder, Priority to Safety, Financial and Human Resources, Human Factors, Quality Assurance, Assessment and Verification of Safety, Radiation. Significant obligations of the CNS which may require NRC actions beyond those inherent in our domestic regulatory program, are in the areas of Reporting, Emergency Preparedness and Siting, as follows.

Reporting - NRC has the lead responsibility within the U.S. Government to prepare, prior to each meeting of the Parties, a report on the measures taken to implement each of the obligations of the Convention.

Emergency Response - NRC must ensure that the competent authorities of Canada and Mexico are provided with appropriate information for emergency planning and response for any licensed nuclear facilities in their vicinities.

Siting - NRC must ensure that appropriate procedures are established and implemented for consulting the competent authorities of other Parties to the Convention in the vicinity of a proposed nuclear installation, insofar as they are likely to be affected by that installation and,

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upon request, providing the necessary information in order to enable them to evaluate and make their own assessment of the likely safety impact on their own territory of the nuclear installation.

#### The Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management- [Opened for Signature, 1997]

When the Convention is ratified by the U.S. and comes into force, NRC will be obliged to take certain regulatory and administrative measures to implement its provisions. These obligations are comparable to those described above for the CNS, except that NRC would support, not lead, preparation of the U.S. reports.

- *No significant proliferation incidents attributable to some failure of the NRC.*

**Verification:** The NRC monitors State Department and Central Intelligence Agency reports, as well as newspapers, nuclear journals and other open sources of information, for reports of significant proliferation incidents. Such incidents would include: the detonation of a nuclear explosive device by any country other than the U.S., United Kingdom, Russia, France and China; refusal by any non-nuclear weapon state with which the U.S. has an Agreement for Cooperation to accept IAEA safeguards on all its nuclear activities; refusal by any such country not to give specific assurances that they will not manufacture or otherwise acquire any nuclear explosive device; engagement of any such country in activities involving source or special nuclear material and having direct significance for the manufacture or acquisition of nuclear explosive devices; or the theft or diversion from authorized peaceful use by any country, sub-national group or individual of 1 kilogram or more of U.S. supplied or obligated highly enriched uranium or plutonium-239.

The NRC prepares an analysis of any reported significant incidents to determine if some failure of the NRC contributed to its occurrence. This information is reported to the IC and, as appropriate, to the Commission.

**Validation:** The proliferation incidents of interest are those of such significance that they would be reported to the Congress by DOS. NRC would necessarily consider whether the incident was abetted by some action or inaction on our part. If so, the incident would represent an NRC performance failure.

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- *No significant safety or safeguards events that result from the NRC's failure to implement its international commitments.*

**Verification:** Significant safety events are those events which are rated 2 or above on the International Nuclear Events Scale (INES). Significant safeguards events are those events which are judged by the IAEA Director General and staff to require notification to the IAEA Board of Governors. The NRC monitors INES reports and IAEA Board of Governors documents to identify any/all significant events during the fiscal year.

The NRC staff specialists prepare a quick-look analysis of each significant event to determine if some failure of the NRC may have materially contributed to its occurrence. This information will be promptly reported to the IC and, as appropriate, to the Commission.

**Validation:** Significant safety and safeguards events usually raise questions from Congressional oversight committees and the trade press, if not the major news media. NRC would necessarily consider whether the incident was abetted by some action or inaction on our part. If so, the incident would represent an NRC performance failure.

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### **SECTION 2 NON-SAFETY-RELATED STRATEGIC AND PERFORMANCE GOALS**

**The Verification and Validation for the Non-Safety measures apply equally to the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas unless specifically noted.**

**PERFORMANCE GOAL: Increase public confidence.**

- *Complete the milestones in the annual performance plan relating to collecting, analyzing, and trending information for measuring public confidence.*

**Verification:** On September 5, 2000, William D. Travers, Executive Director for Operations, issued a memorandum on the use of a public meeting feedback form to assess the effectiveness of Communications Plans (CPs) and interactions with the public. This memorandum directed staff to commence use of the form on October 1, 2000, for an 18-month pilot. The staff was directed to introduce and distribute the feedback form to attendees at the start of public meetings where the NRC is the main presenter, and at select meetings between NRC and a licensee, where the public attends as observers, but does not participate, e.g., enforcement conferences. Meeting attendees can submit the completed form at the end of the meeting or mail the form to the designated NRC meeting contact following the meeting.

Following the public meetings, the meeting contact collects and reviews the completed forms. Improvements resulting from feedback comments will be tracked in the Office operating plan and communications plan for future meetings. Additionally, the completed feedback forms, along with any prepared meeting summary and staff comments or observations, are forwarded to the Office of the Deputy Executive Director for Management Services. This Office will perform a semiannual evaluation of the forwarded information in an effort to identify any generic areas for improving NRC staff communications at public meetings.

**Validation:** The feedback form is a qualitative method for collecting the information which will be analyzed as a measure of public confidence. This information will provide NRC with a mechanism to identify any generic areas for improving NRC staff communications at public meetings.

- *Complete all of the public outreaches as scheduled in the annual performance plan.*

**Verification:** On May 1, 2000, William D. Travers, Executive Director for Operations, issued a memorandum on initiatives to improve the effectiveness of communications. This memorandum

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directed the staff to develop CPs for important programs supporting each arena. The CPs structure, developed to reflect the importance of building and maintaining public trust, includes establishing goals, discussing the history of the effort, identifying internal and external audiences, identifying the tools that would best fit each audience, identifying key messages, determining the schedule for actions and evaluation criteria, identifying how to measure progress and obtain feedback, determining how results will be reported, and with whom the results would be shared.

In the May 1, 2000, memorandum, the EDO assigned regional administrators and office directors to incorporate CPs milestones and important implementation activities into the operating plans. For the annual performance plan, specific milestones from the six high priority CPs have been identified.

**Validation:** The milestones identified for the performance plan were endorsed by the EDO management and the applicable office director. The milestones for the public outreach initiatives will be reviewed at operating plan briefings with the EDO and revised as appropriate to ensure the communication plans' public outreach efforts are still valid and an effective means to increase public confidence.

- *Complete the milestones specific to the agency allegation program effectiveness assessment plan as identified in the annual performance plan.*

**Verification:** The agency is currently developing an agency allegation program effectiveness plan (to be completed by FY 2002).

**Validation:** The staff will be developing performance measures that provide an indication of the contribution of the allegation program to increasing public confidence in the NRC. The performance measures will be derived from information gathered from users of the allegation program.

- *Issue Director's Decisions for petitions filed to modify, suspend, or revoke a license under 10 CFR 2.206 within an average of 120 days.*

**Verification:** 10 CFR 2.206 provides persons with an opportunity to file a request to institute a proceeding to modify, suspend, or revoke a license, or for any other action as may be proper. NRC Management Directive (MD) 8.11 provides the procedures for handling and resolving such petitions filed under 10 CFR 2.206. This measure will track the staff's timeliness in reaching proposed Directors' Decisions to address such petitions.

The metric begins with the date the acknowledgment letter is sent to the petitioner (following the Petition Review Board) and ends on the date the proposed Director's Decision is sent out for comment. Supplements to the petition which require extension of the schedule will reset the

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beginning of the metric to the date of issuance of a new acknowledgment letter. Petition Review Boards will determine whether or not such submissions meet the conditions of a 10 CFR 2.206 petition, as outlined in MD 8.11.

**Validation:** Timely assessment, review, and agency response to a proposed 10 CFR 2.206 petition is important to maintaining public confidence. The criteria established by MD 8.11 ensures that proposed petitions are appropriately assessed, provided with the appropriate management oversight and are reviewed and responded to in a timely manner.

**PERFORMANCE GOAL: Make NRC activities and decisions more effective, efficient, and realistic.**

- *Complete those specific milestones in the Risk-Informed Regulation Implementation Plan (RIR-IP) identified for completion in the annual performance plan.*

**Verification:** In developing the RIR-IP, milestones to be included in the performance plan will be identified by arena. The Office of Regulatory Research will coordinate development of semi-annual updates of the RIR-IP which will document the status of these milestones.

**Validation:** The RIR-IP replaces the Probabilistic Risk Assessment Implementation Plan. It is to be a comprehensive report on agency risk-informed plans and activities organized by arena.

- *Complete at least two key process improvements per year in selected program and support areas that increase efficiency, effectiveness, and realism.*

**Verification and Validation for the Nuclear Reactor Safety arena:**

**Verification:** Upon selection, key processes will be evaluated using the data collection and analysis process described below:

Short term: All work is established through the Planning, Budgeting, and Performance Management (PBPM) process and assigned to a planned accomplishment (PA) area. This planning identifies and prioritizes the work required in order to deliver targeted outcomes. Individual work items in a PA are tracked by a unique tracking number, a Technical Assignment Control (TAC) number, in the NRR Work Information and Scheduling Program (WISP) and, as appropriate, the agency central accounting system (FFS), if contractors are used to complete the task. Resources expended for the individual work items are recorded as hours in WISP and dollars in FFS. Other information, such as critical dates, are also recorded in WISP. The TAC data is entered into the WISP system by those performing the tasks, and the FFS data is entered by office financial staff. The data is also routinely

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reviewed by the task manager (such as a project manager) and the immediate supervisor of those performing the work. In FY 2002, the WISP program will be replaced with the Time, Resource, and Inventory Management program. This new program is being introduced to improve the maintenance capability of workload data. In addition, TAC data is checked for completeness by two programs, including the WISP program itself. The data is periodically collected in monitoring reports and analyzed by management teams to determine program performance.

Long term: During FY 2002 the Office of Nuclear Reactor Regulation (NRR) is implementing a pilot for collection of data using a centralized work planning approach. A component of centralized work planning is to establish clear standards for all work processes. The first step in establishing these standards is to map each process identifying all of its steps and the resources used to support each step. This establishes the baseline for each process and its components.

### **Validation:**

Short term: The data and the performance measures in meeting the desired outcomes is established and updated each year during the planning process. The data are analyzed monthly and at the end of each fiscal year, and over longer periods depending on the data/measure. At each of these review steps the data for those processes which are candidates for process improvement are reviewed in order to determine if the data/measure are providing the desired insight on meeting the outcome.

During FY 2001, the process maps and standards will be put in place for a number of NRR processes. Data will be tracked by each component in the process and statistical analysis will be one of the tools used to identify processes which have the greatest potential for streamlining. It is expected that during FY 2002 process streamlining will be implemented for a number of activities using this long term approach. During FY 2002, data will also be collected which will compare baseline processes against modified processes to assess contribution to increased efficiency, effectiveness, and/or realism.

Long term: This long-term approach is currently being piloted by NRR. Pending evaluation of the pilot data during FY 2002 other NRC office in the Nuclear Reactor Safety arena will continue to apply the short-term approach.

### **Verification and validation for the Nuclear Materials Safety and Nuclear Waste Safety arenas:**

**Verification:** Annually, as part of the budget development cycle, each NMSS division will evaluate their activities to determine whether there are areas that might be conducted more efficiently or effectively and, thus, merit a process review. They will prioritize the candidate efforts based on their potential contribution to achieving greater efficiency and/or effectiveness in conduct of their

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activities. Resources estimated to be necessary to accomplish the effort(s) will be considered during the planning and budgeting process.

In developing their operating plans for the upcoming fiscal year, these NMSS organizations will identify the process improvement efforts planned for that year, including the intermediate milestones that have been established as necessary to complete the effort, in their operating plans. Note that fact-of-life changes in NMSS' programs may dictate that newly-identified process improvements be given higher priority than those planned during the planning and budget cycle for a given fiscal year, and may replace those previously planned. An unanticipated need for a process improvement review may be identified during the operating year. In these cases, the prioritization scheme developed in connection with the PBPM process will be used to make workload decisions. The NMSS Office Director will review the proposed process improvements as part of his review of the baseline operating plans for the new fiscal year and as unanticipated reviews are identified outside of the planning, budget and operating plan development phases, and will use the PBPM prioritization as a guide for decisionmaking.

The progress of the process improvement reviews will be tracked in the operating plans. A general description of the process improvement will be included in the arena-based leadership level operating plan, and a more detailed description of the milestones leading to completion of the effort will be contained in the operational-level operating plans. These operating plans will be updated at the end of each quarter of the fiscal year, to reflect the current status. The updated operating plans will be briefed to the NMSS Office Director and/or Deputy Director each quarter, and the office-approved updates will be provided to the EDO each quarter.

A process improvement effort that spans both the Nuclear Materials Safety and the Nuclear Waste Safety arenas will be counted in each arena.

**Validation:** In most cases, the process improvement would be considered complete at the time the staff issues its report, or briefs senior NRC management on the findings and recommendations (not including interim status briefings). Ensuing implementation efforts would be tracked as part of the operating plan process, but those efforts would be outside the scope of this measure.

- *Complete all license renewal application reviews within 30 months.*

**This performance measure applies only to the Nuclear Reactor Safety arena:**

**Verification:** Upon acceptance of a renewal application for review, a TAC number is opened in NRR's automated WISP with a 30-month target completion date. The TAC number is used to report staff hours charged in reviewing the application and for documenting completion of the review. The

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TAC number and its 30-month completion date are maintained in WISP for the duration of the renewal application review.

Compliance with the 30-month schedule is monitored by the assigned Project Manager and the License Renewal and Standardization Branch Chief or his designee throughout the review of the license renewal application. WISP reports compliance with the measure either by accessing the individual TAC or through the WISP Project Manager's Report.

**Validation:** The WISP system provides a readily accessible reporting system that clearly demonstrates whether the NRC's 30-month measure is met. Failure to meet the measure is automatically indicated by WISP.

- *Complete all major prelicensing milestones needed to prepare for a licensing review of the potential Yucca Mountain repository, consistent with the Department of Energy's (DOE's) schedules and before DOE submits its license application.*

**This performance measure applies only to the Nuclear Waste Safety arena:**

**Verification:** NRC will complete all of the milestones listed for this measure in the FY 2003 Performance Plan before DOE's submittal of its proposed license application in FY 2004. The milestones and schedules, and changes thereto, are tracked by NMSS.

**Validation:** The milestones will provide guidance to DOE in preparing its proposed application and guidance to the NRC's review of DOE's proposed application, thereby making the licensing process more effective and efficient.

**PERFORMANCE GOAL: Reduce unnecessary regulatory burden on stakeholders.**

- *Complete those specific milestones to reduce unnecessary regulatory burden as identified in the annual performance plan.*

**Verification and validation for the Nuclear Reactor Safety arena:**

**Verification:** Established milestones will be monitored and adjusted as stakeholder input is received and evaluated. Verification of these milestones will be accomplished by determining that the identified actions or products have been completed. Milestone completion will be tracked in the NRR Director's Quarterly Status Report.

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Milestone schedule for FY 2001 includes the development of a process for collecting data and identifying activities that have the greatest impact on reducing unnecessary regulatory burden while maintaining safety. The milestone for FY 2002 is to issue final measures and a voluntary reporting approach.

