

May 24, 2004

The Honorable J. Dennis Hastert
Speaker of the United States
House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

In accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, P.L. 108-199, enclosed is the Nuclear Regulatory Commission's (NRC) Report to Congress on FY 2003 Competitive Sourcing Efforts. As reflected on the enclosed spreadsheet, in FY 2003, NRC completed four Streamlined Cost Comparison Studies covering six full time equivalent (FTE) and one Direct Conversion covering one FTE. In addition, there were five pending Streamlined Cost Comparisons covering 13 FTE as of September 30, 2003. Each of the completed studies validated that the commercial activities currently being performed by Federal employees should remain in-house activities. In most cases, the cost of performance by a contractor was significantly higher than the current cost of Government performance.

In accordance with our updated Competitive Sourcing Plan dated December 15, 2003, the NRC will conduct three Business Case Analyses (BCAs) of commercial activities in FY 2004. The BCAs will be conducted to determine if the selected commercial activity is appropriate for a public-private competition based on a review of the factors outlined in the NRC's Competitive Sourcing Plan. These factors, applied as appropriate to the particular commercial activities, include, for example, severability of the work from core agency functions, potential for performance improvements or cost savings, and human capital management. If any of the BCAs conclude that a public-private competition is warranted, the resulting competition(s) will commence in early FY 2005.

Our competitive sourcing determinations will be consistent with the human capital municipal goals of ensuring organization effectiveness and maintaining the competencies needed to achieve our strategic goals in a results oriented manner.

Should you desire further information, please do not hesitate to contact me.

Sincerely,

/RA/

Nils J. Diaz

Enclosure:
Nuclear Regulatory Commission's Report
on FY 2003 Competitive Sourcing Efforts

The Honorable J. Dennis Hastert
Speaker of the United States
House of Representatives
Washington, D.C. 20515

The Honorable Richard B. Cheney
President of the United States Senate
Washington, D.C. 20510

The Honorable George V. Voinovich, Chairman
Subcommittee on Clear Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator Thomas R. Carper

The Honorable James M. Inhofe, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James M. Jeffords

The Honorable Ralph M. Hall, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative Rick Boucher

The Honorable Joe Barton, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative John D. Dingell

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

The Honorable Susan M. Collins
Chair, Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510
cc: Senator Joseph I. Lieberman

The Honorable Tom Davis, Chairman
Committee on Government Reform
United States House of Representatives
Washington, D.C. 20515
cc: Representative Henry A. Waxman