

Draft Revised Methodology and Rationale for Common Prioritization of Rulemaking

This enclosure describes the U.S. Nuclear Regulatory Commission (NRC) staff's revised methodology for determining the priorities of individual rulemakings. The staff is using this method in budget formulation activities for developing the fiscal years (FY) 2012–2013 common prioritization of rulemaking (CPR) report.

Background

The staff developed its original methodology for prioritizing rulemakings in 2005. The methodology was based on the five NRC strategic goals in effect at that time: safety, security, effectiveness, management excellence, and openness. The methodology requires the selection of a primary and a secondary strategic goal that each rulemaking is intended to support and the selection of the rulemaking's level of contribution—high, medium, or low—to accomplishing those goals. The staff uses a table of strategic goal versus contribution to assign a numerical score based on the selections. There are three tables: one for reactors, one for materials, and one for waste. The total score for the rulemaking is determined by doubling the table value of the primary goal and then adding the table value of the secondary goal. All of the NRC's ongoing and planned rulemakings are ranked sequentially based on the total score that determines their priority. The rulemakings are grouped by total score as high, medium, and low priorities.

The staff puts each of its ongoing and planned rulemakings into a common database, including its prioritization score, expected milestone schedules, and estimated full-time equivalent (FTE) costs and contract funds necessary to complete the rulemaking. The database breaks out the FTE and contract fund estimates by fiscal year to enable the staff to plan for the upcoming budget cycle and, as appropriate, justify differences between planned and actual resources required for current or adjacent budget cycles. The database is considered to be "common" because it contains planned rulemakings from all lead offices (the offices of Nuclear Reactor Regulation, New Reactors, and Federal and State Materials and Environmental Management Programs) and others as appropriate (such as the offices of Administration and the General Counsel), and because the FTE and contract fund estimates reflect all staff and Commission offices expected to be involved in each rulemaking. From this database, the staff generates a report sorted by prioritization score and groups the rulemakings as high, medium, and low priorities.

For the past 5 years, the staff has used the CPR database to inform its rulemaking budget estimates for each office during the budget planning cycle (typically December through April). The staff can also use the prioritization score to inform its decision to begin a rulemaking project if a higher priority rulemaking cannot be undertaken due to excessive staffing or funding requirements (created by factors such as schedule changes, Commission direction, or a significant number of public comments to resolve).

Need for Change

There are several concerns with the current CPR methodology. First, the current methodology is based on the version of the NRC's Strategic Plan in effect in 2005, which had five strategic goals as described above.

Enclosure

The NRC's Strategic Plan for 2008–2013 (NUREG-1614, Volume 4, issued February 2008), currently in effect, now has two strategic goals and includes three organizational excellence objectives. As a result, the CPR methodology is obsolete and should be revised, at a minimum, to consider the NRC's current strategic goals.

Second, the methodology does not consider other factors that can influence the NRC to initiate, expedite, or otherwise reprioritize a rulemaking, such as reduction of regulatory burden, future licensing actions, or significant public interest. Finally, the Office of the Executive Director for Operations (OEDO) has asked the staff to consider how the database could be reviewed by OEDO before sending the budget estimate to the Office of the Chief Financial Officer. Although this final concern may not require a change to the CPR methodology, the process by which the staff requests input from OEDO could affect the scoring of each rulemaking and, as a result, whether a rulemaking should be budgeted.

Changes to CPR Methodology

1. Conform to the NRC's Strategic Plan for 2008–2013

The NRC's Strategic Plan for 2008–2013 differs from the previous plan in that it reduces the strategic goals from five to two. Specifically, the new strategic goals are the following:

1. Safety: Ensure adequate protection of public health and safety and the environment.
2. Security: Ensure adequate protection in the secure use and management of radioactive materials.

Additionally, the new strategic plan includes three organizational excellence objectives that support the strategic goals:

1. Openness: The NRC appropriately informs and involves stakeholders in the regulatory process.
2. Effectiveness: NRC actions are high quality, efficient, timely, and realistic to enable the safe and beneficial use of radioactive materials.
3. Operational Excellence: NRC operations use effective business methods and solutions to achieve excellence in accomplishing the agency's mission.

The prioritization methodology needs to conform to the NRC's current emphasis on the strategic goals and the Strategic Plan's statement that the organizational excellence objectives support the strategic goals. Specifically, the CPR methodology should require both the selection of which strategic goal a rulemaking supports (with an option to choose both goals or neither) and the selection of which organizational excellence objectives it supports (with an option to choose multiple objectives or none). The scoring table weighs the range of values for supporting one or more strategic goals heavier than the values for supporting an objective.

This weighting is consistent with the current CPR process, in which the value for supporting the primary goal is doubled and then added to the value for supporting the secondary goal. This revision eliminates the need for separate tables (currently three) for each program office and unifies the prioritization criteria across the agency. See Table 1 (Factors A and B) for the range of values.

2. Consideration of Other Factors

The current CPR methodology considers only the rulemaking's contribution to accomplishing the NRC's strategic goals. In reality, there are other internal and external factors that can influence the NRC to initiate, expedite, or otherwise reprioritize a rulemaking, such as reduction of regulatory burden, future licensing actions, or significant public interest. Although these internal and external factors are not currently considered in the CPR calculation, they can influence due dates for completing regulatory bases and proposed and final rule packages. By considering these other factors in the CPR calculation, the prioritization process more accurately reflects influences on decision-making. The revised process includes two new factors in the calculation: one representing internal (governmental) factors and one representing external (public) factors.

The first new (internal) factor (Factor C in Table 1) weighs the priority of any rule considered to be an agency priority with a value proportional to its contribution to the NRC's mission. This factor is also used to account for a rulemaking initiated by a congressional mandate or other governmental influence and thus requiring greater agency focus (and thus higher priority). Another use for this factor could be to adjust the relative priorities of rulemakings to appropriately reflect the Executive Director for Operation's priorities.

The second new (external) factor (Factor D in Table 1) weighs the priority of any rule of significant interest to industry, nongovernmental organizations, or other members of the public. This second factor considers regulatory incentives, such as supporting near-term licensing actions that would induce or negate the need for license amendments, or a reduction in regulatory burden. This factor could also reflect significant interest in the rulemaking by members of the public, such as a rulemaking resulting from a petition for rulemaking that attracted heavy media coverage or a rulemaking that received significant participation by members of the public (e.g., public meetings to discuss the regulatory basis, public comments on the proposed rule).

3. Prioritization Scoring and Grouping

The total prioritization score is calculated by summing the values of Factors A through D for each rulemaking. Rulemakings will then be grouped into categories of high, medium, and low priority based on their total scores as follows:

- High: Score of 31—45
- Medium: Score of 16—30
- Low: Score of 0—15

Table 1
CPR Factor Values

Goal/Objective	Range
Factor A—Strategic Goals	
Safety	1–20
Security	1–15
Multiple Goals	1–20
No Goals	0
Factor B—Organizational Excellence	
Openness	1–6
Effectiveness	1–10
Operational Excellence	1–10
Multiple Objectives	1–10
No Objectives	0
Factor C—Internal	
Governmental (NRC, Congress, etc.) Priority	1–10
Factor D—External	
Public (Industry, NGO, etc.) Priority	1–5

Total Prioritization Score = Factor A + Factor B + Factor C + Factor D