**Validation:** Performance can be validated by timely completion of milestones as tracked in the Director's Quarterly Status Report. When the Strategic Plan was developed, it was concluded that the milestones above are appropriate for this initiative in its current phase. Once data are actually being collected from licensees, additional verification and validation will be needed relative to these data. Verification and validation will also have to be considered in establishing what type of data should be collected and how to collect it.

### **Verification and validation for the Nuclear Material Safety arena:**

**Verification:** A plan to reduce unnecessary burden is under development in NMSS. This measure will be implemented in the context of active projects. The FY 2003 Performance Plan specifies that one rulemaking primarily designed to reduce unnecessary regulatory burden will be completed each year in FY 2002 and FY 2003.

**Validation:** Plans for validation of this measure will be included as part of the development of the plan to reduce unnecessary burden.

### **Verification and validation for the Nuclear Waste Safety arena:**

**Verification:** In an effort to reduce unnecessary regulatory burden, NRC routinely seeks licensee and other external stakeholder input on revisions to the agency's regulatory framework. This measure tracks instances where NRC may have overlooked a potential unnecessary regulatory burden associated with implementation of modification or application of Nuclear Waste Safety arena regulatory framework during the reporting period. Licensees or other external stakeholders may inform the NRC of a potential regulatory burden in writing, via E-mail, or may present a potential unnecessary regulatory burden issue to the Commission during transcribed meetings. Progress on implementation of NRC action will be reflected, reviewed, and monitored on a monthly basis in the Office of Nuclear Material Safety and Safeguards' Division Operational Level Operating Plan. Any deviations will be reported to the Director and Deputy Director of the responsible Division.

FY 2003 Performance Plan Activity: Adoption and Implementation of Standard Technical Specifications (STS) for Spent Fuel Dry Storage Cask Designs. Milestones: FY 2003: If an application to adopt the STS for a specific cask design is received, staff will begin a complete review

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of the application. FY 2004: If an application for STS adoption is approved, staff will complete rulemaking to approve STS adoption for the specific cask design.

**Verification:** If a vendor/licensee adopts the STS for a cask design it would be valuable to track the number of 10 CFR 72.48 evaluations supporting cask design changes that would be implemented over a 1-year period after the STS were in place. This would help to determine the potential cost savings a licensee/vendor could realize because of not having to process the cask design changes via NRC approval of license amendments.

**Validation:** For subsequent cask users who adopt the STS approved for the first vendor/licensee, the number of 10 CFR 72.48 evaluations following STS adoption could be tracked to verify that the regulatory burden has been reduced to a similar extent.

- *Reduce paperwork and record keeping imposed by the NRC on its licensees by at least 25 percent over a period of five years.*

**This performance measure applies only to the Nuclear Materials Safety arena:**

**Verification:** This measure excludes Agreement States, and pertains only to NRC materials and fuel cycle activities. As program changes occur (new/revised regulations, new forms, changes in licensing practices, etc.), their impacts will be tracked in terms of the paperwork and recordkeeping burdens for that class of affected licensees.

A baseline is being established using the current recordkeeping and paperwork burden estimates approved under the Paperwork Reduction Act. As program changes occur, a comparison calculation will determine the percentage change, and the scope of its significance. This means that a change affecting 2,000 licensees will count more significantly than a similar level change affecting a smaller number of licensees.

**Validation:** The validity of this new measure has not been tested. NMSS may find it necessary, during the course of implementation, to redefine or refocus this measure to provide a more meaningful measure against which it can evaluate unnecessary burden reduction.

**APPENDIX IV**  
**MANAGEMENT CHALLENGES**

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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### **INTRODUCTION**

This appendix: (1) lists the management challenges identified by NRC's Office of the Inspector General (OIG) and the General Accounting Office (GAO); (2) shows the relationship of each challenge to the NRC's goals and strategies contained in the agency's FY 2000–FY 2005 Strategic Plan; and (3) identifies actions/milestones being taken by NRC to address the challenges.

In a January 31, 2001, report titled, "Special Evaluation of NRC's Most Serious Management Challenges (OIG-01-A-04)," OIG identified seven management challenges. Additionally, in a January 2001 report titled, "Major Management Challenges and Performance Risks, Nuclear Regulatory Commission," GAO also identified challenges. The GAO challenges are all comparable to the OIG challenges. For each challenge, the NRC's goals, their associated strategies, and/or corporate management strategies, contained in NRC's FY 2000–FY 2005 Strategic Plan, that relate to the management challenge is identified. Additionally, page references from NRC's Strategic Plan Appendix (NUREG-1614, Vol. 2) Part 2, September 2000, are included should the reader desire more detailed information on the referenced goals and strategies.

In a February 20, 2001, memorandum which provided an assessment of the NRC's most serious management challenges, the OIG concluded that while managers must continue their focus on the challenges, NRC senior management has a planned approach through the strategic planning process to address each of the seven management challenges.

In a memorandum dated December 17, 2001, the OIG added a new management challenge in light of the terrorist attacks of September 11, 2001. The additional management challenge is "Protection of nuclear material and facilities used for civilian purposes." The NRC took immediate action as a result of the terrorist attacks and will review its safeguards and security activities as part of a comprehensive study. It is expected that further actions to be taken by the agency will be addressed in the FY 2004 budget request.

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### **OIG MANAGEMENT CHALLENGES**

**CHALLENGE 1:** Protection of nuclear material and facilities used for civilian purposes.

The NRC will undertake a review of the strategic plan to determine if our goals, strategies, and measures adequately address the actions necessary as a result of the terrorist attacks of September 11, 2001. Our current strategic plan addresses this management challenge as follows:

Strategic Plan References: the NRC has a performance goal and supporting strategies in the Nuclear Reactor Safety, Nuclear Materials Safety and Nuclear Waste Safety arenas. This goal is: maintain safety, protection of the environment, and the common defense and security. (See NRC Strategic Plan Appendix, part 2, pages 2 and 20)

The associated strategies in the Nuclear Reactor Safety arena which address this challenge are: (1) to sharpen our focus on safety to include a transition to a revised NRC reactor oversight program for our inspection, assessment, and enforcement activities; (2) to respond to operational events involving potential safety or safeguards consequences; (3) to evaluate operating experience and the results of risk assessments for safety implications; (4) to identify, evaluate, and resolve safety issues, including age-related degradation, and ensure that an independent technical basis exists to review license submittals to ensure that safety is maintained; (5) to ensure that changes to operating licenses and exemptions to regulations maintain safety and meet regulatory requirements; (6) to ensure that safety is maintained as licenses are renewed by ensuring that aging effects will be adequately managed and that the licensing basis related to present plant design and operation will be maintained; (7) to maintain safety by ensuring that operator licenses are issued and renewed only to qualified individuals; and (8) to continue to develop and incrementally use risk-informed and, where appropriate, less prescriptive performance-based regulatory approaches to maintain safety.

The associated strategies in the Nuclear Materials Safety arena which address this challenge are: (1) to continue to improve the regulatory framework to increase our focus on safety and safeguards, including incremental use of risk-informed and, where appropriate, less prescriptive performance-based regulatory approaches to maintain safety; (2) to continue authorizing licensee activities only after determining that these proposed activities will be conducted consistent with the regulatory framework; (3) to confirm that licensees understand and carry out their primary responsibility for conducting activities consistent with regulatory framework; (4) to respond to operational events

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involving potential safety or safeguard consequences; and (5) to maintain safety by continuing to evolve along with Agreement States Materials Program into a single "National Materials Program" by encouraging the States to continue to pursue a more active role in the regulatory process.

The Nuclear Waste Safety arena has the same first four strategies as the Nuclear Materials Safety arena. In addition, the following strategies have been established specifically for the Nuclear Waste Safety arena: (1) to evaluate new information from research, new safety issues, changing external factors, international programs, and licensee operational experience so that improvements can be made to maintain an adequate regulatory framework, and (2) to keep pace with the national high-level waste management program. To apply the regulatory framework to precicensing reviews and consultations with DOE to resolve the issues most important to repository safety and prepare for addressing a potential licensing decision within the statutory time period.

Actions\Milestones: This latest challenge was released in December 2001, specific actions and milestones will be included in the FY 2004 Budget Estimates and Performance Plan.

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**CHALLENGE 2:** Development and implementation of an appropriate risk-informed and performance-based regulatory oversight approach. (GAO identified comparable challenge).

### **Strategic Plan References**

Three performance goals address this challenge in the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas. They are: (1) maintain safety, protection of the environment, and the common defense and security; (2) make NRC activities and decisions more effective, efficient, and realistic; and (3) reduce unnecessary regulatory burden on stakeholders. (See NRC Strategic Plan Appendix, Part 2, pages 2, 9, 12, 20, 29, 33, 40, 48, and 51).

The associated strategies in the Nuclear Reactor Safety arena which address this challenge are: (1) to sharpen our focus on safety to include a transition to a revised NRC reactor oversight program for our inspection, assessment, and enforcement activities; (2) to evaluate operating experience and the results of risk assessments for safety implications; (3) to identify, evaluate, and resolve safety issues, including age-related degradation, and ensure that an independent technical basis exists to review licensee submittals to ensure that safety is maintained; (4) to continue to develop and incrementally use risk-informed and, where appropriate, less prescriptive performance-based regulatory approaches to maintain safety; (5) to use risk information to improve the effectiveness and efficiency of our activities and decisions; (6) to make agency decisions based on technically sound and realistic information; and (7) to utilize risk information and performance-based approaches to reduce unnecessary regulatory burden.

The associated strategies in the Nuclear Materials Safety arena which address this challenge are: (1) to continue to improve the regulatory framework to increase our focus on safety and safeguards, including incremental use of risk-informed and, where appropriate, less prescriptive performance-based regulatory approaches to maintain safety; (2) to continue to improve the regulatory framework to increase our effectiveness, efficiency, and realism; and (3) to continue to improve our regulatory framework in order to reduce unnecessary regulatory burden.

The associated strategies in the Nuclear Waste Safety arena which address this challenge are: (1) to continue developing a regulatory framework to increase our focus on safety, including the incremental use of risk-informed and, where appropriate, less prescriptive-based regulatory approaches to maintain safety; (2) to continue to improve the regulatory framework to increase our

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effectiveness, efficiency, and realism; and (3) to continue to improve our regulatory framework in order to reduce unnecessary regulatory burden.

<i>Actions/Milestones</i>	<i>Schedule</i>
<p><b>NUCLEAR REACTOR SAFETY ARENA</b>            Report on lessons learned from full implementation of the reactor oversight process.  <b>Status:</b> Issued through SECY-01-0014 dated June 25, 2001.</p>	<p>Complete</p>
<p>Propose feasibility of changes to 10 CFR 50.46.  <b>Status:</b> SECY-01-0133 (July 23, 2001) provided staff recommendations for risk-informed revisions to 10 CFR 50.46. These recommendations were based upon a feasibility study and additional technical work is needed to support the rulemaking. As noted in the paper, the staff is proceeding with this technical work, and will begin the rulemaking effort upon approval by the Commission. The schedule proposed in that paper was to deliver a proposed rule to the Commission within 12 months of Commission approval or 2 months after completion of the technical work (whichever is later). This schedule is based upon the staff projection of July 2002 for completion of the technical work, and the realization that this basis is necessary to support the proposed rule package.</p>	<p>FY 2002-FY 2003</p>
<p>Propose revisions to 10 CFR Part 52.  <b>Status:</b> The staff released draft rule language for public comment on September 27, 2001, in response to SRM of August 3, 2001 directing staff to seek early stakeholder interaction by sharing draft rule language. The staff plans to forward the proposed rule to the Commission in April 2002.</p>	<p>FY 2002</p>

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<i>Actions/Milestones</i>	<i>Schedule</i>
<p>Issue revision to Regulatory Guide (RG) 1.174, "An Approach for Using Probabilistic Risk Assessment In Risk-Informed Decisions On Plant-Specific Changes to the Licensing Basis."  <b>Status:</b> Revision 1 to RG 1.174 was published as DG-1110 for public comment on July 23, 2001. The staff schedule for completion of this revision is December 2001.</p>	FY 2002
<p>Modify the scope of special treatment requirements and submit the proposed rule to the Commission.  <b>Status:</b> The current schedule calls for submitting the proposed rule to the Commission in April 2002. The staff is in the process of reevaluating the overall schedule and this date could be delayed beyond April (but still expected in FY2002).</p>	FY 2002
<p><b>NUCLEAR MATERIALS SAFETY AND NUCLEAR WASTE SAFETY ARENAS</b>  Solicit public and other stakeholder views in developing revisions to the fuel cycle facilities oversight program.  <b>Status:</b> During FY 2001, two public stakeholder meetings were held at NRC headquarters in Rockville, MD, and four public meetings were held in the vicinity of six fuel cycle facilities to discuss the changes proposed for fuel cycle oversight. The staff briefed the Commission on the status of the oversight revision project (December 2000). Given the small number of fuel cycle licensees, NRC decided not to conduct a pilot program for oversight process revisions, hence no report was developed. Late in the fiscal year, the staff determined that many of the oversight process changes could be implemented only after the agency and its licensees have implemented the recent revisions to 10 CFR Part 70; the staff estimates that the process changes will begin in FY 2002.</p>	FY 2002
<p>Complete medical pilot inspection program.</p>	Complete

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<i>Actions/Milestones</i>	<i>Schedule</i>
<p>Issue Integrated Issue Resolution Status Report associated with proposed High-Level Waste Repository.  <b>Status:</b> In August 2001, NRC issued an internal version of the Integrated Issue Resolution Status Report (IRSR). In FY 2002, NRC plans to incorporate additional information from six issue resolution meetings conducted in the latter half of FY 2001, as well as reference final 10 CFR 63 and the Yucca Mountain Review Plan in the Integrated IRSR. NRC plans to publish the Integrated IRSR around the middle of FY 2002.</p>	FY 2001-FY 2002
<p>Develop case studies in Nuclear Materials Safety and Nuclear Waste Safety arena program areas to test screening criteria and develop draft safety goals.  <b>Status:</b> Case studies are completed. Screening criteria (now referred to as screening considerations) are ready for management review and approval. Investigation of safety goals is continuing.</p>	FY 2001-FY 2003
<p>Develop and conduct training in application of risk analysis.  <b>Status:</b> Generally applicable risk training for Office of Nuclear Material Safety and Safeguards (NMSS) staff and management was offered on numerous occasions throughout FY 2001 and will be ongoing. Application-specific risk training began in FY 2001 and will be ongoing.</p>	FY 2001-FY 2002
<p>Conduct a Probabilistic Risk Assessment for dry cask storage. Issue draft report on screening analysis.  <b>Status:</b> The draft report is scheduled for June 2002 with final report scheduled for April 2003.</p>	FY 2001-FY 2003
<p>Systematically review NMSS regulatory applications and identify applications amendable to increased use of risk insights.</p>	FY 2002-FY 2003
<p>Evaluate the feasibility of safety goals for nuclear materials and waste regulation, and develop draft safety goals, if appropriate.</p>	FY 2002-FY 2003

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
Revise the Licensee Performance Review process (MC 2604) to make it more timely and efficient, and to revise the guidance documents governing the implementation of the fuel cycle inspection program (MC 2600).	FY 2002
Revise fuel cycle inspection procedures.	FY 2003

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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**CHALLENGE 3:** Identification, acquisition, and implementation of information technologies. (GAO identified comparable challenge).

