



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001  
TO BE MADE PUBLICLY AVAILABLE IN ACCORDANCE  
WITH THE COMMUNICATION PLAN

SECRETARY

July 21, 2006

COMMISSION VOTING RECORD

DECISION ITEM:       SECY-06-0144

TITLE:                   PROPOSED REORGANIZATION OF THE OFFICE OF  
                              NUCLEAR REACTOR REGULATION AND REGION II

The Commission (with all Commissioners agreeing) approved the subject paper as recorded in the Staff Requirements Memorandum (SRM) of July 21, 2006.

This Record contains a summary of voting on this matter together with the individual vote sheets, views and comments of the Commission.

A handwritten signature in black ink that reads "Kenneth R. Hart".

\_\_\_\_\_  
Kenneth R. Hart  
Acting Secretary of the Commission

Attachments:

1. Voting Summary
2. Commissioner Vote Sheets

cc:     Chairman Klein  
          Commissioner McGaffigan  
          Commissioner Merrifield  
          Commissioner Jaczko  
          Commissioner Lyons  
          OGC  
          EDO

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**VOTING SUMMARY - SECY-06-0144**

**RECORDED VOTES**

	APRVD	DISAPRVD	ABSTAIN	NOT PARTICIP	COMMENTS	DATE
CHRM. KLEIN	X				X	7/12/06
COMR. McGAFFIGAN	X				X	7/12/06
COMR. MERRIFIELD	X				X	7/13/06
COMR. JACZKO	X				X	7/21/06
Comr. LYONS	X				X	7/14/06

**COMMENT RESOLUTION**

In their vote sheets, all Commissioners approved the staff's recommendation and provided some additional comments. Subsequently, the comments of the Commission were incorporated into the guidance to staff as reflected in the SRM issued on July 21, 2006.

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NOTATION VOTE


RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary  
FROM: CHAIRMAN KLEIN  
SUBJECT: **SECY-06-0144 - PROPOSED  
REORGANIZATION OF THE OFFICE OF  
NUCLEAR REACTOR REGULATION AND  
REGION II**

with comments.  
Approved xx Disapproved \_\_\_\_\_ Abstain \_\_\_\_\_  
Not Participating \_\_\_\_\_

COMMENTS:

See attached comments.

  
\_\_\_\_\_  
SIGNATURE  
\_\_\_\_\_  
DATE July 12, 2006

Entered on "STARS" Yes  No \_\_\_\_\_

### **Chairman Klein's Comments on SECY-06-0144**

I approve the staff's recommendation to reorganize the Office of Nuclear Reactor Regulation into two offices: the Office of New Reactors with responsibility for new reactor licensing and the Office of Nuclear Reactor Regulation with responsibility for operating reactor licensing, subject to the comments below. I also approve the staff's recommendation to create a Deputy Regional Administrator for Construction in Region II. The reorganization addresses the recent and continuing growth of the agency in response to industry's interest in licensing and building new nuclear power plants. It provides an appropriate span of management control to address this growth. I am convinced that the reorganization will enhance the effectiveness of the agency in addressing the anticipated new plant licensing workload while maintaining an appropriate focus on the safety of the operating facilities.

To ensure that the reorganization results in the level of accountability and effectiveness envisioned by the Commission and in order to promote continued improvement in the major activities conducted by the offices, the staff should perform periodic self-assessments, including effectiveness reviews of each office's activities, and provide the results of these assessments to the Commission. The first self-assessment should be conducted following the first year of implementation of the organizational structure. Similar self-assessments and effectiveness reviews should be performed for the organizational changes in Region II and the recent reorganization described in SECY-06-0125, "Proposed Reorganization of the Offices of Nuclear Materials Safety and Safeguards and State and Tribal Programs."

The staff should implement the reorganization with each office having its own PMAS. The combined staffing of both PMAS organizations should result in a minimal overall staff increase beyond those that would exist if the reorganization were not approved. The functions performed by PMAS are critical for the success of both offices, and particularly the success of NRO early in its inception. The budgeting, planning, contracting, human capital, and other administrative challenges that NRO will face will be much more dynamic and different than challenges in those areas that the agency has dealt with in the past. PMAS functions are an integral part of the management of any office and its work and should therefore be performed within each office by its own staff. I believe that innovative approaches, consistent with the design-centered approach for reviewing new plant license applications, could provide efficiencies in PMAS functions and should be implemented by NRO for conducting these functions. The staff should revise the proposed functional statements to include PMAS functions within NRO.

