

March 24, 2016

MEMORANDUM TO: Cynthia A. Carpenter, Director
Office of Administration

Frederick D. Brown
Acting Chief Information Officer

Miriam L. Cohen
Chief Human Capital Officer

Vonna L. Ordaz, Director
Office of Small Business and Civil Rights

FROM: Maureen E. Wylie */RA/*
Chief Financial Officer

Victor M. McCree */RA/*
Executive Director for Operations

SUBJECT: RESOURCES ALLOCATED TO THE CORPORATE SUPPORT
BUSINESS LINE

Resources allocated to the Corporate Support Business Line at the Nuclear Regulatory Commission (NRC) increased significantly after 2005 in response to the anticipated significant growth in the nuclear industry. Because the level of growth and the associated additional NRC workload did not materialize, we are compelled to reassess and adjust our infrastructure and support resources to reflect a projected workload comparable to that which existed prior to the Energy Policy Act of 2005.

In Fiscal Year (FY) 2014, the agency embarked in an effort, Project AIM, to look at the necessary work and associated resources in a declining work environment at the NRC. As part of our Project Aim deliverables, we have recently completed re-baselining activities presented to the Commission in SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-baselining of Agency Activities" identifying agency work that could be shed or changed to deliver expected savings of \$50 million dollars, which if approved, can be implemented in the next 18 months.

Additionally, In SECY-16-0035, "Additional Re-Baselining Products", we presented the Commission additional areas for future reductions. In this paper, we included an item in Enclosure 1, "Longer-Term Efficiencies" specifically related to Corporate Support efficiencies for

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implementation in FY 2018 and beyond. The item is labeled “Review of Corporate Offices’ Full-Time Equivalent (FTE) Utilization and Workload” and reads, “Staff will conduct a review to compare the current requirement to pre-National Energy Policy Act of 2005 implementation in 2006. The goal is to identify further efficiencies in light of future workload reductions.”

This item was included to highlight that the NRC will identify additional reductions in corporate resources commensurate with projected programmatic workload changes identified in Project AIM re-baselining deliverables and that we will continue to find more efficient ways to deliver necessary corporate services in support of the mission. While we have identified initial corporate work sheds and efficiencies, final corporate resource requirements are dependent on total agency workload and were not finalized concurrently with the programmatic workload changes. Building on the analysis that the corporate offices have commenced over the past year, and understanding current programmatic workload projections, we expect to quickly identify significant additional corporate FTE reductions for FY 2018 and beyond. This tasking memorandum is providing the direction to meet the objectives of this item by May 31, 2016.

First, this memorandum establishes a working group comprised of you and/or your Deputy Office Directors and a program Deputy Office Director representative, Steve West, to conduct an analysis of the corporate support workload and resources from FY 2005 to FY 2017. Mary Muessle, our Deputy Chief Financial Officer, will lead the effort and provide the EDO and CFO periodic updates on the progress of the group. Second, the tasking requires that by April 25, the working group will submit a paper to the EDO and CFO to provide the results of the analysis and recommendations for further corporate FTE reductions. Third, this paper will specifically address three questions for each of the following corporate offices: Office of the Chief Financial Officer, Office of Administration, Office of the Chief Information Officer, Office of the Chief Human Capital Officer, and Office of Small Business and Civil Rights. The questions are:

1. Leveraging best practices and programmatic workload reductions. What work could you shed and/or what changes could you make in the way you perform your work to do it more efficiently. When could this be implemented, what investments are required (if necessary), and what are the expected annual savings from the changes?
2. What changes could you make to reorganize your current organization structure to support a smaller NRC and/or deliver your services more efficiently?
3. How would you reprioritize your office workload to deliver your services more efficiently?

In addition, for offices that have seen significant FTE increases since FY 2005 (specifically, ADM, OCHCO, SBCR), the paper should provide specific recommendations regarding how each office will reduce its FY 2017 Presidents Budget FTE request, in addition to any additional re-baselining reductions identified in SECY-16-0009. The recommended FTE reductions should reflect an aggressive schedule to achieve reductions no later than FY 2019, with significant reductions in FY 2018.

In responding to this tasking, offices should offer plans that can be met through use of voluntary staffing measures (e.g., stringent hiring controls, attrition, and early out/buy out authority). The plans should also address current onboard office staffing, including unfunded indirect FTE, and the feasibility of reaching the reduced onboard office staffing levels in FY 2018 and FY 2019.

In summary, while we recognize that it may be more difficult to reduce work associated with current government-wide mandates, operating practices, and structures than work driven primarily by anticipated workload changes, we must face the reality of a leaner corporate support staff. We encourage you to think broadly as you approach this task and look for strategic and innovative ways to deliver your services in support of the NRC mission.

cc: See attached list

ATTACHED LIST OF cc's

Margaret M. Doane, General Counsel

Glenn M. Tracy, Deputy Executive Director for Materials, Waste, Research, State, Tribal, Compliance, Administration, and Human Capital Programs, OEDO

Michael R. Johnson, Deputy Executive Director for Reactor and Preparedness Programs, OEDO

Robert J. Lewis, Assistant for Operations, OEDO

Patricia K. Holahan, Director, Office of Enforcement

Kevin C. Fowler, Acting Director, Office of Investigations

Jennifer Uhle, Director, Office of New Reactors

Scott W. Moore, Acting Director, Office of Nuclear Material Safety and Safeguards

William M. Dean, Director, Office of Nuclear Reactor Regulation

Michael F. Weber, Director, Office of Nuclear Regulatory Research

Brian E. Holian, Director, Office of Nuclear Security and Incident Response

Daniel H. Dorman, Regional Administrator, Region I

Catherine Haney, Regional Administrator, Region II

Cynthia D. Pederson, Regional Administrator, Region III

Marc L. Dapas, Regional Administrator, Region IV

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cc: See attached list

Adams Yes No SUNSI Review By: _____
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***see attached concurrence**

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