### **Strategic Plan References**

The corporate management strategy to provide proactive information management and information technology services and the associated supporting strategies to address this challenge are: (1) to work jointly with program and support offices to integrate information technology and business planning as a means of achieving agency goals and strategies; (2) to make it easier for the staff to acquire, access, and use the information they need to perform their work; (3) to assume a leadership role in improving the agency staff's capability to use current and planned information technology to enhance performance; (4) to provide and maintain a robust, reliable, cost-effective, and "user-friendly" information technology infrastructure that is driven by agency needs; (5) to work jointly with stakeholders to optimize the delivery of information technology and management service; (6) to improve the ability of the NRC and external entities to conduct our mutual business electronically; and (7) to provide external stakeholders the ability to easily access desired publicly available information to aid in their participation in the NRC's regulatory processes, and to enhance understanding of the agency's mission, goals, and performance. (See NRC Strategic Plan Appendix, Part 2, pages 72-75). Additionally, NRC developed a corrective action plan in response to recommendations to strengthen the agency's IT security program under the Government Information Security Reform Act. The plan includes hiring a senior-level official responsible for overseeing the IT Security program, establishing a centralized monitoring and reporting function, developing measures to monitor our progress in improving information security in the agency, and establishing IT security training requirements.

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
<b>Critical Infrastructure Protection (CIP)</b>	
Update cybersecurity portion of CIP Plan	Complete
Initiate computer based security awareness training for employees.	Complete
Monitor effectiveness of IT security protection initiatives.	Ongoing
<b>Agencywide Documents Access and Management System (ADAMS)</b>	
Release ADAMS version 3.3.	Complete
Release ADMAS version 4.0	FY 2002
<b>External WEB Site</b>	
Complete user feedback on prototype of external web site.	Complete
Complete implementation of Communication Plan.	FY 2002
Deploy re-designed external web site.	FY 2002
<b>Electronic Information Exchange (EIE)</b>	
Publish announcement of EIE initiative in NMSS newsletter.	Complete
Issue EIE rule	FY 2002
Enable secured EIE for Reactor and Material stakeholders.	FY 2002
<b>Acquisition Management</b>	
Award blanket purchase agreements (BPA's)	Complete
Establish administrative procedures for ordering under BPA's	Complete
Transition to software and consulting services contract	Complete
Transition to performance-based contracting for IT infrastructure	Complete
<b>Capital Planning and Investment Control (CPIC).</b>	
Circulate revised draft CPIC Management Directive (MD) 2.2.	FY 2002
Issue revised CPIC MD 2.2	FY 2002
Use CPIC lessons learned to improve CPIC process	FY 2002

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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**CHALLENGE 4:** Administration of all aspects of financial management (aspects highlighted by the OIG were limited to financial reporting and effective oversight of the procurement process to eliminate fraud, waste, and abuse). (GAO identified comparable challenge).

### **Strategic Plan References**

NRC has an overarching corporate management strategy to employ innovative and sound business practices and a supporting strategy to strengthen our financial systems and processes to ensure that our financial assets are adequately protected consistent with risk and that our financial information is better integrated with decisionmaking. The following actions will address this challenge. (See NRC Strategic Plan Appendix, Part 2, pages 68-69).

<i><b>Actions/Milestones</b></i>	<i><b>Schedule</b></i>
CFO and EDO staff participated in agencywide interdisciplinary group to develop a statement of work for the new CISSCO II program that addresses the financial management weaknesses of the original CISSCO I program that ends in August 2001.	Complete
CFO and EDO staff will participate in agencywide interdisciplinary group to select vendors for the new CISSCO II program.	Complete
Evaluate the status of the implementation of new systems that support cost accounting and revise the cost accounting remediation plan for implementing new cost accounting system.	Complete
Review the potential of creating more meaningful cost reports to better meet the needs of managers on an interim basis (prior to implementing new cost accounting system).	Complete
Continue to refine the pay/personnel time and labor reporting process.	FY 2001-FY 2002
Prepare the FY 2001 financial statements and receive an unqualified audit opinion.	FY 2002

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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**CHALLENGE 5:** Clear and balanced communication with NRC external stakeholders.

### **Strategic Plan References**

The NRC has established performance goals and supporting strategies in the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas to increase public confidence. (See NRC Strategic Plan Appendix, Part 2, pages 6-8, 26-29, and 45-47).

The associated strategies in the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas which address this challenge are: (1) to make public participation in the regulatory process more accessible; (2) to listen to the public's concerns and involve them more fully in the regulatory process; (3) to communicate more clearly. We will add more focus, clarity, and consistency to our message, be timely, and present candid and factual information in the proper context with respect to the risk of the activity; (4) to continue to enhance the NRC's accountability and credibility by being a well-managed, independent regulatory agency. We will increase efforts to share our accomplishments with the public; and (5) to continue to foster an environment in which safety issues can be openly identified without fear of retribution. Specific to the Nuclear Reactor Safety Arena is the strategy to report on the performance of nuclear power facilities in an open and objective manner.

In addition, the agency has established a corporate management strategy to communicate strategic change to address this challenge. The supporting strategies will establish, evaluate, and sustain effective methods of communication with our external stakeholders. They are: (1) to assess the effectiveness of communications by evaluating the effectiveness of communications channels or methods used to provide information to the public; (2) to improve communication with the public by using strategies that recognize the ongoing changes in the environment external to the agency; (3) to respond to requests and inquiries from stakeholders in a timely, courteous, and professional manner; and (4) to identify regulatory decisions or issues that are most likely to generate substantial public interest at an early stage of development and initiate actions to inform and involve the public. (See NRC Strategic Plan Appendix, Part 2, page 77).

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
<b>Public Meeting Feedback Form</b> Conduct semiannual analysis.	FY 2001–FY 2002
Make recommendation on continued use.	FY 2002
<b>Reactor Oversight Process (ROP)</b> Issue public comment Federal Register Notice.	Complete
Issue internal stakeholder survey.	Complete
Conduct internal lessons learned workshop.	Complete
Conduct external lessons learned workshop.	Complete
Obtain Commission decision on industry trends measure.	Complete
Obtain Commission decision on ROP initial implementation.	Complete
Conduct Agency Action Review Meeting (AARM).	Complete
Conduct AARM Commission briefing.	Complete
Conduct Commission briefing on ROP initial implementation.	Complete
<b>Communication Plans</b>	
<b>NUCLEAR REACTOR SAFETY ARENA</b> Issue Reactor Oversight Process Communication Plan.	Complete
Issue Safeguards and Security Communication Plan.	Complete
Issue Reactor License Renewal Communication Plan.	Complete
Issue Future Licensing Communication Plan.	Complete

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
<p><b>NUCLEAR MATERIALS SAFETY AND NUCLEAR WASTE SAFETY ARENAS</b></p> <p>Development of the Communication Plans: The public trust and confidence in NRC's ability to carry out its mission is an important goal of the NRC. The development of communication plans facilitate the implementation of public outreach efforts.</p>	
<p>Complete the Event Response and Assessment Communication Plan.</p>	<p>Complete</p>
<p>Complete the MOX Facility Communication Plan.</p>	<p>Complete</p>
<p>Complete the High-Level Waste (including transportation) Communication Plan.</p>	<p>Complete</p>
<p>Complete the Materials Inspections Communication Plan.</p>	<p>Complete</p>
<p>Complete the Risk-Informing Materials Regulatory Program Communication Plan.</p>	<p>Complete</p>
<p>Complete the Part 35-Medical Uses Communication Plan.</p>	<p>Complete</p>
<p>Develop the Decommissioning Program Communication Plan.</p>	<p>Complete</p>
<p>Develop draft Enrichment Technology Communication Plan.</p>	<p>Complete</p>
<p>Develop draft Uranium Recovery Issues Communication Plan.</p>	<p>Complete</p>
<p>Implement the High-level Waste (including transportation) Communication Plan.</p>	<p>Complete</p>
<p>Develop Spent Fuel Transportation Communication Plan</p>	<p>FY 2002</p>
<p>Develop and implement site-specific decommissioning communication plans</p>	<p>FY 2002</p>

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
<p>Continue to evaluate and revise Enrichment Technology and MOX Communications Plans based on public feedback and changes in the regulatory and political environment</p>	<p>Ongoing</p>
<p>Continue to implement the nuclear materials and waste safety arena communications plans, and update, as necessary.</p>	<p>FY 2002-FY-2003</p>
<p>NMSS' Division of Fuel Cycle Safety and Safeguards (FCSS) conducted approximately 25 public meetings on significant regulatory issues. These meetings afforded NRC the opportunity to solicit stakeholder viewpoints and provided stakeholders the opportunity to exchange information on a variety of issues. For example, meetings were held to discuss the MOX licensing initiative (including preparation of the environmental impact statement), the fuel cycle oversight process, and the integrated safety analysis. More than half of these public meetings were held in the vicinity of those affected.</p>	<p>Complete</p>
<p>To facilitate communication with Native American tribal governments and entities on health and safety issues associated with a possible licensing decision on a high-level waste (HLW) repository, staff met with representatives of Native American tribes potentially impacted by the possible siting of a HLW geological repository at Yucca Mountain, Nevada.</p>	<p>Complete</p>
<p>Invited Agreement States to the Sealed Source and Device Seminar held in April 2001, and participated with the States on numerous work and management teams to arrive at collegial solutions to issues of common concern.</p>	<p>Complete</p>

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
Held public meetings to respond to citizens' concerns and interest at the following sites: Diablo Canyon, Haddam Neck, Fitzpatrick, and the San Onofre Nuclear Generating Station (California Coastal Commission).	Complete
Held public workshops for Part 71 (Packaging and Transportation of Radioactive Materials) rulemaking.	Complete
Held 10 CFR Part 40 (Licensing of Source Material) jurisdictional working group meetings with stakeholders' participation.	Complete
Solicited comments from industry and the public for incorporation into the final guidance to be developed for site-specific 10 CFR Part 72 license renewals. The draft guidance was sent to Virginia Power in March 2001 since Virginia Power intends to submit a renewal application for the Surry independent spent fuel storage installation in Spring 2002.	Complete
Post rulemakings, guidance, and meeting summaries on web site. Continue efforts to expand and redesign NMSS' web site.	Ongoing

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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**CHALLENGE 6:** Intra-agency communication (up, down, and across agency organizational lines).

### **Strategic Plan References**

The agency has established a corporate management strategy to communicate strategic change to address this challenge. The supporting strategies will establish, evaluate, and sustain effective methods of communication with our internal stakeholders. They are: (1) to review and assess the effectiveness of communication channels and methods within the NRC to ensure that they support the needs of a changing environment; and (2) on the basis of this assessment, to develop and implement communication plans that support strategic change and foster the desired work environment. (See NRC Strategic Plan Appendix, Part 2, page 76).

Additionally, the corporate management strategy to employ innovative and sound business practices and the supporting strategies will help in this challenge. They are: (1) to strengthen collaborative processes for conducting business among support offices and between support and program offices; and (2) to improve customer service, balancing internal customer needs with overall agency priorities and available resources. (See NRC Strategic Plan Appendix, Part 2, pages 67-68).

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
<p><b>NUCLEAR REACTOR SAFETY ARENA</b></p> <p>Initiate periodic meetings with intra-agency stakeholders to enhance communications and support.</p> <p><b>Status:</b> Implementing the EDO's expectations for internal communications as described in his August 31, 2001, memorandum, resulting from the SES Candidate Development Program initiative for internal communications. NRR's Leadership Team has made substantial progress in becoming a cohesive unit. NRR has developed and improved the prioritization of NRR user needs and improved the interface between the Office of Nuclear Regulatory Research and NRR. Monthly meetings are held to enhance integration and cooperation throughout both Offices. Communications with the regions has improved with the establishment of constructive relationships with key regional stakeholders and periodic conference (video) calls and trips. NRR has also implemented an office-level infrastructure improvement effort for updating NRR office procedures, policies, and other guidance documents.</p>	Complete

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
<p>Complete Phase 3 of Centralized Work Planning in NRR  <b>Status:</b> Phase 3 of Centralized Work Planning was the development of a software module for the Time, Resource and Inventory Management (TRIM) computer program to provide algorithm for near-term personnel scheduling. The final module was downloaded by the staff in December 2001. However, the formal contract deliverable (CD-ROM with documentation) has been delayed due to essential contractor personnel at Sandia National laboratory being reassigned to security issues arising from the September 11 terrorist attacks. Delivery of the formal product is now scheduled for spring 2002.</p>	FY 2002-FY 2003
<p><b>NUCLEAR MATERIALS SAFETY AND NUCLEAR WASTE SAFETY ARENA</b></p>	
<p>Conduct Materials arena division director counterpart meeting.</p>	Complete
<p>Conduct Materials arena HQ/regions counterpart meetings.  <b>Status:</b></p> <ul style="list-style-type: none"> <li>• Branch Chief counterpart meeting (November 2000)</li> <li>• Radiation Safety Officers' counterpart meetings (November 2000)</li> </ul>	FY 2001-FY 2003
<p>Develop and implement communication plans (see Management Challenge 4).</p>	FY 2001-FY 2003
<p>NMSS conducts NMSS-wide staff meetings several times each year to convey key policy and procedural information in a timely manner.  <b>Status:</b> Three meetings were conducted in FY 2001-- 10/19/00, 4/12/01, and 9/13/01.</p>	FY 2001-FY 2003
<p>NMSS managers conduct periodic meetings with individual Commissioners to keep them informed and obtain their views on emergent work.</p>	FY 2001-FY 2003

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
NMSS supports staff rotational and team work group assignments in order to share insights across organizations/ strategic arenas, and to increase team-building and arena-based solutions to issues.	FY 2001-FY 2003
NMSS managers conduct periodic meetings with counterparts in the Office of State and Tribal Programs, and the Office of Incident Response Operations.	FY 2001-FY 2003
NMSS formed an Empowerment Task Force to encourage exchange of ideas and communication between staff and management.	FY 2001-FY 2002
NMSS will continue efforts to empower managers by clearly communicating and reaching agreement up-front on expectations for emergent and ongoing work.	Ongoing
Continue periodic meetings between NMSS senior management contacts and NMSS members of EEO Advisory Committees to improve communication on EEO and diversity issues.	Quarterly
Manage and coordinate activities, policies, and efforts with managers from other NRC offices through the bi-weekly meetings of the High-Level Waste Board, bi-monthly NRC/EPA Interface meetings, bi-weekly Decommissioning Management Board meetings, and weekly NMSS and division staff meetings.	Ongoing
Conduct bi-weekly conference calls with regions.	Bi-weekly
Conduct monthly conference calls with States.	Monthly
Manage and coordinate decommissioning activities, policies, and efforts with managers from other NRC offices through the bi-weekly meeting of the Decommissioning Management Board.	Bi-weekly

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
NMSS and Office of Nuclear Regulatory Research managers meet quarterly to review status of cooperative efforts and discuss issues or concerns.	Quarterly
Conduct regularly scheduled meetings with staff at all levels-- Division, Section, Branch, and office-wide to communicate essential information and ensure open lines of communication up and down the organization.	Ongoing

## APPENDIX IV: MANAGEMENT CHALLENGES

**CHALLENGE 7:** Regulatory processes that are integrated and continue to meet NRC's safety mission in a changing external environment.