The staff should also implement the division level organization of NRO shown for FY 2008 (i.e., 5 divisions) by January 2007. The staffing of these divisions, including the number of branches and SES managers assigned to each division, should be adjusted with time, as appropriate, to address the workload.

NOTATION VOTE

RESPONSE SHEET

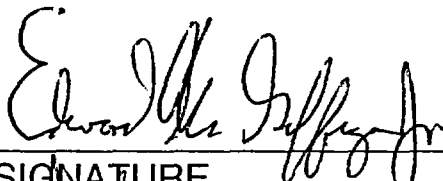
TO: Annette Vietti-Cook, Secretary  
FROM: COMMISSIONER MCGAFFIGAN  
SUBJECT: **SECY-06-0144 - PROPOSED  
REORGANIZATION OF THE OFFICE OF  
NUCLEAR REACTOR REGULATION AND  
REGION II**

Approved X<sup>w/comments</sup> Disapproved \_\_\_\_\_ Abstain \_\_\_\_\_

Not Participating \_\_\_\_\_

COMMENTS:

See attached comments.

  
\_\_\_\_\_  
SIGNATURE  
July 12, 2006  
\_\_\_\_\_  
DATE

Entered on "STARS" Yes X No \_\_\_\_\_

**Commissioner McGaffigan's Comments on SECY-06-0144**

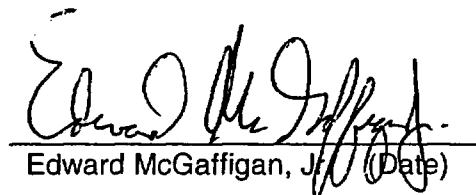
I approve the staff's proposal to reorganize NRR and Region II, including the establishment of the Office of New Reactors (NRO) with the authority to issue permits and licenses for new facilities in accordance with 10 CFR Part 52.

I support Chairman Klein in calling for the staff to conduct periodic self-assessments, including effectiveness reviews of each office's activities, and to provide the results to the Commission.

I also agree with Chairman Klein that NRO will eventually need to have its own dedicated Program Management, Policy Development, and Planning Staff (PMAS), but I approve the staff's recommended approach to support both NRR and NRO initially with the NRR PMAS. After an appropriate transition period, the staff should complete the organizational realignment, establishing and staffing a fully independent PMAS within NRO. The initial self-assessment discussed above should propose a schedule for the PMAS realignment.

The creation of NRO and the expected influx of new reactor applications represent significant challenges to the NRC, especially management challenges. In meeting these challenges, the devil will most surely be in the details as this reorganization is implemented. Consider the decision on how to assign existing staff between the two offices. As I said at the most recent Regulatory Information Conference, it is a natural human tendency to seek out that which is fresh and different. The lure of working on new reactor activities, including reviewing advanced reactor designs, processing unprecedented COL applications, and inspecting new construction sites, will likely attract the best and brightest within the Agency. The management challenge will be ensuring that the staffing plan assigns capable staff to the new office without unduly depleting NRR or the Regions. The primary focus of reactor regulation within the NRC is, and must always remain, the safety of operating reactors. The NRC must remain ever vigilant and must maintain oversight staffing levels and talents for operating reactors commensurate with those priorities.

Finally, I wish to reiterate from my previous vote approving the reorganization of the offices of Nuclear Material Safety and Safeguards and State and Tribal Programs (SECY-06-0125) that the Commission should seek to amend the Energy Reorganization Act of 1974 to clarify the Commission's ability to structure up to six major program offices as the needs of the Commission continue to evolve over time.

