

June 26, 2003

The Honorable David L. Hobson, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

The FY 2003 Energy and Water Development Appropriations Act, (House Report 108-10 and Senate Report 107-220) directed the U.S. Nuclear Regulatory Commission (NRC) to report to the Congress by June 30, 2003, on regulatory efficiencies that would be gained by consolidating or eliminating regional offices. The NRC staff's report is enclosed.

As you will note in the report, the NRC has conducted several reviews of regional office effectiveness over the last two decades. Each of these reviews has led to changes in our regional structure, either through elimination and consolidation of our regional and field offices or a shift in functional responsibilities between the regions. In the latest review conducted in 2002, the Commission approved the consolidation of all regional fuel cycle facility inspection activities in our Region II Office in Atlanta and the transfer of Region II's materials licensing and inspection activities to Region I. Our objective was to maintain essential regulatory activities in the field while gaining efficiencies through functional realignment. As the chart on page 3 of the report indicates, NRC regional staffing levels, as expressed as a percentage of total NRC employees, have consistently been declining since 1992, reflecting efficiencies gained through consolidation and realignments as well as the assignment of additional responsibilities previously conducted by personnel in all of our regions to headquarters personnel.

The Commission believes that regulatory efficiencies would not be gained by consolidating or eliminating NRC's regional offices at this time. The regions provide direct, critical support to the accomplishment of the agency's health, safety, and security mission. Major changes beyond those already implemented by the Commission would disrupt NRC activities at a critical time for our Nation.

I hope this information is helpful to you. If you have questions, please contact me.

Sincerely,

*/RA/*

Nils J. Diaz

Enclosure:  
Assessment of Efficiencies to be Gained by  
Consolidating or Eliminating Regional Offices

cc: Representative Peter J. Visclosky

Identical letter sent to:

The Honorable David L. Hobson, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Peter J. Visclosky

The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Harry Reid