### Strategic Plan References

Performance goals in the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas to make NRC activities and decisions more effective, efficient, and realistic and reduce unnecessary regulatory burden on stakeholders and their supporting strategies address this challenge. (See NRC Strategic Plan Appendix, Part 2, pages 9-14, pages 29-35, and pages 48-54).

<i>Actions/Milestones</i>	<i>Schedule</i>
<b>NUCLEAR REACTOR SAFETY ARENA</b> Develop a Commission paper on preliminary impact assessments of industry consolidation.	Complete
Issue a final Commission paper recommending followup actions.	FY 2002
<b>NUCLEAR MATERIALS SAFETY AND NUCLEAR WASTE SAFETY ARENAS</b> Inter-office communication on important issues such as the high-level waste management and decommissioning areas is made more effective through the use of Management Boards which meet bi-weekly to discuss status reports regarding action items and to provide additional direction to these programs, particularly in the area of policy issues.	Bi-weekly
Participated in integrated effort on Millstone rods to determine the health and safety impacts of their potential loss, what corrective and mitigative actions were needed, and whether any regulatory changes might be needed.	Complete
PRA Steering Committee meets quarterly to ensure that risk-informed activities are integrated across the agency.	Quarterly
Participate on the agency's Research Effectiveness Review Board to ensure that the research program is effective in meeting the agency's needs.	FY 2001-FY 2003

**APPENDIX IV: MANAGEMENT CHALLENGES**

<i>Actions/Milestones</i>	<i>Schedule</i>
<p>Participate on the NRC's Response to Terrorist Attacks Task Force and the Safeguards Steering Committee, to ensure an integrated agency response to terrorist events of September 11, 2001.</p>	<p>FY 2001-FY 2003</p>
<p>Conduct meetings with stakeholders to provide an opportunity for exchange of information so that stakeholder viewpoints can be understood.</p> <p>Nuclear Materials and Waste Safety Arena Examples:</p> <ul style="list-style-type: none"> <li>• During FY 2001, NMSS' FCSS conducted approximately 25 public meetings on significant regulatory issues.</li> <li>• Invited Agreement States to the Sealed Source and Device Seminar held in April 2001, and participated with the States on numerous work and management teams to arrive at collegial solutions to issues of common concern.</li> <li>• Held 10 CFR Part 40 (Licensing of Source Material) jurisdictional working group meetings with stakeholders' participation.</li> <li>• Developed and issued draft guidance for site-specific 10 CFR Part 72 license renewals. Solicited comments from industry and the public for incorporation into the final guidance to be developed. Draft guidance sent to Virginia Power in March 2001 since Virginia Power intends to submit a renewal application for the Surry independent spent fuel storage installation in Spring 2002.</li> <li>• Held public meetings to respond to citizens' concerns and interest at the following sites: Diablo Canyon, Haddam Neck, Fitzpatrick, and the San Onofre Nuclear Generating Station (California Coastal Commission).</li> <li>• Held public workshops for Part 71 (Packaging and Transportation of Radioactive Materials) rulemaking.</li> </ul>	<p>Ongoing</p>

**APPENDIX IV: MANAGEMENT CHALLENGES**

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<i>Actions/Milestones</i>	<i>Schedule</i>
Review and update listing of external factors influencing our activities. Also, continue analysis of external environment and document planning assumptions each year as part of NRC's PBPM process.	Ongoing

## **APPENDIX IV: MANAGEMENT CHALLENGES**

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**CHALLENGE 8:** Maintenance of a highly competent staff to carry out NRC's public health and safety mission (i.e., human capital management). (GAO identified comparable challenge).

### **Strategic Plan References**

The Agency has established a corporate management strategy to sustain a high-performing, diverse workforce. The NRC will employ the following supporting strategies: (1) recruit, hire, and retain a high-quality, diverse workforce with the skills needed to achieve our mission and goals; (2) assess our scientific, engineering, and technical core competency needs and design a strategic workforce plan to address critical skills gaps and guide the agency in the recruitment, development, and retention of a highly-skilled diverse workforce; (3) foster a work environment that is free of discrimination and provides opportunities for all employees to optimally use their diverse talents in support of our mission and goals; (4) base our human resource decisions on sound workforce planning and analysis and develop succession strategies for key positions and critical skills; (4) improve the capability of our workforce through training, development, and continuous learning; (5) select and develop strong managers who can provide vision and strategic leadership; and (6) focus on results by linking rewards and recognition to outcomes and organizational effectiveness. These strategies will address this challenge. (See NRC Strategic Plan Appendix, Part 2, pages 70-72).

<i>Actions/Milestones</i>	<i>Schedule</i>
Develop pilot Strategic Workforce Plan.	Complete
Continue current strategies to close skills gaps.	FY 2002
Identify and implement additional gap closure strategies.	FY 2002
Validate existing skill needs and identify new needs in NMSS, NRR, & RES.	FY 2002
Adjust/implement new gap closure strategies to new needs.	FY 2002
Expand strategic workforce plan to Regions & other offices as appropriate.	FY 2002

**APPENDIX V**  
**PROGRAM LINKS TO PERFORMANCE GOALS**

**APPENDIX V: PROGRAM LINKS TO PERFORMANCE GOALS**

**FY 2003 NUCLEAR REACTOR SAFETY  
PROGRAM LINKS TO PERFORMANCE GOALS**

LINKS TO PERFORMANCE GOALS	PERFORMANCE GOALS			
	Maintain Safety	Increase Public Confidence	Make NRC Activities & Decisions More Effective, Efficient, and Realistic	Reduce Unnecessary Regulatory Burden
<b>FY 2003 PROGRAMS (\$275,135K, 1,521 FTE)</b>				
Reactor Licensing (\$57,929K, 401 FTE)	X	X	X	X
Reactor License Renewal (\$16,949K, 95 FTE)	X	X	X	X
Reactor Inspection and Performance Assessment (\$74,328K, 610 FTE)	X	X	X	X
New Reactor Licensing (\$24,800, 84 FTE)	X	X		
Reactor Incident Response (\$5,701K, 28 FTE)	X	X	X	X
Reactor Safety Research (\$58,741K, 146 FTE)	X	X	X	X
Reactor Technical Training (\$11,701K, 61 FTE)	X	X	X	
Reactor Enforcement Actions (\$1,901K, 15 FTE)	X	X	X	X
Reactor Investigations (\$4,127K, 31 FTE)	X	X	X	X
Reactor Legal Advice (\$2,959K, 24 FTE)	X	X	X	X
Reactor Adjudication (\$1,388K, 8 FTE)	X	X	X	X
Homeland Security (\$ 14,611K, 18 FTE)	X	X	X	X

**APPENDIX V: PROGRAM LINKS TO PERFORMANCE GOALS**

**FY 2003 NUCLEAR MATERIALS SAFETY  
PROGRAM LINKS TO PERFORMANCE GOALS**

LINKS TO PERFORMANCE GOALS	PERFORMANCE GOALS			
	Maintain Safety and Safeguards	Increase Public Confidence	Make NRC Activities & Decisions More Effective, Efficient, and Realistic	Reduce Unnecessary Regulatory Burden
<b>FY 2003 PROGRAMS (\$61,399K, 388 FTE)</b>				
Fuel Facilities Licensing and Inspection (\$15,837K, 112 FTE)	X	X	X	X
Nuclear Materials Users Licensing and Inspection (\$28,075K, 184 FTE)	X	X	X	X
State and Tribal Programs (\$4,645K, 35 FTE)	X	X	X	X
Materials Safety Research (\$2,383K, 6 FTE)	X	X	X	X
Materials Incident Response (\$246K, 2 FTE)	X	X	X	
Materials Technical Training (\$1,807K, 5 FTE)	X	X	X	
Materials Enforcement Actions (\$968K, 8 FTE)	X	X	X	X
Materials Investigations (\$1,431K, 11 FTE)	X	X	X	X
Materials Legal Advice (\$1,719K, 14 FTE)	X	X	X	X
Materials Adjudication (\$855K, 5 FTE)	X	X	X	X
Homeland Security (\$3,433K, 6 FTE)	X	X	X	X

**APPENDIX V: PROGRAM LINKS TO PERFORMANCE GOALS**

**FY 2003 NUCLEAR WASTE SAFETY  
PROGRAM LINKS TO PERFORMANCE GOALS**

LINKS TO PERFORMANCE GOALS	PERFORMANCE GOALS			
	Maintain Safety and Safeguards	Increase Public Confidence	Make NRC Activities & Decisions More Effective, Efficient, and Realistic	Reduce Unnecessary Regulatory Burden
<b>FY 2003 PROGRAMS (\$70,025K, 271 FTE)</b>				
High-Level Waste Regulation (\$24,900K, 70 FTE)	X	X	X	X
Spent Fuel Storage and Transportation Licensing and Inspection (\$12,597K, 69 FTE)	X	X	X	X
Regulation of Low-Level Waste (\$381K, 3 FTE)	X	X	X	X
Regulation of Decommissioning (\$10,190K, 66 FTE)	X	X	X	X
Waste Safety Research (\$12,213K, 29 FTE)	X	X	X	X
State and Tribal Programs (\$116K, 1 FTE)	X	X		
Waste Technical Training (\$688K, 4 FTE)	X	X	X	
Waste Safety Legal Advice (\$1,357K, 11 FTE)	X	X	X	X
Waste Adjudication (\$617K, 4 FTE)	X	X	X	X
Protection of the Environment (\$2,621K, 9 FTE)	X	X	X	X
Homeland Security (\$4,345K, 5 FTE)	X	X	X	X

**APPENDIX VI**  
**REPORT ON DRUG TESTING**

## **APPENDIX VI: REPORT ON DRUG TESTING**

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### **U.S. NUCLEAR REGULATORY COMMISSION REPORT TO CONGRESS ON DRUG TESTING**

The Nuclear Regulatory Commission's (NRC's) Drug Testing Plan was initially approved in August 1988 and updated in November 1997. NRC drug testing requirements on the nuclear industry through regulations are separate from this program and are not covered by this report. The NRC's Drug Testing Program under Executive Order (E.O.) 12564 includes random, applicant, voluntary, followup, reasonable suspicion, and accident-related drug testing. Testing was initiated for non-bargaining unit employees in November 1988 and for bargaining unit employees in December 1990 after an agreement was negotiated with the National Treasury Employees Union.

The NRC positions meeting the following criteria are considered testing-designated positions, and the employees filling these positions are subject to random testing: (1) regional and headquarters employees who have unescorted access to vital or protected areas of nuclear plants, Category I fuel facilities and uranium enrichment facilities; (2) employees who have assigned responsibilities or are on call for regional or headquarters incident response centers; (3) employees who require access to classified information (e.g., national security information or restricted data); and (4) employees who are motor vehicle operators carrying passengers.

Approximately 1,550 NRC employees occupy testing-designated positions and are subject to random testing. Potential selectees interviewed for positions in these categories are subject to applicant testing.

Approximately 940 tests of all types were conducted between October 1, 2000, and September 30, 2001. Since each employee subject to random testing has an equal chance of being selected each time, some NRC employees were randomly tested more than once. All random testing results during this time period have been negative.

Internal quality control reviews were completed during the past year to ensure NRC's program continues to be administered in a fair, confidential, and effective manner.

The NRC's Drug Testing Program is based on the principles and guidance provided through E.O. 12564, Public Law 100-71, Department of Health and Human Services guidelines, and Commission decisions.

**APPENDIX VII**  
**SUMMARY OF REIMBURSABLE**  
**WORK AGREEMENTS**

**APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

<b>U.S. NUCLEAR REGULATORY COMMISSION SUMMARY OF REIMBURSABLE WORK AGREEMENTS (New Budget Authority)</b>			
	<b>FY 2001</b>	<b>FY 2002 (Estimate)</b>	<b>FY 2003 (Estimate)</b>
<b>INTERNATIONAL ASSISTANCE TO FOREIGN GOVERNMENTS AND ORGANIZATIONS</b>			
International Invitational Travel	\$158,000	\$80,000	\$80,000
Material Protection, Control, and Accounting Support	\$0	\$525,000	\$525,000
Implementation of Additional Protocol to the US-IAEA Safeguards Agreement	\$0	\$200,000	\$200,000
Nuclear Safety Initiatives for Central and Eastern Europe	\$0	\$0	\$0
Nuclear Safety Initiatives for the New Independent States	\$3,000,000	\$3,500,000	\$3,500,000
<b>ADMINISTRATIVE AGREEMENTS</b>			
Agreement States Training	\$98,003	\$100,000	\$100,000
Characterization of Fuel Stored in Dry Casks	\$206,000	\$50,000	\$50,000
Criminal History Program	\$675,000	\$1,020,000	\$1,020,000
Information Access Authorization Program	\$3,000	\$15,000	\$15,000
Material Access Authorization Program	\$528,000	\$340,000	\$340,000
University of Illinois Employee Detail	\$119,000	\$0	\$0
Westinghouse Electric Company Participation in the Second USNRC International Steam Generator Tube Integrity Research Program	\$50,000	\$0	\$0
Department of Energy Employee Detail	\$45,000	\$48,000	\$0
<b>OTHER AGREEMENTS</b>			
Aluminum-Based Research Reactor Spent Nuclear Fuel	\$0	\$0	\$0
Expert Witness Service	\$0	\$0	\$0
Fissile Materials Disposition	\$60,000	\$200,000	\$200,000
DOE Advanced Gas Reactor Technology	\$500,000	\$500,000	\$400,000

**APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

	<b>FY 2001</b>	<b>FY 2002 (Estimate)</b>	<b>FY 2003 (Estimate)</b>
NRC Support for Mars Survey 2003 Lander Programs in the Development of Safety Analysis Report and Safety Evaluation Report	\$25,000	\$0	\$0
Foreign Cooperative Research Agreements	\$1,547,000	\$2,500,000	\$2,500,000
Foreign Research Reactor Spent Nuclear Fuel	\$0	\$0	\$100,000
Naval Nuclear Propulsion Program-Spent Fuel Dry Storage Facility Review	\$94,500	\$0	\$0
Navy Porting Reviews	\$15,000	\$15,000	\$15,000
VIRGINIA Class Submarine Propulsion Plant Review	\$300,000	\$930,000	\$63,500
West Valley Demonstration Project Fuel Shipments Review	\$0	\$25,000	\$0
ORNL Fuel Shipment Preview	\$193,000	\$0	\$0
MARSSIM Assistance with Manual Updates	\$9,000	\$0	\$0
Idaho National Engineering and Environmental Laboratory Incidental Waste Determinations	\$400,000	\$40,000	\$0
<b>TOTAL</b>	<b>\$8,025,503</b>	<b>\$10,088,000</b>	<b>\$9,108,500</b>

## **APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

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### **SUMMARY OF REIMBURSABLE WORK AGREEMENTS**

#### **1. International Invitational Travel**

Source: International Atomic Energy Agency (IAEA), various foreign governments, and other international organizations.

