



CHAIRMAN

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

January 23, 2001

MEMORANDUM FOR THE RECORD

FROM: Richard A. Meserve 

SUBJECT: REORGANIZATION

Following the Commission's December 19, 2000 discussion of matters concerning the Executive Council, I informed the Commission in my memorandum of January 5, 2001 (copy attached) that I would advise the Office of Management and Budget (OMB) of the Commission's consideration of a proposal to have the Chief Information Officer report to the Executive Director for Operations in order to improve the integration of information technology into staff operations. Under this proposal, the CIO would continue to have direct access to the Commission through periodic meetings and other means.

In a letter to the Director of OMB dated January 8, 2001 (copy attached), I advised OMB of the proposed changes to the CIO's reporting relationship and the basis for the Commission's support of the proposed changes. On January 11, 2001, I discussed the issues in a telephone conversation with Mr. Joshua Gotbaum, Executive Associate Director of OMB. Later the same day, I was contacted by a member of Mr. Gotbaum's staff, who indicated that OMB had no objection to the Commission's proposed course of action. As a result, the Commission-approved changes were implemented on Wednesday, January 17, 2001.

Attachments: As stated

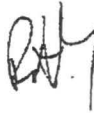
Enclosure 4

January 5, 2001

NOTE TO: Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

SUBJECT: DISTRIBUTION OF ATTACHED MEMORANDUM

The subject and content of the attached memorandum is a very sensitive matter and it is my intention not to discuss or disclose this information to anyone outside of the Commission and the Secretary of the Commission until we have cleared the OMB hurdle.

A handwritten signature in black ink, appearing to be the initials 'RM' followed by a vertical line.

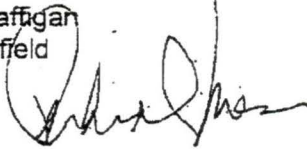
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UNITED STATES
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WASHINGTON, D. C. 20555

January 5, 2001

MEMORANDUM TO: Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Richard A. Meserve 

SUBJECT: REQUEST FOR COMMISSION REVIEW AND APPROVAL OF
PROPOSED ORGANIZATIONAL CHANGES

As you know issues related to the Executive Council (EC) were a topic of discussion at the closed Commission meeting on December 19, 2000. The Commission concluded that while the EC may be useful as an institution for the exchange of information among the Executive Director for Operations (EDO), the Chief Information Officer (CIO), and the Chief Financial Officer (CFO), it does not serve effectively for decision-making purposes. Consequently, in the interest of improving the efficient operation of the agency, the following changes are being presented for formal Commission review and approval. I have discussed the following proposal with the EDO, the CIO, and the CFO.

The Commission will not finalize the draft EC charter but rather will abolish the EC in its present form. In order to ensure efficient and effective decision-making and to optimize the integration of financial and information technology, certain changes in organization and reporting requirements are needed. These changes, set forth below, are intended to strengthen the EDO's statutory authority to serve as chief administrative officer of the Commission, while at the same time serving to ensure that the Commission has appropriate direct access to financial and information-technology information and advice, and that the CFO and CIO have appropriate access to the Commission to provide such information and advice.

The following changes to the organization and reporting relationships should be made:

- In order to improve the integration of information technology into staff operations, the CIO will report to the EDO. However, the Commission will continue to maintain direct access to the CIO through an annual Commission briefing by the CIO on information technology matters, periodic meetings between the CIO and individual Commissioners, and the continued attendance of the CIO at the Chairman's daily principal staff meeting. I will advise OMB of this change.

- o The CFO shall continue to report to the Chairman. However, any work products now generated by CFO and his staff relating to the Planning Budgeting and Performance Monitoring process shall be produced and submitted jointly by the EDO and CFO. The purpose of this change is to facilitate the integration of financial and policy decisions.

SECY please track.

cc: SECY