

May 9, 2016

Mr. J. Christopher Mihm
Managing Director, Strategic Issues
Government Accountability Office
441 G St. N.W.
Washington, DC 20548

Dear Mr. Mihm:

Thank you for the opportunity to review and comment on the draft report, "Managing for Results. Agencies Need to Fully Identify and Report Major Management Challenges and Actions to Resolve them in their Agency Performance Plans." The U.S. Nuclear Regulatory Commission (NRC) agrees with the recommendation for the agency but would like to offer the following comments for your consideration in finalizing the report.

1. Context for NRC's approach for reporting major management challenges

While the draft report accurately states that the NRC's 2015 Agency Performance Plan (APP) does not list any major management challenges, it does not provide the reasoning and context for this approach. The agency proactively addresses and mitigates management challenges through ongoing processes. Therefore, we did not identify any programs or management functions that have greater vulnerability to waste, fraud, abuse, and mismanagement, as defined by Government Performance and Results Act Modernization Act of 2010 (GPRAMA) to be major management challenges. Specific examples of agency practices to support this include:

- Under the agency's performance management process, senior NRC management reviews agency performance in all areas on a quarterly basis. Challenges are proactively identified and reviewed, and appropriate mitigation strategies are developed. Progress in mitigating challenges are reviewed during subsequent quarterly reviews so adjustments can be made if needed to improve results.
- Although NRC's 2015 APP does not list any major management challenges, it does describe the agency's management objectives, which are set forth by the NRC 2014-2018 Strategic Plan (<http://pbadupws.nrc.gov/docs/ML1424/ML14246A439.pdf>), and their associated performance goals, performance indicators, and timeframes. NRC developed these management objectives based on their importance to the agency's ability to meet our safety and security goals as well as with consideration of the Office of the Inspector General (OIG)'s assessment of the agency's challenges.
- The NRC's 2015 Performance and Accountability Report (PAR) (<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>) includes the OIG's annual assessment of the agency's "most serious management and performance challenges." The agency reviews and addresses challenges identified by the OIG

through existing programs and processes as appropriate with respect to priority and available resources. The 2015 OIG assessment states “...NRC is continually making progress to address OIG recommendations and improve the efficiency and effectiveness of its programs...Challenges do not necessarily equate to problems” (see page 121 of the NRC 2015 PAR (<http://pbadupws.nrc.gov/docs/ML1532/ML15320A347.pdf>)).

2. Status of mission critical occupation (MCO)

The draft report states an “Office of Personnel Management (OPM) update” found that NRC had MCO gaps in probabilistic risk assessment (PRA) and cyber. NRC does not agree with this characterization. In fall 2015, in response to OPM’s request, NRC conducted an evaluation to identify high-risk MCOs using OPM’s multi-factor model, which did not identify any specific areas. Despite the formal results, OPM still requested the identification of 2-3 MCOs that the agency considered at-risk and would monitor and evaluate. In response, the NRC identified PRA and cyber.

In parallel with the OPM evaluation, NRC had been independently developing a Strategic Workforce Plan outlining additional skill needs based on anticipated workload changes. This plan identified PRA and cyber as occupations that are not currently considered to be MCO gaps but where additional expertise is needed. NRC has been applying several specific mitigation strategies, as well as exploring additional ones, to ensure these areas do not become MCO gaps in the future.

Since the formal evaluation using OPM’s model did not identify any high-risk MCOs, and the agency is implementing efforts to ensure PRA and cyber do not become MCO gaps, NRC respectfully requests the reference to NRC and MCO gaps be removed.

3. Clarification of NRC comment on Office of Management and Budget (OMB) Circular A-11

We would like to request clarification on how NRC comments regarding OMB Circular A-11, “Preparation, Submission, and Execution of the Budget,” are characterized. Specifically, our comment was that the guidance in OMB A-11 does not acknowledge that an agency may have challenges it is appropriately managing, including those identified by the OIG, and therefore do not meet the GPRAMA definition of major management challenges for inclusion in the APP.

J. Mihm

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If you have any questions regarding our comments, please contact Mr. John Jolicoeur at John.Jolicoeur@nrc.gov or 301-415-1642.

Sincerely,

/RA by Daniel H. Dorman for/

Victor M. McCree
Executive Director for Operations

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