Description of Work: IAEA and various foreign governments reimburse NRC travel costs pertaining to the organization's or government's work.

Justification for NRC Involvement: The NRC is assisting IAEA, other international organizations, and foreign governments by providing support in the area of nuclear safety because of the NRC's specialized expertise in the regulation of the uses of nuclear energy and materials. The NRC is authorized by its appropriation legislation to retain and use funds for services rendered to foreign governments and international organizations.

Reimbursement Procedures: The NRC initially funds the travel cost and is then reimbursed, generally by check, by the organization or country that sponsored the travel.

#### **2. Material Protection, Control, and Accounting (MPC&A) Support**

Source: Department of Energy (DOE)

Description of Work: Under the agreement, technical support will be provided to the regulatory agencies in Russia, Ukraine, and Kazakhstan in their development of MPC&A regulations, licensing and inspection programs, and in their training of MPC&A personnel as requested by DOE. Although NRC's recent work under this agreement has been limited to the review of Russian regulatory documents, this support could include the following areas: (1) support in developing and revising MPC&A regulations and associated guidance documents; (2) support in the development of an MPC&A licensing program and associated standard review plans, and assistance in the development of MPC&A licensing facility plans; (3) support in further development of inspection programs, including the conduct of MPC&A inspection and licensing workshops; (4) assistance in developing inspection and enforcement procedures; and (5) associated regulatory support-related training activities. The reimbursable FTE requirement for this agreement will be up to 2 FTE each year in FY 2002 and FY 2003.

Justification for NRC Involvement: Presidential Decision Directive(PDD)/NSC-41 (PDD-41), "U.S. Policy on Improving Nuclear Material Security in Russia and the Other Independent States," dated September 20, 1995, defines the roles of DOE and NRC in this area. It indicates that the DOE

## **APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

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is the lead agency for MPC&A activities and is responsible for funding work under this program. NRC is directed to continue its support to the regulatory agencies.

Reimbursable Procedure: DOE will approve NRC projects in advance, including funds for staff costs, contractors, and NRC travel. NRC bills DOE for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **3. Implementation of Additional Protocol to the U.S.-International Atomic Energy Agency (IAEA) Safeguards Agreement**

Source: Department of State (DOS)

Description of Work: Congressional approval of the Additional Protocol to the U.S.-IAEA Safeguards Agreement and implementing legislation will establish new statutory requirements for the reporting of information to the IAEA on U.S. nuclear and nuclear-related facilities, as well as new requirements for providing access to facilities identified by the IAEA. These requirements include the collection and reporting of information on nuclear activities for which information is currently not reported under the Safeguards Agreement and on manufacturing and export of fuel cycle related equipment and materials. The requirements also include providing clarifications and access to the IAEA to permit them to resolve questions and inconsistencies in information they have received regarding the nuclear fuel cycle in the U.S. The effort will require identifying those locations required to submit reports, notifying them of their responsibility, collecting and reviewing the submitted information, submitting reports to the IAEA, and responding to IAEA questions and access requests resulting from their evaluation of information received on the locations. It is anticipated that the reimbursable FTE requirement for this agreement will be up to 1 FTE each year in FY 2002 and FY 2003.

Justification for NRC Involvement: Responsibilities for implementing the Additional Protocol at certain U.S. facilities will be assigned to the NRC either through a PDD or through a Memorandum of Understanding with the DOS that is based on a PDD. The PDD will be issued after approval to ratification of the Additional Protocol by the Senate and passage by Congress of the implementing legislation. Through the implementing legislation, Congress will provide to the NRC the statutory authority to collect the required information and to provide the IAEA with access to the necessary facilities. NRC will be asked to take on these additional responsibilities because NRC has current responsibility for implementing the U.S.-IAEA Safeguards Agreement at licensee facilities (10 CFR Part 75).

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Reimbursable Procedure: The terms of reimbursement will be established through the Memorandum of Understanding and associated funding documents. These documents have yet to be drafted.

### **4. Nuclear Safety Initiatives for Central and Eastern Europe**

Source: Agency for International Development (AID)

Description of Work: The purpose of this AID initiative, started in 1991, is to assist the countries of Central and Eastern Europe (Czech Republic, Slovak Republic, Lithuania, Bulgaria, and Hungary) develop effective regulatory organizations, advance safety culture awareness and practices; strengthen the legal framework and regulatory capability; improve analytic capabilities for performing safety analyses; strengthen inspectorates through intensive training in NRC regulatory inspection philosophy procedures and techniques; and respond quickly to changing assistance priorities. The NRC has continually emphasized a regional approach by including representatives from all the Central and Eastern European countries so that when AID assistance comes to an end, technical experts in each country will be familiar with and can help their counterparts in adjacent countries.

Justification for NRC Involvement: The NRC is assisting AID in providing support to the countries of Eastern and Central Europe in the area of nuclear safety because of the NRC's specialized expertise in the regulation of civilian uses of nuclear energy and materials.

Reimbursement Procedures: AID provides budget authority to the NRC for travel and contract support. As costs are incurred by NRC, AID is billed via the Department of Treasury's on-line payment and collection system. NRC staff costs associated with providing this assistance are funded from NRC's Salaries and Expenses Appropriation.

### **5. Nuclear Safety Initiatives for the New Independent States (NIS)**

Source: Agency for International Development

Description of Work: The purpose of this AID initiative is to continue to implement nuclear safety initiatives in Russia, Ukraine, Armenia, and Kazakhstan. Activities under this agreement include (1) analytical support activities; (2) training regulatory personnel; (3) creation of an incident response capability; (4) licensing processes including probabilistic risk assessment and inspection procedures; and (5) assistance in legal enforcement and development of draft regulatory legislation and general infrastructure development.

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**Justification for NRC Involvement:** The NRC is assisting AID in providing support to the NIS in the area of nuclear safety because of the NRC's specialized expertise in the regulation of civilian uses of nuclear energy and materials.

**Reimbursement Procedures:** AID allocates budget authority to the NRC for travel and contract support. As costs are incurred by NRC, the costs are charged to NRC's AID transfer allocation account. NRC staff costs associated with providing this assistance are funded from NRC's Salaries and Expenses Appropriation.

### **6. Agreement States Training**

**Source:** Agreement State Governments

**Description of Work:** The purpose of this program is to offer nuclear materials technical training to the Agreement States. Contracted courses are provided on a cost-reimbursable basis.

**Justification for NRC Involvement:** NRC conducts technical training to ensure that the NRC staff possesses the requisite knowledge, skills, abilities, and competencies to accomplish the agency's nuclear safety oversight mission. NRC also makes this training available to the Agreement States to assist the states in carrying out their oversight mission. Contracted courses are provided on a cost reimbursable basis.

**Reimbursement Procedures:** The various Agreement States are billed for their proportionate share for participation in the NRC's Technical Training contracted courses. Payments will be made either by check or by electronic funds transfer.

### **7. Characterization of Fuel Stored in Dry Casks**

**Source:** Electric Power Research Institute (EPRI)

**Description of Work:** The NRC and the EPRI have signed an agreement to work together to determine the long-term integrity of dry storage cask systems and spent nuclear fuel under dry storage conditions. The intent of this cooperative research program is to perform a visual inspection of the dry storage cask and its contents, and to conduct detailed evaluations of the fuel rods. The fuel has been in continuous storage in the cask for nearly 15 years.

**Justification for NRC Involvement:** The NRC Office of Nuclear Material Safety and Safeguards, Spent Fuel Project Office, is developing the technical basis for renewals of licenses and Certificates of Compliance for dry storage systems for spent nuclear fuel and high-level radioactive waste at independent spent-fuel storage installation sites. These renewals would cover periods from

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20 to 100 years, and would require development of a technical basis for ensuring continued safe performance under the extended service conditions. Verification of past performance of selected components of these systems is required as part of that technical basis.

Reimbursement Procedures: NRC invoices EPRI on a scheduled basis for funds to be used on this program. Funds will be received from EPRI in advance. Payments will be made either by check or by electronic funds transfer. The NRC is authorized under 42 U.S.C. 5852(c) to receive, retain, and use funds under the cooperative nuclear research program for the salaries and expenses associated with the program. Once the funds are received, they are then obligated on Idaho National Engineering and Environmental Laboratory (INEEL) and Argonne National Laboratory projects according to the agreement and costs against these funds are incurred on a monthly basis.

### **8. Criminal History Program**

Source: NRC licensees

Description of Work: The NRC has entered into a written agreement with the Federal Bureau of Investigation's (FBI's) Identification/Information Management Division to conduct user fee non-criminal justice fingerprint card checks for which the FBI provides criminal history records for applicants if such exist in FBI files and/or databases. The reimbursable FTE requirement for this workload is approximately 1 FTE in FY 2002 and FY 2003.

Justification for NRC Involvement: 10 CFR Part 73, issued under the authority of the Atomic Energy Act (AEA) to protect public health and safety and provide for common defense and security.

Reimbursement Procedures: Funds are received from the licensees for fingerprint checks. Payments are made to the FBI via the Department of Treasury's on-line payment and collection system.

### **9. Information Access Authorization Program**

Source: NRC licensees

Description of Work: Licensee personnel with access to classified national security information and restricted data are subject to personnel security background investigations conducted by the Office of Personnel Management (OPM) at the NRC's request to ensure their eligibility for such access. This background investigation is necessary under the AEA and Executive Order 12968 to determine their eligibility for access to classified information.

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Justification for NRC Involvement: 10 CFR Part 25, issued under the authority of the AEA to protect public health and safety and provide for common defense and security.

Reimbursement Procedures: Funds are received from the licensees for background investigations. Payments are made to OPM via the Department of Treasury's on-line payment and collection system. Salary costs for NRC employees administering this program are not reimbursed by the requestor.

### **10. Material Access Authorization Program**

Source: NRC licensees

Description of Work: Licensee personnel with access to, or control of, formula quantities of special nuclear material are subject to personnel security background investigations conducted by OPM at the NRC's request to ensure their eligibility for such access. Such screening is necessary to protect against the theft or diversion of special nuclear material or acts of sabotage.

Justification for NRC Involvement: 10 CFR Part 11, issued under the authority of the AEA to protect public health and safety and provide for common defense and security.

Reimbursement Procedures: Funds are received from the licensees for background investigations. Payments are made to OPM via the Department of Treasury's on-line payment and collection system. Salary costs for NRC employees administering this program are not reimbursed by the requestor.

### **11. University of Illinois Employee Detail**

Source: University of Illinois

Description of Work: The NRC provides assistance in the planning, design, coordination and deployment of a new National Center for Technology Transfer. This includes establishing an operational center as a national resource, and assisting the National Center for Super Computing Applications (NCSA) Deputy Directors with planning, outreach and management activities associated with these objectives. This work also includes working directly with the NCSA Director and Deputy Directors to provide assistance in the concept, development, management and operations of the Center. The reimbursable requirement for this workload is approximately 1 FTE in FY 2001 and 0.5 FTE in FY 2002.

Justification for NRC Involvement: The NCSA is a recipient of the University of Illinois, National Science Foundation's new Partnerships for Advanced Computational Infrastructure (PACI)

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Program. The center has begun its new role as the leading edge site for research and academic individuals and institutions nationwide for the National Computational Science Alliance. A critical objective of the PACI program is outreach and technology transfer. To further this objective a new Technology Transfer Center is being established to operate as a national resource. NRC's experience in managing the NRC Technology Center provides valuable assistance to NCSA in the coordination of technology transfer to federal agencies, states and local governments, as well as the National Science Foundation.

Reimbursable Procedures: Funds are received in advance from the University of Illinois on an annual basis. Payments are either made by check or electronic funds transfer. The University of Illinois reimburses NRC for the assignee's actual salary and benefits costs. This agreement was entered into pursuant to the Intergovernmental Personnel Act.

### **12. Westinghouse Electric Company Participation in the Second U.S. NRC International Steam Generator Tube Integrity Research Program**

Source: Westinghouse Electric Company

Description of Work: The purpose of this research program is to develop experimental data and predictive correlations and models needed for the independent evaluation of the integrity of steam generator tubes as plants age and degradation proceeds, as new forms of degradation appear, and as new defect-specific management schemes are implemented.

Justification for NRC Involvement: NRC is conducting this research under 10 CFR Part 73, issued under authority of the AEA to protect public health and safety and provide for the common defense and security. Westinghouse participation under the cooperative nuclear research program contributes to offsetting the associated costs.

Reimbursement Procedures: Funds will be received from Westinghouse in advance. Payments will be made either by check or by electronic funds transfer. The NRC is authorized under 42 U.S.C. 5852(c) to receive, retain, and use funds under the cooperative nuclear research program for the salaries and expenses associated with the program.

### **13. Department of Energy Employee Detail**

Source: Department of Energy

Description of Work: The NRC detailed an employee to DOE to assist the Under Secretary for Energy, Science and Environment by providing advice on operational and programmatic guidance to the Department of Energy operations in environment and safety management issues.

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Justification for NRC Involvement: The NRC employee detailed has relevant expertise in NRC regulatory oversight practices.

Reimbursement Procedures: DOE provided budget authority in advance to the NRC for the direct salary and benefits of the employee. On the basis of actual salary and benefits costs, the DOE will be billed via the Department of Treasury's on-line payment and collection system. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **14. Aluminum-Based Research Reactor Spent Nuclear Fuel**

Source: Department of Energy

Description of Work: The NRC provides technical assistance to DOE in connection with DOE's identification of potential issues relating to the ultimate disposition, in a geologic repository, of aluminum-based research reactor spent nuclear fuel (SNF) from both foreign and domestic research reactors. The reimbursable FTE requirement for this agreement is less than 1 FTE in FY 2001. This work is currently expected to be completed by December 31, 2001.

