

Feedback on the Fuel Facilities Budget

Robert Johnson

Fuel Manufacturing Branch Chief

March 27, 2018

Introduction

- **Stakeholder feedback on Fuel Facilities (FF) budget, including:**
 - **NRC Fees and Fee Increases**
 - **Ratio of Part 170 Service Fees to Part 171 Annual Fees**
 - **Number of FTEs and the Need for More Timely Budget Adjustments**
 - **Staff to Operating Facility Ratio**
 - **Retrospective Reviews**
- **Demonstrated need to have additional dialogue on:**
 - **FF budget and how resources are budgeted**
 - **Addressing Stakeholder feedback**

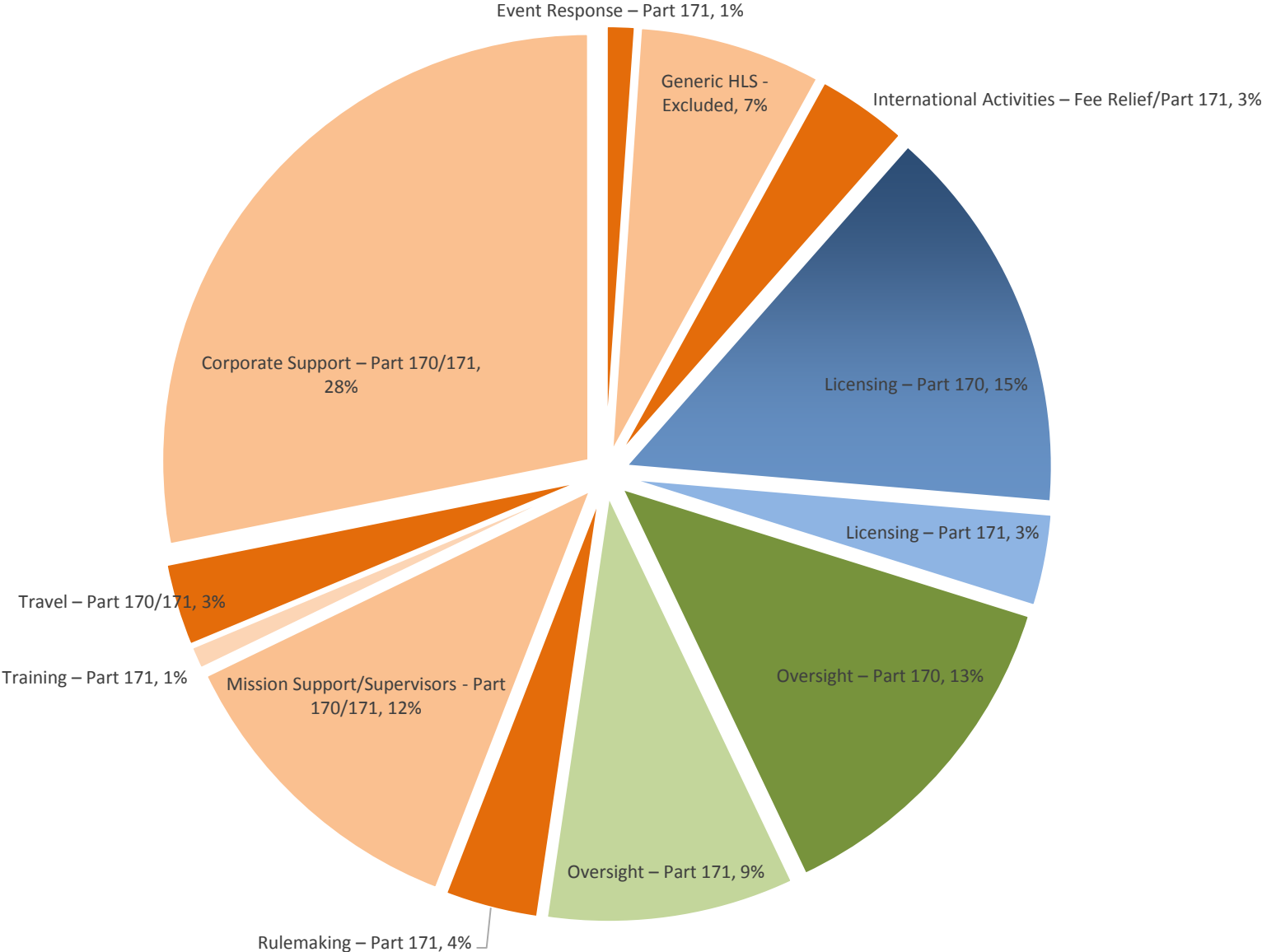
NRC Fees and Fee Increases

- Stakeholders expressed concerns that, “The small yet diverse fleet of 7 currently operating fuel cycle licensees carries an enormous budgetary load given their relative low risk profile.”
- **NRC continues focusing on our mission and priorities:**
 - Ensuring safety and security through licensing, oversight, and environmental reviews
 - Supporting U.S. non-proliferation activities
 - Maintaining effective communications with stakeholders on regulatory activities