 7/12/06  
Edward McGaffigan, Jr. (Date)

NOTATION VOTE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary  
FROM: COMMISSIONER MERRIFIELD  
SUBJECT: **SECY-06-0144 - PROPOSED  
REORGANIZATION OF THE OFFICE OF  
NUCLEAR REACTOR REGULATION AND  
REGION II**

Approved  Disapproved  Abstain

Not Participating

COMMENTS:

*See attached comments*

  
\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

*7/13/06*

Entered on "STARS" Yes  No

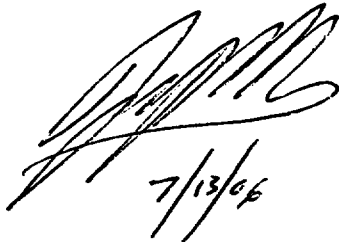
**Commissioner Merrifield's Comments on SECY-06-0144, "Proposed Reorganization of the Office of Nuclear Reactor Regulation and Region II"**

I approve the proposed reorganization of the Office of Nuclear Reactor Regulation (NRR) and Region II to prepare the agency for the anticipated volume of work to license and construct new nuclear power plants. I believe that the creation of a new Office of New Reactors will allow that office to focus exclusively on the daunting task of licensing a potentially large number of new nuclear power plants in this country, while leaving NRR to maintain the current high level of oversight of the existing fleet of plants.

I agree with Commissioner McGaffigan that the program management, policy development, and planning (PMAS) function should initially remain in NRR as the staff begins the transition to the new organizational structure, but this function should be moved to the new Office of New Reactors as soon as practicable to minimize the growing pains of standing up a new office.

To help pave the way for the transfer of PMAS functions to the new office, I propose that a few key staff, along with the business process integrator position be moved into the Office of New Reactors at its inception, and that the integrator position report directly to the office director. I agree with Chairman Klein that the transition of PMAS functions should be accomplished with no more than a minimal increase in staffing over what would have been expected without the reorganization.

I agree with the staff that the reorganization in headquarters should not be implemented until sufficient office space is available. Finding office space to consolidate the new office staff in a centralized location is a critical element in preparing for the review of new reactor license applications. The staff should make every effort to make the office space available as soon as practicable to facilitate standing up the new Office of New Reactors.



7/13/06



NOTATION VOTE

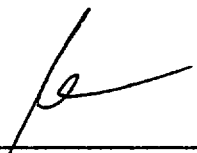
RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary  
FROM: **COMMISSIONER JACZKO**  
SUBJECT: **SECY-06-0144 - PROPOSED  
REORGANIZATION OF THE OFFICE OF  
NUCLEAR REACTOR REGULATION AND  
REGION II**

Approved  X  Disapproved \_\_\_\_\_ Abstain \_\_\_\_\_

Not Participating \_\_\_\_\_

COMMENTS: See attached comments.

  
\_\_\_\_\_  
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7/31/06  
\_\_\_\_\_  
DATE

Entered on "STARS" Yes  X  No \_\_\_\_\_

## Revised Comments

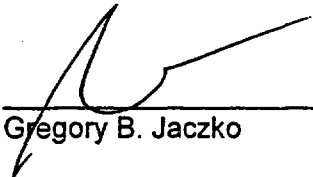
### **Commissioner Jaczko's Comments on SECY-06-0144 Proposed Reorganization of the Office of Nuclear Reactor Regulation And Region II**

I approve the staff proposal to reorganize the Office of Nuclear Reactor Regulation (NRR) into two offices (an office for new reactor licensing and an office for existing reactor regulation) subject to the following conditions.

1. As recommended by Chairman Klein and Commissioner McGaffigan, the new office focusing on licensing new reactors should have its own Program Management, Policy Development, and Planning Staff (PMAS). I support providing the staff with the flexibility to determine when to establish this organization within the new office. The staff should carefully consider – and if necessary present to the Commission for resolution – any potential conflicts that will result from this function, in the interim, serving both offices while reporting through – and being accountable to – only one office management chain. In particular, the staff should consider the impacts on the recruiting specialty that exists in the NRR PMAS.
2. The staff, as Commissioner McGaffigan recommends, should ensure that the office focusing on existing reactor regulation continues to be seen as an exciting and interesting office in which to work to ensure that this office is able to hire and retain the high caliber employees that currently work in NRR.
3. The staff, as Commissioner McGaffigan recommends, should prepare legislation that amends the Energy Reorganization Act of 1974 to provide the Commission with flexibility to reorganize major program offices. Although the current statute appears to allow the Commission to separate the new reactor licensing function from the statutory Office of Nuclear Reactor Regulation, having Congress clearly legislate this authority would eliminate any doubt.
4. The staff should provide to the Commission, before commencing the reorganization, a detailed plan describing how the technical divisions in each of the offices will discuss and resolve technical issues to ensure consistent understanding and implementation of safety issues for potential new and existing reactors.