Justification for NRC Involvement: DOE has developed a technical strategy regarding the interim management and eventual ultimate disposition of aluminum-based research reactor SNF. This strategy calls for technology development efforts to be conducted which will allow DOE to make a decision by the year 2000 on one or more disposition approaches for aluminum-based research reactor SNF. DOE seeks NRC's technical support to assist DOE's Savannah River Operations Office in identifying issues relating to NRC disposal requirements that may be applicable to the ultimate disposition of the aluminum-based SNF.

Reimbursement Procedures: DOE provides budget authority in advance to the NRC for the full cost of NRC assistance. The NRC bills DOE for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **15. Expert Witness Service**

Source: Internal Revenue Service (IRS)

Description of Work: The NRC provided an expert witness in the area of nuclear maintenance to conduct a review of nuclear work orders in support of, and at the direction of, an IRS trial

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attorney. The expert was available to advise the trial attorney, to evaluate the merits of the taxpayers' petition in the United States Tax Court, and assist in trial preparation as necessary. The work performed was established by the trial attorney. The reimbursable FTE requirement for this agreement was approximately less than 1 FTE in FY 2001. This agreement ended in FY 2001.

Justification for NRC Involvement: The NRC, through the regulatory process, verifies that electric utilities at their nuclear power plants implement a qualified equipment maintenance program. Therefore, the NRC has the expertise to provide technical assistance to the IRS in connection with the IRS's identification of potential issues relating to the deductibility of cost of electrical utility plant maintenance.

Reimbursement Procedures: IRS provides budget authority in advance for the full cost of NRC's assistance. The NRC utilizes the on-line payment and collection for reimbursement of expenses. The NRC prepares invoices on a quarterly basis which detail actual costs incurred described in the Agreement between NRC and IRS. The NRC bills the IRS for all direct staff hours expended for work specified in the reimbursable agreement. The hourly rate charged to the IRS for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **16. Fissile Materials Disposition**

Source: Department of Energy

Description of Work: The NRC provides review and advice to DOE regarding scientific and technical cooperation-related activities in the management of plutonium that has been withdrawn from nuclear military programs in Russia including the Russian mixed oxide fuel program. The agreement specifically provides for NRC participation on the Special Working Group on Regulatory Matters, an advisory group to the Joint U.S.-Russian Steering Committee. NRC participation on the special working group will be performed in FY 2002–FY 2003 on this reimbursable agreement. NRC also will assist DOE in FY 2002 and FY 2003 in reviewing regulations developed by the Russian regulatory authority, Gosatomnadzor (GAN), to support plutonium disposition. The reimbursable FTE requirement for this agreement is less than 1 FTE each year in FY 2002 and FY 2003.

Justification for NRC Involvement: NRC's review of Russian regulations provides a regulatory perspective to DOE regarding the regulations being developed by GAN and to assure that the regulations are complete and have considered western perspectives on regulations.

NRC participation on the Special Working Group on Regulatory Matters is needed to assure that regulatory and licensing perspectives and requirements are taken fully into account by other Joint Technical Working Groups that are implementing the Agreement between the U.S. and the

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Russian Federation on the Management of Plutonium that has been withdrawn from nuclear military programs.

**Reimbursement Procedures:** DOE provides budget authority in advance to the NRC for the full cost of NRC assistance. The NRC bills DOE for all direct staff hours expended for work specified in the reimbursable agreement via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **17. DOE Advanced Gas Reactor Technology**

**Source:** Department of Energy

**Description of Work:** The NRC, in coordination with DOE and industry, will assess the unique technical and safety issues associated with advanced High Temperature Gas Reactor (HTGR) designs; assess adequacy of HTGR safety, transient and neutronics codes; and support participation in conferences and meetings on technical and safety issues for HTGRs. The NRC will also assist DOE in the development and implementation of a HTGR Fuel Qualification Program. Activities include program planning and development, fuel irradiation experiments, tests and analysis specification, and identification of performance requirements for advanced gas reactor fuels. The reimbursable FTE requirement for this agreement is approximately 1 FTE in FY 2001–FY 2003.

**Justification for NRC Involvement:** Aids the NRC's development of HTGR - specific review capabilities, including knowledge, data, and analysis tools, while benefitting DOE's identification and prioritization of research and development activities that will support the licensing of advanced HTGR designs.

**Reimbursement Procedures:** DOE provides budget authority in advance to the NRC for the full cost of NRC assistance. The NRC bills DOE for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to NRC's cooperative nuclear safety research authority, 42 U.S.C. 5852(c).

### **18. NRC Support for the Mars Survey 2003 Lander Programs in the Development of Safety Analysis Report and Safety Evaluation Report**

**Source:** National Aeronautics and Space Administration (NASA)

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**Description of Work:** NRC provides technical advice to the Interagency Nuclear Safety Review Panel (INSRP) on the safety of space launches involving nuclear material. The provision of such technical advice involves the review of safety analyses written by NASA and other federal agencies, participation in review meetings and development of questions back to NASA, and support for the writing of draft and final INSRP safety evaluation reports.

**Justification for NRC Involvement:** The INSRP reviews are performed for the Office of Science and Technology Policy (OSTP) at the White House. NRC's role in these reviews has been established in correspondence among OSTP, NRC's Chairman, and NASA.

**Reimbursement Procedures:** NASA provides budget authority in advance to the NRC for the full cost of NRC assistance. The NRC bills NASA for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to NASA for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31, U.S.C. 1535 and 1536.

### **19. Foreign Cooperative Research Agreements**

**Source:** Various foreign entities

**Description of Work:** The NRC enters into nuclear safety cooperative research agreements with foreign entities under the NRC's Foreign Cooperative Nuclear Safety Research Program for the purpose of exchanging nuclear safety-related information, conducting joint projects of mutual interest, and interacting with other organizations concerned with nuclear safety. The research programs subject to these cooperative research agreements are carried out as a part of the agency's nuclear regulatory responsibilities. The foreign entities participating in the Cooperative Nuclear Safety Research Program enter into cooperative research agreements that provide in-kind technical or financial contributions to the NRC.

**Justification for NRC Involvement:** These foreign contributions are provided to the NRC in return for access to information that has been developed and continues to arise from the NRC research programs before final publication and release to the public domain. These contributions support broad safety research programs and also allow the foreign entity direct participation in the execution of the research program. Both parties benefit from the cooperative efforts.

**Reimbursement Procedures:** The foreign entity provides an advance of funds to the NRC using the Fedwire Deposit System (i.e., electronic funds transfer) or by check or money order. The NRC is authorized under 42 U.S.C. 5852(c) to receive, retain, and use funds under the cooperative nuclear research program for the salaries and expenses associated with the program.

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### **20. Foreign Research Reactor Spent Nuclear Fuel**

Source: Department of Energy

Description of Work: The DOE has established a program to accept and manage foreign research reactor spent nuclear fuel containing uranium enriched in the United States. The purpose of the DOE program is to support the broad United States' nuclear weapons nonproliferation policy calling for the reduction and eventual elimination of the use of highly enriched (weapons grade) uranium in civil commerce worldwide. The scope of the Interagency Agreement with DOE includes: (1) package reviews to support Department of Transportation (DOT) revalidation of foreign certified packages; (2) resolution of technical issues; (3) route approvals; (4) shipment inspections; (5) NRC participation in public meetings; and (6) other related activities. The reimbursable FTE requirement for this program is approximately less than 1 FTE in FY 2001 and 1 FTE in FY 2002.

Justification for NRC Involvement: The NRC is assisting DOE by providing expedited transport package reviews to support DOT revalidations of foreign certified transport packages. These expedited reviews, along with route approvals and shipment oversight, are needed to support scheduled shipments under the U.S. nuclear weapons nonproliferation policy. The NRC is assisting DOE because of the NRC's specialized expertise in the regulation of civilian uses of nuclear energy and materials.

Reimbursement Procedures: DOE provides budget authority in advance for the full cost of NRC's assistance. The NRC bills DOE quarterly for all direct staff hours and contractual support expended for work specified in the reimbursable agreement. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **21. Nuclear Propulsion Program-Spent Fuel Dry Storage Facility Review**

Source: Department of Energy-Naval Reactors (DOE-NR)

Description of Work: The NRC is performing a review of a safety analysis report for storage of spent fuel at the Naval Reactors Facility (NRF) to be located on the site of the INEEL. The storage facility will not be licensed by NRC, however, DOE-NR has requested NRC review of the safety analysis report and a determination that the facility provides protection comparable to a facility licensed under 10 CFR Part 72. This effort was completed in FY 2001.

Justification for NRC Involvement: The NRC is assisting DOE by reviewing the site characteristics of surface and subsurface hydrology, geology and seismology and meteorology. The spent fuel will eventually be transported to the geologic repository for disposal. The spent fuel will

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be stored within a welded steel canister, and placed within a ventilated concrete storage overpack. The storage casks will be placed on concrete pads within a building.

Reimbursement Procedures: DOE provides budget authority in advance for the full cost of NRC's assistance. The NRC bills DOE quarterly for all direct staff hours and contractual support expended for work specified in the reimbursable agreement. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **22. Navy Porting Reviews**

Source: United States Navy

Description of Work: The NRC conducts porting reviews for the United States Navy. The reimbursable FTE requirement for this agreement is approximately less than 1 FTE in both FY 2002 and FY 2003.

Justification for NRC Involvement: The NRC provides technical advice to the United States Navy on health and safety matters concerning the Navy's nuclear propulsion reactors. These reactors and the special nuclear material used therein are held by the Department of Defense pursuant to directives of the President under Section 91b. of the Atomic Energy Act of 1954. As such, neither these reactors nor the special nuclear material is licensed under that Act. From the beginning of the nuclear Navy program in 1946 until the present, such technical advice has been furnished by the NRC or its predecessors when requested.

Reimbursement Procedures: The United States Navy provides budget authority in advance for the full costs of NRC services at the beginning of each fiscal year. The NRC charges a flat rate for each service performed. The flat rate is based on the hourly rate for NRC direct staff time, which is established in 10 CFR Part 170. The NRC evaluates this rate annually and informs the United States Navy of any changes required to the service charges. The adjusted service charge is an appendix to the memorandum of understanding. The NRC bills the United States Navy at the end of each quarter for services performed. This agreement is entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **23. VIRGINIA Class Submarine Propulsion Plant Review**

Source: Department of Energy-Naval Reactors

Description of Work: The NRC will conduct a review of the propulsion plant for the new VIRGINIA class submarine. The reimbursable FTE requirement for this review is approximately

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4 FTE in FY 2002 and 1 FTE in FY 2003. Naval Reactors submitted a Safety Analysis Report to NRC in the summer of 2001.

Justification for NRC Involvement: When requested, the NRC provides technical advice to the Department of Energy, Naval Reactors on health and safety matters concerning nuclear propulsion plant designs. Naval nuclear propulsion reactors and the special nuclear material used in the reactors are held by the Department of Defense pursuant to directives of the President under Section 91b. of the Atomic Energy Act of 1954 and are not licensed by NRC under the Act. From the beginning of the Nuclear Navy Program in 1946 until the present, technical advice on new nuclear propulsion designs has been furnished by the NRC or its predecessors when required.

Reimbursement Procedures: DOE provides budget authority in advance to the NRC for the full cost of NRC assistance. The NRC bills DOE for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of the Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **24. West Valley Demonstration Project Fuel Shipments Review**

Source: Department of Energy

Description of Work: The NRC has completed a review of a safety analysis report for transportation casks proposed by DOE for the shipment of spent fuel from the West Valley Demonstration Project (WVDP) to the INEEL. DOE has 125 spent nuclear fuel assemblies in safe storage at the WVDP. These assemblies are the only remaining fuel assemblies at the WVDP. WVDP must remove the spent fuel from the spent fuel pool and ship it to INEEL by 2001. The reimbursable FTE requirement for this agreement was approximately 1 FTE in FY 2001, and was completed in early FY 2002.

Justification for NRC Involvement: The NRC assisted DOE by reviewing the safety analysis report to determine if the transportation casks can be used to ship fuel assemblies that have defects that are greater than hairline cracks or pinholes. Additionally, reactor records indicate that a number of fuel assemblies may have one or more failed rods. DOE and the New York State Energy Research and Development Authority have entered into an Agreement which specifies that DOE will seek an NRC Certificate of Compliance for use of the shipping casks used to transport the spent fuel from the WVDP to INEEL.

Reimbursement Procedures: DOE provides budget authority in advance for the full cost of NRC's assistance. The NRC bills DOE quarterly for all direct staff hours and contractual support

## **APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

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expended for work specified in the reimbursable agreement. The hourly rate charged to DOE for NRC staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **25. ORNL Fuel Shipment Review**

Source: Department of Energy

Description of Work: The NRC is performing a review of the Cask Safety Analysis Report addendum for the Transnuclear Fort St. Vrain Cask for shipment of spent nuclear fuel from the Oak Ridge Reservation to the INEEL. This shipment must be conducted by DOE in 2002 to comply with a Federal Facilities Agreement milestone. This effort was completed in early FY 2002.

Justification for NRC Involvement: The NRC is assisting DOE by reviewing an addendum to the Safety Analysis Report for a shipping cask that was previously used to ship spent nuclear fuel from the Fort St. Vrain site to INEEL. The NRC previously reviewed the Safety Analysis Report for the original design. For overall government efficiency, it is desirable to have the NRC do this review of a modified design. Oak Ridge National Laboratory is transporting DOE fuel from one DOE laboratory to another, and therefore the review falls outside the scope of the routine NRC fee-based reviews.

Reimbursable Procedures: DOE provides budget authority in advance for the full cost of NRC assistance. The NRC bills DOE quarterly for all direct staff hours and contractual support expended for work specified in the reimbursable agreement. The hourly rate charged to DOE for NRC staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act 31 U.S.C. 1535 and 1536.

### **26. MARSSIM Assistance with Manual Updates**

Source: Environmental Protection Agency (EPA)

Description of Work: EPA, DOE, NRC and Department of Defense have developed the Multi-Agency Radiation Survey and Site Investigation Manual (MARSSIM) guidance document to support existing cleanup activities at sites contaminated with radioactive materials. Under this reimbursable agreement, NRC will provide contractor subject matter experts to conduct MARSSIM field assessments, provide assistance with the updating and upgrading of the MARSSIM and to assist in the development and delivery of multi-agency training programs.

## **APPENDIX VII: REIMBURSABLE WORK AGREEMENTS**

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Justification for NRC Involvement: NRC is a MARSSIM signatory agency and is in a position to make available through contractual support subject matter experts to assist in the MARSSIM updates and training.

