

November 15, 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 submitting the fourth quarterly report related to the NRC's progress on certain licensing actions and right-sizing commitments as directed by the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2016.

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."

The agency carefully monitored the year-end FTE utilization and met its 3,600 ceiling with a utilization of 3,481 FTE for fiscal year (FY) 2016. The agency implemented strategies such as voluntary early retirement authority, voluntary separation incentive pay programs, and limited hiring to achieve those reductions in staffing levels. As a result the agency started FY 2017 with 3,367 employees.

Hiring of additional agency staff has been limited to only those skills that are both critical to agency operations and are not available within the existing agency workforce. The NRC has identified, based on known or projected workload changes, skill needs in the areas of cybersecurity, cloud computing, probabilistic risk assessment, health physics, acquisitions, and advanced reactors (non-light water reactors) and is implementing strategies to mitigate any future critical skill gaps in these areas. These strategies include retraining and redeploying current agency staff, partnering with other Federal agencies, and supplementing the NRC workforce with contractor support.

The agency continues to make progress in implementing the rebaselining effort that will result in the NRC needing \$30.2 million less than the FY 2017 President's Budget to accommodate our anticipated workload. The results of the one-time rebaselining effort identified a total of 150 activities that could be shed, deferred, or performed with fewer

resources to achieve further savings in FY 2017. To date, we have completed the actions necessary to shed the work associated with 134 of those activities. We continue to implement the remaining activities that will be completed before the start of FY 2018 and will result in an additional 8 million in reductions. As reference material for your awareness, enclosed is a recent Project Aim Implementation Status Update, dated October 7, 2016 (Enclosure 1).

During FY 2016, the staff met its timeliness metric of completing 95 percent of licensing actions within 1 year or less. The staff's progress in completing other licensing actions is reflected in the enclosed table (Enclosure 2).

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
– October 2016
2. Progress on Licensing Applications
– Fiscal Year 2016 - Quarter 4

cc: Senator Barbara A. Mikulski

Identical letter sent to:

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

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