As the agency confronts the challenges of maintaining vigilance on the existing fleet of reactors in the face of the new reactor licensing activities, there have been few tangible proposals to ensure the focus on the existing fleet. The separation of the new reactor licensing activities from the Office of Nuclear Reactor Regulation is one such proposal. Despite some of the concerns I raised in the previous paragraphs, the ability to

ensure a statutory office director is able to focus exclusively on the operating reactor safety provides for me enough reason to support this reorganization without a clear resolution initially to the concerns I raised in this vote.

  
Gregory B. Jaczko      7/21/06  
Date

NOTATION VOTE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary  
FROM: COMMISSIONER LYONS  
SUBJECT: **SECY-06-0144 - PROPOSED  
REORGANIZATION OF THE OFFICE OF  
NUCLEAR REACTOR REGULATION AND  
REGION II**

Approved   x   Disapproved \_\_\_\_\_ Abstain \_\_\_\_\_  
                  w/comments

Not Participating \_\_\_\_\_

COMMENTS:

See attached.

*for Josephine M. Piccone*  
Peter B. Lyons  
\_\_\_\_\_  
SIGNATURE  
7/14/06  
\_\_\_\_\_  
DATE

Entered on "STARS" Yes   x   No \_\_\_\_\_

**Commissioner Lyons' Comments on SECY-06-0144**

I approve the staff's recommendation to reorganize NRR and Region II as proposed and to establish an Office of New Reactors with the authority to issue permits and licenses for new facilities in accordance with 10 CFR 52 and associated other requirements, subject to the following comments.

1. Single organizations currently within NRR that will provide functions for both NRR and NRO could be challenged to provide effective support simultaneously. Thus, I support Chairman Klein's approach that each Office (NRR and NRO) should have its own PMAS, limited to a minimal overall staffing increase for the two resultant PMASs. The schedule for staffing this new PMAS should be left to the staff. In addition, for other such single organizations currently within NRR, the staff should ensure measures are in place to prevent such challenges from adversely affecting the necessary support to either office, for example by dedicating specific staff to support NRO and/or other appropriate measures. Such organizations may include those providing operating experience and generic communications functions, Work Planning Center functions, and rulemaking functions.
2. The staff should ensure clarity of organizational responsibilities within NSIR, NRR, NRO, and NMSS for security and emergency preparedness of operating reactors and facilities under construction, including fuel cycle facilities. This may be done in an NRC Management Directive, organizational functional statements, or other appropriate documents.
3. I support the staff's proposals to achieve a consistent application of technical and regulatory standards, guides and requirements, for both new plant licensing and for operating plants (e.g., through use of common standards, communities of practice, steering committees, enhanced roles of senior level staff, formalized process for documenting decisions systematically, establishing a protocol between NRR and NRO for all final resolution of technical issues). The staff should continue to look for other strategies, as appropriate, to achieve and maintain the desired consistency.
4. I support the Chairman's proposal for periodic self-assessments by each Office (NRR, NRO, and Region II) and to additionally include those Offices affected by the recent reorganization of NMSS and STP approved by SRM SECY-06-0125. I would add that these self-assessments should initially focus on the quality of products from new or significantly changed programs and processes, and on quality in those areas intended to be improved by the reorganizations.
5. I agree with Commissioner Merrifield that staff should make the NRO office spaces available in a centralized location as soon as practicable.
6. While I generally believe that NRC should not propose new legislation, I agree with Commissioner McGaffigan in his recommendation to seek amendment of the Energy Reorganization Act of 1974 to clarify the specific language impacting NRC internal operations.

*for* Josephine M. Piccone (per e-mail from PBL)  
Peter B. Lyons Date 7/14/06