Reimbursement Procedures: EPA provides budget authority in advance for NRC's contractual support. The NRC bills EPA quarterly via the Department of the Treasury's on-line payment and collection system for contractual support costs incurred for the work specified in the reimbursable agreement. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

### **27. Idaho National Engineering and Environmental Laboratory Incidental Waste Determinations**

Source: Department of Energy

Description of Work: The NRC is providing technical assistance and advice to DOE, regarding incidental waste determinations for the Idaho National Engineering and Environmental Laboratory. DOE will submit two incidental waste determinations that will attempt to demonstrate that sodium-bearing waste and residual wastes from tank closure activities may be managed as other than high-level waste. For the sodium-bearing waste determination, NRC will assess whether the sodium-bearing waste has been processed or will be processed to remove key radionuclides to the maximum extent that is technically and economically practical. Regarding the determination for residual tank farm waste, NRC will assess whether the determination has sound assumptions, analysis, and conclusions with regard to satisfying the incidental waste criteria, therefore verifying that the methodology will be sufficiently protective of public health and safety and the environment. The reimbursable FTE requirement for this agreement is up to 2 FTE in FY 2002 and up to 1 FTE in FY 2003.

Justification for NRC Involvement: DOE's Idaho Operations Office (DOE-ID) has requested NRC technical assistance and advice regarding DOE-ID's determination that sodium-bearing waste and residual wastes from tank closure are "incidental" wastes, and may be managed as transuranic waste and low-level waste, respectively.

Reimbursement Procedures: DOE provides budget authority in advance for the full cost of NRC assistance. The NRC bills DOE quarterly for all direct staff hours expended for work specified in the reimbursable agreement, as well as contract support costs, via the Department of Treasury's on-line payment and collection system. The hourly rate charged to DOE for NRC direct staff time is established in 10 CFR Part 170. This agreement was entered into pursuant to the authority of the Economy Act, 31 U.S.C. 1535 and 1536.

**APPENDIX VIII**  
**CROSS-CUTTING FUNCTIONS WITH**  
**OTHER GOVERNMENT AGENCIES**

## **APPENDIX VIII: CROSS-CUTTING FUNCTIONS**

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### **CROSS-CUTTING FUNCTIONS WITH OTHER GOVERNMENT AGENCIES**

Several government agencies have missions that are related to the NRC. The NRC identified no inconsistent or duplicative areas in this plan compared to other agencies' strategic plans, but the agency continues to be alert to potential inconsistencies or duplication in its cooperative activities. These interaction and coordination efforts are important in accomplishing the agency's mission. Where needed, the NRC has, or is developing, memoranda of understanding or other agreements with these agencies to ensure that areas of mutual interest and cooperation are treated in a consistent, coordinated, and complementary way that avoids unnecessary duplication or conflict. To develop programs in those areas that are critical to the NRC's mission, senior agency management meet with other agency counterparts and establish plans and strategies in the areas of common programs and goals. Interagency committees are established, as necessary, to facilitate consensus on programs and promote consistent approaches in implementation. One such example is the Interagency Steering Committee on Radiation Standards. Commission briefings on the status of programs are held as well, such as the periodic briefings by DOE on the High-Level Waste program. In other areas of mutual interest, agency staff coordinates with other agencies as appropriate. The review of cross-cutting programs, the coordination of those programs, and the identification of any issues are also an integral part of the NRC's internal technical program review process. In the area of intra-agency cross-cutting activities and functions within the NRC, there is no substantive cross-cutting or overlap between the programs within the agency. A table of the major cross-cutting functions with other agencies and their relationship to NRC programs is provided below, followed by descriptions of the specific NRC areas of mutual interest with other agencies.

**APPENDIX VIII: CROSS-CUTTING FUNCTIONS**

Agency	Areas of Mutual Interest	NRC Program/(Strategic Arena)
Department of Energy	High-Level Waste Disposal	High-Level Waste (Nuclear Waste Safety)
	Transportation and Storage of Spent Fuel and Waste	Spent Fuel Storage and Transportation Licensing and Inspection (Nuclear Waste Safety)
	Uranium Mill Tailings Radiation Control Act	Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
	Low-Level Waste	Regulation of Low-Level Waste (Nuclear Waste Safety)
	Excess Plutonium Disposition Mixed Oxide Fuel Fabrication Regulatory Oversight at Gaseous Diffusion Plants	Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
	Mitigation of Threat from Certain Discrete Radioactive Material	Regulation of Low-Level Waste (Nuclear Waste Safety)
	Security of Classified National Security Information and Restricted Data Tracking Nuclear Materials	Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
	Energy Infrastructure	Reactor Incident Response (Nuclear Reactor Safety)
	Excess Plutonium Disposition	International Nuclear Safety Support (International Nuclear Safety Support)

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Agency	Areas of Mutual Interest	NRC Program/(Strategic Arena)
Department of Energy Federal Bureau of Investigation Customs Service Defense Intelligence Agency Central Intelligence Agency Department of State National Security Council Federal Emergency Management Agency Office of Homeland Security Department of Transportation Department of Justice Secret Service Bureau of Alcohol, Tobacco, and Firearms U.S. Coast Guard Department of Defense Federal Aviation Administration Environmental Protection Agency	Threat Assessment Safeguards (Physical Protection and Material Control and Accounting)	Reactor Licensing Reactor Incident Response (Nuclear Reactor Safety)  Fuel Facilities Licensing and Inspection Materials Incident Response (Nuclear Materials Safety)  Spent Fuel Storage and Transportation Licensing and Inspection (Nuclear Waste Safety)  Management Services (Management and Support)
Environmental Protection Agency	Groundwater Protection Site Release Standards Review of Grading of Environmental Impact Statements More Efficient Regulation of Mixed Waste, In-Situ Leach Uranium Recovery Facilities, and Low-End Source Material	Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)  Regulation of Decommissioning (Nuclear Waste Safety)
	High-Level Waste Site-Specific Standards	High-Level Waste Regulation (Nuclear Waste Safety)
Council on Environmental Quality	Administers Environmental Policy Under the National Environmental Policy Act	High-Level Waste Regulation Regulation of Decommissioning (Nuclear Waste Safety)
Federal Bureau of Investigation	Response to Suspected Terrorist or Criminal Initiated Threat	Reactor Incident Response (Nuclear Reactor Safety)  Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
Office of Homeland Security	Response to Suspected Terrorist Threat or Incident Involving Licensed Reactor, Material, or Fuel Facilities	Reactor Incident Response (Nuclear Reactor Safety)

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Agency	Areas of Mutual Interest	NRC Program/(Strategic Arena)
Federal Emergency Management Agency	Offsite Nuclear Power Plant Emergency Planning	Reactor Licensing Reactor Incident Response (Nuclear Reactor Safety)
	Offsite Fuel Cycle Facility Emergency Planning	Fuel Facilities Licensing and Inspection Materials Incident Response (Nuclear Materials Safety)
	National Dam Safety Program	Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
	Potassium Iodide Supplement Program	Reactor Incident Response (Nuclear Reactor Safety)
Federal Energy Regulatory Commission	Utility Economic Deregulation, Antitrust and Market Power Issues	Reactor Licensing (Nuclear Reactor Safety)
Department of Transportation	Transportation of Radioactive and Fissile Materials Emergency Transportation	Spent Fuel Storage and Transportation Licensing and Inspection Incident Response (Nuclear Waste Safety)
Surface Transportation Board	Private Fuel Storage Environmental Impact Statement	Spent Fuel Storage and Transportation Licensing and Inspection (Nuclear Waste Safety)
Food & Drug Administration	Approval of Medical Devices Incorporating Byproduct Materials, Radiopharmaceuticals, and Radioactively Labeled Biologic Materials	Nuclear Materials Users Licensing and Inspection (Nuclear Materials Safety)
Occupational Safety & Health Administration	Worker Health and Safety	Reactor Licensing and Inspection (Nuclear Reactor Safety)  Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)
Department of Health and Human Services, Public Health Service, Agency for Toxic Substances and Disease Registry	Public Health and Safety in the Release and Transportation of Ionizing Radiation	Reactor Inspection Reactor Incident Response (Nuclear Reactor Safety)  Fuel Facilities Licensing and Inspection Materials Incident Response State and Tribal Programs (Nuclear Materials Safety)  High-Level Waste Regulation (Nuclear Waste Safety)

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<b>Agency</b>	<b>Areas of Mutual Interest</b>	<b>NRC Program/(Strategic Arena)</b>
Department of Interior	Protection of the Environment	Reactor Licensing (Nuclear Reactor Safety)  Fuel Facilities Licensing and Inspection (Nuclear Materials Safety)  Spent Fuel Storage and Transportation Licensing and Inspection (Nuclear Waste Safety)
Department of Labor Department of Justice	Enforcement	Reactor Enforcement Actions (Nuclear Reactor Safety)  Materials Enforcement Actions (Nuclear Materials Safety)
	Investigations	Reactor Investigations (Nuclear Reactor Safety)  Materials Investigations (Nuclear Materials Safety)
Department of State Department of Defense Agency for International Development Department of Energy	Nuclear Safety Assistance to Other Countries	Participation in International Activities (International Nuclear Safety Support)
Department of State Department of Defense Department of Energy Department of Commerce	Export of Nuclear and Nuclear Related Materials, Equipment, and Technology	Participation in International Activities (International Nuclear Safety Support)
National Security Council Department of State Department of Energy	Nuclear Safeguards Assistance to Other Countries	Participation in International Activities (International Nuclear Safety Support)
Department of State Department of Energy Department of Defense Representatives from various intelligence and investigative agencies	Compliance with Nonproliferation and Safeguards Treaties and Agreements	Participation in International Activities (International Nuclear Safety Support)
Department of State Department of Energy Department of Defense Representatives from various intelligence and investigative agencies	Assistance to Strengthen International Atomic Energy Agency Safeguards and activities with the Nuclear Energy Agency for cooperation with countries with advanced nuclear power programs.	Participation in International Activities (International Nuclear Safety Support)

## **APPENDIX IX: CROSS-CUTTING FUNCTIONS**

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Department of Energy (DOE)--The NRC and DOE share responsibility for high-level waste (HLW) disposal. As specified in the Nuclear Waste Policy Act of 1982, as amended, DOE is responsible for characterizing the site and for the design and construction of the repository, and NRC is responsible for regulatory oversight, including licensing the construction and operation of the facility. Our strategy is to provide regulatory guidance to DOE and prepare to license a high-level waste repository at a pace consistent with the national program. An agreement is in place with DOE that outlines the procedures for staff consultation and exchange of information. This procedural agreement was updated in 1999 to incorporate changes to the HLW program since 1993.

DOE is responsible for commercial, research, and naval spent nuclear fuel. Due to the nature of the Naval Nuclear Propulsion Program's (NNPP) spent nuclear fuel, NRC communicates directly with NNPP to gather information on issues involving criticality specific to NNPP.

The NRC also interacts with DOE on a number of activities associated with the transportation and storage of spent nuclear fuel and high-level radioactive waste. The NRC and DOE have a procedural agreement regarding spent fuel and HLW transportation packaging. Further, DOE is required by law to use NRC-certified packaging for certain waste and spent fuel shipments.

The NRC and DOE have a joint responsibility in carrying out the Uranium Mill Tailings Radiation Control Act Title I Program and in the long-term care of reclaimed uranium mill tailings sites. Although DOE has the responsibility for carrying out remedial action, the NRC must concur in DOE's selection and completion of the remedial action, including groundwater corrective action, and must license the sites for long-term care. The NRC and DOE have a memorandum of understanding (MOU) to minimize or eliminate unnecessary duplication of effort between the two agencies.

NRC and DOE are assigned responsibilities for the management of low-level radioactive waste (LLW) under the Low-Level Radioactive Waste Policy Act of 1980 and its 1985 amendments. These responsibilities are different but complementary; thus, an MOU or other type of agreement has not been necessary. NRC and DOE interact on LLW policy, regulatory, and technical issues.

DOE and NRC have established a cost-reimbursable agreement for NRC to provide technical assistance and coordinate with DOE on regulatory issues associated with DOE's disposition of excess plutonium through measures other than mixed oxide (MOX) fuel fabrication/irradiation. Under the agreement, NRC advises DOE on regulatory issues associated with activities such as pit disassembly, conversion, and immobilization.

The FY 1999 Defense Authorization Act (P.L. 105-261) gave NRC statutory licensing authority over any MOX fuel fabrication facility constructed by DOE or its contractors to convert excess weapons

## **APPENDIX IX: CROSS-CUTTING FUNCTIONS**

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plutonium into MOX reactor fuel. The facility will be located at DOE's Savannah River Site. This program depends on a number of factors outside of NRC control, including national policy, DOE funding, and Russian progress on dispositioning excess plutonium.

The NRC and DOE have regulatory oversight of different portions of the Portsmouth and Paducah Gaseous Diffusion Plants. The NRC regulates those portions which are leased by the United States Enrichment Corporation (USEC), while DOE has the regulatory oversight for the remainder of the sites. NRC anticipates a reimbursable agreement to cover this work. Regulatory issues occasionally arise which concern both DOE and NRC. An MOU establishes the protocol between the NRC and DOE to address those issues.

The NRC and DOE currently have an agreement that outlines the procedures for NRC's requests for DOE assistance to mitigate threats to the public from certain discrete radioactive material, including material that exceeds Class C waste (10 CFR 61.55) classification. This agreement is being formalized in an MOU.

The NRC and DOE share responsibility for the security of classified National Security information and Restricted Data at certain licensees (principally Naval Nuclear Fuel Facilities) and at USEC. Although DOE has principal responsibility at Naval Nuclear Fuel Facilities under the auspices of its classified contracts with those firms, NRC has responsibility for the personnel security program for access to or control over strategic nuclear material and for information related to the physical protection plans for the protection of the strategic nuclear material. At USEC, NRC has primary responsibility for the protection of classified information and DOE for the personnel security program. The NRC and DOE have several MOUs in place to minimize or eliminate duplication of effort between the two agencies, and are instituting an additional MOU to address the MOX fuel fabrication facility.

The NRC and DOE share responsibility for the Nuclear Materials Management and Safeguards System (NMMSS), which is a computer database that accounts for nuclear materials in the United States.

Department of Energy; Federal Bureau of Investigation; Central Intelligence Agency; Customs Service; Defense Intelligence Agency; Department of State; National Security Council; Federal Emergency Management Agency; Office of Homeland Security; Department of Transportation; Department of Justice; Secret Service; Bureau of Alcohol, Tobacco, and Firearms; U.S. Coast Guard; Department of Defense; Federal Aviation Administration; Environmental Protection Agency --The NRC, as part of its mission to protect public health and safety and ensuring the common defense and security, maintains close working relationships with other agencies to ensure the design basis threat for radiological sabotage and theft or diversion are current and accurate and coordinates on the establishment and maintenance of safeguards (physical protection and material control and

## **APPENDIX IX: CROSS-CUTTING FUNCTIONS**

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accounting) measures and responsibilities. For this reason, NRC has established Memoranda of Understanding and Letters of Agreement for the exchange of relevant threat information with most of these organizations, and additional agreements will be developed, as needed. These arrangements also facilitate the timely receipt by NRC of any potential threats to NRC-licensed materials or facilities.

