



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

October 3, 2014

ALL AGREEMENT STATES  
AND NON-AGREEMENT STATES  
STATE LIAISON OFFICERS  
NATIVE AMERICAN TRIBAL LEADERS  
GOVERNOR DESIGNEES FOR  
ADVANCE NOTIFICATIONS

**THE MERGING OF THE OFFICES OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS) AND FEDERAL AND STATE MATERIALS AND ENVIRONMENTAL MANAGEMENT PROGRAMS (FSME) (FSME-14-095)**

**Purpose:** To inform State stakeholders and Tribal Leaders of the NMSS and FSME reorganization. The merger of NMSS and FSME will be effective on October 5, 2014.

**Background:** The U.S. Nuclear Regulatory Commission's (NRC) workload has ebbed and flowed in response to a multitude of factors. Over the years, NMSS went through several structural changes to address its workload changes. For example, in 2006, the NRC restructured NMSS, moving some of its programs, including the state and tribal programs, into a new office (FSME). NMSS retained fuel cycle facilities, high-level waste disposal, spent fuel storage, and radioactive material transportation. FSME was responsible for the Agreement State Program, the Tribal and Environmental Liaison Program, and for regulating industrial, commercial and medical uses of radioactive materials and uranium recovery activities. Also FSME handled the decommissioning of previously operating nuclear facilities and power plants.

The NRC's materials and waste management workload has now shifted again. Therefore NRC staff launched a working group last fall to review the organizational structure of the NRC's materials and waste management programs. With the focus shifting to long-term waste storage and disposal strategies, and an increasing number of nuclear plants moving to decommissioning, the group recommended merging FSME's programs back to NMSS. The NRC's Commissioners approved the proposal in July 2014 and the merger of the two offices is effective October 5, 2014.

**Discussion:** The new NMSS will consist of four technical divisions and a Directorate to address Yucca Mountain activities. An organization chart is included as Enclosure 1.

The four technical divisions are:

- Division of Material Safety, State, Tribal, and Rulemaking Programs. Combines the functions of FSME's Divisions of Intergovernmental Liaison and Rulemaking and Materials Safety and State Agreements. This division will consist of six branches.
- Division of Spent Fuel Management. Contains all branch functions from NMSS's Division of Spent Fuel, Storage, and Transportation and adds the Long term Spent Fuel Management Branch from NMSS's Division of Spent Fuel Alternative Strategies. This division will consist of six branches.

- Division of Fuel Cycle Safety, Safeguards, and Environmental Review. Contains the branch functions from NMSS's Division of Fuel Cycle Safety and Safeguards and adds the environmental project management function from FSME's Division of Waste Management and Environmental Protection. The division will consist of five branches.
- Division of Decommissioning, Uranium Recovery, and Waste Programs. Contains the branch functions from FSME's Division of Waste Management and Environmental Protection related to decommissioning reactor and materials facilities, licensing associated with uranium recovery, and low-level waste disposal. This division will consist of five branches.

The Regional State Liaison Officers and the Regional State Agreements Officers are not changing with the reorganization. However, under the reorganization, two branches - Intergovernmental Liaison branch and the Rulemaking and Project Management branch that were previously under the Division of Intergovernmental Liaison & Rulemaking - will report to me as the Director of the Division of Material Safety, State, Tribal, and Rulemaking Programs (MSTR). Current work, functions, and responsibilities at the staff level will be largely unchanged.

The previous FSME letters will become State and Tribal Communications (STC) letters. The Radiation Control Program Director (RCPD) letters will remain unchanged. Staff will be working to update the NRC's websites and procedures to reflect the merger without impacting our stakeholders.

We firmly believe that this reorganization will better position the NRC to meet our mission. We remain committed to ensuring that, while organizational changes are occurring, we will continue to closely coordinate with your organization and its members to ensure our focus remains on the national materials program and our liaison activities with Federal, Tribal and State partners.

If you have any questions regarding this correspondence, please contact me at 301-415-3340 or the individual named below.

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Laura A. Dudes, Director  
Division of Materials Safety and State Agreements  
Office of Federal and State Materials  
and Environmental Management Programs

Enclosure: Organization Chart

- Division of Fuel Cycle Safety, Safeguards, and Environmental Review. Contains the branch functions from NMSS's Division of Fuel Cycle Safety and Safeguards and adds the environmental project management function from FSME's Division of Waste Management and Environmental Protection. The division will consist of five branches.
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Enclosure: Organization Chart

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**ML14272A157**

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DATE	9/30/14	9/30/14	9/30/14	10/2/14	10/3/14

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