

March 1, 2016

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to a request in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2016.

The Joint Explanatory Statement directed the Commission to provide quarterly reports related to the NRC's progress on certain licensing actions and right-sizing commitments. Further, to monitor the NRC's progress against its licensing goals and right-sizing commitments, the Joint Explanatory Statement directed the Commission to report: 1) "the on-board strength of full-time equivalent [(FTE)] employees, including any identified areas of critical skill shortages and targeted hiring strategies against these shortage areas"; 2) "actions taken to right-size the NRC in accordance with the recommendations of the Project Aim report, to include rebaselining assumptions and projection of FTEs and required budget authority"; 3) "progress to eliminate the backlog of pending licensing actions in the Office of Nuclear Reactor Regulation by 2017"; and 4) "progress to complete the licensing reviews of pending reactor license renewal applications (power and research reactors), combined license applications, early site permit applications, design certification applications, and uranium recovery applications (initial and renewal) against currently projected schedules."

With respect to staffing, the agency is identifying future skill needs and ensuring that it focuses hiring strategies on meeting those needs. Currently, the NRC expects to utilize approximately 3,565 FTE by the end of fiscal year (FY) 2016. The NRC has identified, based on known or projected workload changes, additional skill needs in the areas of cybersecurity, cloud computing, probabilistic risk assessment, health physics, acquisitions, and advanced reactors (non-light water reactors). Hiring of additional agency staff has been limited to only those skills that are both critical to operations and not available within the current agency workforce. Several strategies have been identified or are already in place to mitigate any future critical skill gaps in these areas. These strategies include retraining and redeploying current agency staff, partnering with other Federal agencies to grow this expertise, and supplementing the NRC workforce with contractor support. The Office of the Chief Human Capital Officer is monitoring projected year-end FTE utilization.

As part of Project Aim, the staff engaged in a one-time re-baselining effort that entailed a review of the agency's workload, which has evolved over the past decade, and developed a list of tasks that could be shed as no longer needed or justified, or able to be performed at a reduced resource level. Through its re-baselining effort the NRC identified \$10 million of savings in FY 2017 in the Rulemaking, Travel, and Corporate Support areas that have already been incorporated into our FY 2017 budget request. The Commission is currently reviewing

additional recommendations for savings in FY 2017 through FY 2020 and will provide additional information regarding its re-baselining efforts once it provides direction on the staff's recommendations (SECY-16-0009, "Recommendations Resulting From the Integrated Prioritization and Re-baselining of Agency Activities"). In June 2015, the Commission directed the staff to provide periodic updates on the status of the implementation of the approved Project Aim recommendations. As reference material for your awareness, enclosed is the publicly available Project Aim Implementation Status Update, which was updated February 9, 2016 (Enclosure 1).

In FY 2014 and FY 2015, resources were redirected from other licensing tasks to process Fukushima-related licensing actions. This resulted in a backlog of pending licensing actions and the Congressional Budget Justification target to complete 95% licensing actions in one year or less was not met during these years. The NRC developed a staffing strategy to identify resources and critical skills needed to address the backlog of pending licensing actions. This approach resulted in decreases in the backlog from 112 actions at the peak to 24 actions by the end of the first quarter FY 2016. The staff continues to make progress in reducing the backlog completing 94% of licensing actions within one year or less during the first quarter of FY 2016. Progress in completing other licensing actions for the first quarter of FY 2016 is provided (Enclosure 2).

The next quarterly report, reflecting progress through the second quarter of FY 2016, will be provided to you in mid May 2016. Please feel free to contact me or Eugene Dacus, Director of the Office of Congressional Affairs, at (301) 415-1776 if you have questions or need more information.

Sincerely,

/RA/

Stephen G. Burns

Enclosures:

1. Implementation Status Update
– February 2016
2. Progress on Licensing Applications – Quarter 1

cc: Senator Barbara Mikulski

Identical letter sent to:

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510
cc: Senator Barbara Mikulski

The Honorable Harold Rogers
Chairman, Committee on Appropriations
United States House of Representatives
Washington, DC 20515
cc: Representative Nita Lowey