Environmental Protection Agency (EPA)--The NRC and EPA share responsibility for protection of public health and safety and the environment. There are numerous MOUs and interrelated activities between the NRC and EPA. NRC and EPA have been successful in many of these interrelated activities, including the development of the Multi-Agency Radiation Site Survey and Investigation Manual and the Multi-Agency Radiation Laboratory Protocols Manual, support for the National Research Council Committee on the Biological Effects of Ionizing Radiation, development of the Joint NRC/EPA Guidance for Testing Requirements for Mixed Radioactive and Hazardous Waste, development of a Technical Position for Disposition of Cesium-137 Contaminated Emission Control Dust, development of a nationwide survey to analyze for radioactive contamination of sewer sludge and ash at publicly-owned treatment works, and development of modeling scenarios in support of potential rulemakings for recycle/reuse of radioactively contaminated materials. The NRC is currently working with EPA to define roles, responsibilities, and jurisdictions regarding orphan source issues and to develop regulations to facilitate the disposal of mixed wastes. The NRC is also working with EPA and authorized States to determine the extent to which the NRC can rely on EPA programs to protect groundwater at in-situ leach uranium recovery facilities.

Under Section 309 of the Clean Air Act, the Administrator of the EPA is directed to review and publish any comments on the environmental impacts of Federal activities, including actions for which Environmental Impact Statements (EISs) are prepared. Therefore, NRC must file all EISs with the EPA. EPA reviews these EISs, rates them, and publishes the results in the *Federal Register*. EISs found to be unsatisfactory by EPA are referred to the Council on Environmental Quality.

As specified in the Energy Policy Act of 1992, EPA is tasked to develop site-specific HLW standards consistent with the recommendations of the National Academy of Sciences report on the Technical Bases for Yucca Mountain Standards. NRC had one year to develop an implementing rule after issuance of final EPA standards. EPA issued its final standards for Yucca Mountain on June 13, 2001. NRC issued its final HLW regulation on November 2, 2001, consistent with EPA standards.

One area in which the NRC and EPA have been unsuccessful in their interrelated activities is setting standards to establish radiological criteria for decommissioning/cleanup of contaminated sites. EPA is responsible for developing general radiation standards, which are then reflected in NRC regulations and other requirements. The NRC continues to seek legislation as reflected in the House Report 107-159, "The Nuclear Regulatory Commission Authorization Act for Fiscal Year 2001," that would make it clear that, with very limited exception, the standard issued by NRC and

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Agreement States governs cleanup of Atomic Energy Act material at facilities licensed by them. EPA expressed concerns with certain provisions of NRC's license termination rule and included in their guidance, "Establishment of Cleanup Levels for Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Sites with Radioactive Contamination," a statement that the dose limits established in the NRC license termination rule would not provide a protective basis for establishing preliminary remediation goals for cleanup at CERCLA sites and that the NRC sites could require further remediation. Top-level NRC and EPA management will continue to address these issues to resolve the question of finality for sites that have complied with the NRC cleanup standards for license termination. It is NRC's current position that changes to legislation are needed to resolve these issues; however, NRC will continue to engage EPA in resolution of this matter as directed by the House Report.

Federal Bureau of Investigation--The NRC and the FBI share responsibility (along with the Federal Emergency Management Agency) for a response to a suspected terrorist or criminal initiated threat or incident involving NRC-licensed facilities or material. The FBI has lead responsibility for law enforcement during a threat or incident and the NRC retains the responsibility for radiological matters. The NRC and FBI have an MOU to minimize or eliminate unnecessary duplication of effort between the two agencies.

Council on Environmental Quality (CEQ)--The CEQ was established by Title II of the National Environmental Policy Act. The CEQ role is to assist and advise the President on policies and programs of the Federal Government affecting environmental quality. In cases where EISs are found to be unsatisfactory or where there is disagreement between NRC and a consulting agency, the CEQ may be called upon to resolve such disagreement.

Federal Emergency Management Agency (FEMA)--FEMA has the lead responsibility for offsite nuclear power plant emergency planning and for nuclear materials emergency planning. FEMA also has the lead in assessing the adequacy of offsite emergency plans and preparedness. NRC is responsible for onsite radiological emergency preparedness and for review of FEMA findings and determinations as to whether offsite plans are adequate and can be implemented. NRC also has the responsibility to make radiological health and safety decisions with regard to the overall state of emergency preparedness, such as assurance for continued operation and shutdown of operating reactors. Should an actual peacetime radiological emergency require more than one agency to respond, the Federal Radiological Emergency Response Plan (FRERP) provides for coordination of all Federal response activities. The FRERP is maintained by the Federal Radiological Preparedness Coordinating Committee (FRPCC); NRC is an active member in several FRPCC subcommittees that develop Federal procedures and guidance. In the event of an emergency involving an NRC-regulated entity, NRC is the lead Federal agency and works closely with six agencies: FEMA, DOE, EPA, the United States Department of Agriculture (USDA), Health and Human Services, and National Oceanic and Atmospheric Administration. Representatives of these agencies train with, and are

## **APPENDIX IX: CROSS-CUTTING FUNCTIONS**

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integrated into, the NRC response team. Response coordination on a broader scale is provided by the Federal Response Plan for emergencies of all kinds, including responses under the National Contingency Plan (NCP) for emergencies involving chemical and radiological hazards occurring together. NRC is a member of the teams that coordinate actions under the NCP. The NRC and FEMA share responsibility (along with FBI) for a response to a suspected terrorist or criminal initiated threat or incident involving NRC-licensed facilities or material. FEMA has lead responsibility for consequence management during a threat or incident, and the NRC retains the responsibility for radiological matters. The NRC and FEMA have an MOU to minimize or eliminate unnecessary duplication of effort between the two agencies.

FEMA and the NRC share involvement in the National Dam Safety Program. The primary purpose of this program is to bring together the expertise and resources of the Federal and non-Federal communities to achieve national dam hazard reduction. The NRC has regulatory authority over only uranium mill tailings dams and those dams integral to the operation of NRC-licensed facilities, or the possession and use of NRC-licensed material, that pose a radiological hazard if these dams should fail.

Federal Energy Regulatory Commission (FERC)--The NRC and the FERC have ongoing interaction regarding issues of mutual concern, such as: (1) FERC actions with respect to economic deregulation of the electric utility industry and the potential impact of FERC's deregulation activities on the NRC's mandate to protect public health and safety, and (2) the respective roles of the NRC and FERC in evaluating antitrust and market power issues arising from NRC power reactor license applicants or licensees. NRC supports those aspects of the President's electric sector restructuring legislation that pertain to it, in particular, the elimination of NRC's duplicative role in antitrust reviews.

Department of Transportation (DOT)--Under an MOU, the NRC and the DOT share responsibility for developing, establishing, implementing, and enforcing consistent and comprehensive regulations and requirements for the safe transportation of radioactive and fissile materials, often through interagency committees. Generally, the NRC works with DOT to develop regulations for transporting materials, and the NRC adopts DOT requirements into its regulations.

Surface Transportation Board (STB)--The NRC has an MOU with the STB (an independent agency administratively housed under DOT), which has a major Federal action to take with regard to the Private Fuel Storage (PFS) project. The MOU enables this agency to be a cooperating Federal agency with NRC for the development of the PFS environmental impact statement.

Food and Drug Administration (FDA)--The NRC and the FDA have an MOU that outlines procedures for sharing information of mutual interest relating to the approval of medical devices, radioactive drugs, and radioactive biologics when these products contain NRC-regulated material.

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The NRC routinely relies on prior FDA approval of medical devices as an essential component of the NRC's sealed source and device safety evaluations. The MOU also establishes procedures for notification, sharing of information, and coordination of joint inspections of events related to design and manufacturing defects and failures of these devices or of radioactive drugs or radioactive biologics.

Occupational Safety and Health Administration (OSHA)--By an October 1988 OSHA/NRC MOU, NRC and OSHA share responsibility for worker health and safety at NRC-regulated facilities. NRC regulates worker safety concerning radiation and chemical risks resulting from processing radioactive material, and OSHA regulates worker safety concerning non-radiological and other industrial hazards.

Agency for Toxic Substances and Disease Registry (ATSDR)--The NRC coordinates with ATSDR on issues relevant to the agency's mission to prevent exposure and human health effects and diminished quality of life associated with exposure to hazardous substances from waste sites, unplanned releases, and other sources of pollution in the environment. This coordination includes ATSDR's hazardous substances role in public health, including the impact of radioactive releases from power plants on adjacent communities' and Indian reservations' air, water, and food chain and impacts resulting from transportation of nuclear waste.

Department of the Interior, Fish and Wildlife Service (FWS)--Under the Endangered Species Act, the NRC has responsibility to assure that its actions are protective of endangered species. NRC consults with the FWS in evaluating effects on endangered species of proposed NRC actions. If a proposed NRC action has the potential to affect endangered species, NRC prepares a biological assessment of the effects, and the FWS then renders a biological opinion. This consultation process can be extensive, as in the Atlas uranium mill tailings remediation case.

Bureau of Land Management (BLM), and Bureau of Indian Affairs (BIA)--The NRC staff has signed memoranda of understanding with the DOI's BLM and BIA which each have a major Federal action to take with regard to the PFS project. The memoranda will enable these agencies to be cooperating Federal agencies with NRC for the development of the PFS environmental impact statement.

Department of Labor (DOL)/Department of Justice (DOJ)--The NRC monitors discrimination actions filed with the DOL under Section 211 of the Energy Reorganization Act and develops enforcement actions where there are properly supported findings of discrimination, either from NRC's Office of Investigations or from DOL adjudications. Suspected criminal activities concerning NRC licensees, and others within NRC's regulatory jurisdiction, are referred to the DOJ. Coordination with DOJ occurs prior to initiating any civil enforcement action for matters under DOJ consideration for criminal prosecution.

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Department of State (DOS), Department of Defense (DoD), Agency for International Development (AID), Department of Energy, Department of Commerce (DOC)--The NRC shares responsibility with the DOS, DOE, DoD and the AID in providing nuclear safety and safeguards assistance to other countries. DOS provides foreign policy guidance for U.S. government agencies in carrying out such assistance, while NRC contributes actively to the formulation of this guidance and clears its assistance programs with DOS to ensure they are within U.S. Government policy. The NRC also shares responsibility with DOE for providing nuclear safety and safeguards assistance internationally. The NRC and DOE coordinate their efforts with each other and with other countries providing assistance to ensure they are complementary and to avoid duplication and conflict. The National Security Council provides high-level policy guidance on key issues in the international assistance area and resolves questions that arise in providing such assistance.

The NRC, DOE, DOS, DoD, and DOC have interrelated roles in controlling exports of nuclear and nuclear-related materials, equipment, and technology. The NRC's primary role involves issuing export licenses for nuclear materials and equipment, including reactors. The following issue licenses or authorizations in related areas: DOE for nuclear technology exports and for retransfers or changes in form or content of previously exported nuclear materials and equipment; DOS for munitions made with depleted uranium; and DOC for nuclear reactor balance-of-plant equipment and "dual use" commodities. Each agency is obliged to consult with the others (including, if warranted, DoD) for significant cases.

The NRC, DOE, DOS, DoD, and representatives from various intelligence and investigative agencies have interrelated roles for implementing International Atomic Energy Agency (IAEA) safeguards at U.S. facilities under the U.S.-IAEA Safeguards Agreement and for providing assistance to strengthen IAEA safeguards. NRC has responsibility for facilitating IAEA safeguards at licensee facilities and for providing technical support to IAEA's safeguards-strengthening efforts. DOS has lead responsibility for establishing foreign policy guidance and providing funding for IAEA technical support and inspection activities; DOE has responsibility for implementing IAEA's safeguards at the DOE sites and for coordinating technical support to the IAEA; and DoD and the various intelligence and investigative agencies provide oversight to ensure that national security is not degraded by IAEA safeguards activities. Coordination of U.S. involvements with IAEA safeguards is provided by the IAEA Steering Committee and its subordinate subcommittees and subgroups. NRC is represented in each of these groups.

NRC, DOE and DOS also participate in activities to enhance domestic and global nuclear safety through other multilateral organizations such as the Organization for Economic Co-operation and Development (OECD). The mission of the OECD Nuclear Energy Agency (NEA) is to assist its Member countries in maintaining and further developing, through international cooperation, the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear energy for peaceful purposes, as well as to provide authoritative assessments and to

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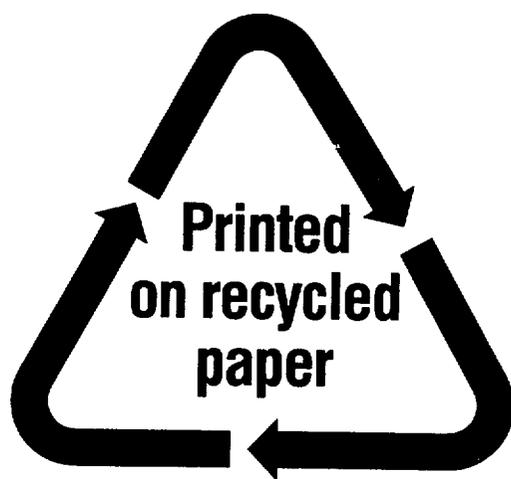
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forge common understandings on key issues, as input to government decisions on nuclear energy policy and to broader OECD policy analyses in areas such as energy and sustainable development. The NEA is NRC's primary multilateral organ for cooperation with countries with advanced nuclear power programs. Specific areas of competence of the NEA, include safety and regulation of nuclear activities, radioactive waste management, radiological protection, nuclear science, economic and technical analyses of the nuclear fuel cycle, nuclear law and liability, and public information. NRC senior staff participate and provide leadership in NEA technical committees addressing reactor safety inspection, research activities, and waste. In the area of advanced reactor design research, DOE provides leadership through various workshops and meetings with close cooperation of the NRC. Additionally, DOE provides leadership in radiological protection and public health activities in coordination with NRC. DOS serves as the primary international coordinator of nuclear activities and policy formulation executed primary through NEA Steering Committee meetings.

DOE and NRC established a cost-reimbursable agreement for NRC to provide Material Protection, Control, and Accounting Support to the regulatory agencies of Russia, Ukraine, and Kazakhstan through the development of regulations and the development of the licensing, inspection, and enforcement programs.

Office of Homeland Security (OHS)--The NRC coordinates with OHS (along with the Federal Emergency Management Agency, Federal Bureau of Investigation and others) for a response to a suspected terrorist threat or incident involving NRC-licensed facilities or material.

<b>NRC FORM 335</b> (2-89) NRCM 1102, 3201, 3202	<b>U.S. NUCLEAR REGULATORY COMMISSION</b>  <b>BIBLIOGRAPHIC DATA SHEET</b> <i>(See instructions on the reverse)</i>	<b>1. REPORT NUMBER</b> (Assigned by NRC, Add Vol., Supp., Rev., and Addendum Numbers, if any.)  NUREG-1100 Volume 18			
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