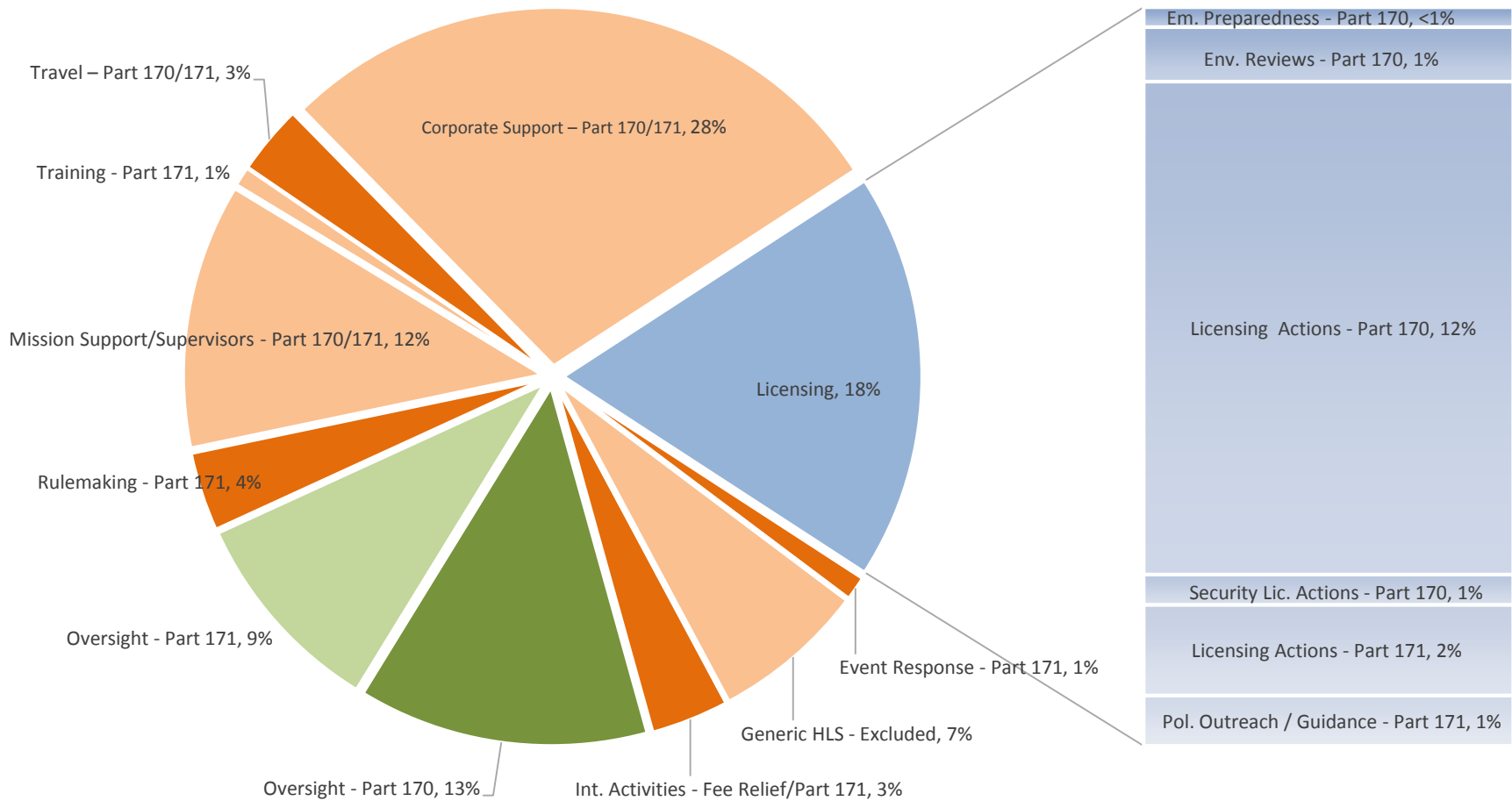
Ratio of Part 170 Service Fees to Part 171 Annual Fees

- **Stakeholders expressed concerns that Part 170 Service fees account for less than one-third of the total FF budget.**
- **Stakeholders also had questions about the two-thirds of the FF budget that is being recovered through Part 171 Annual Fees, and wanted to better understand what services are being provided with these funds.**
- **The following discussion provides additional clarity on the FF budget.**

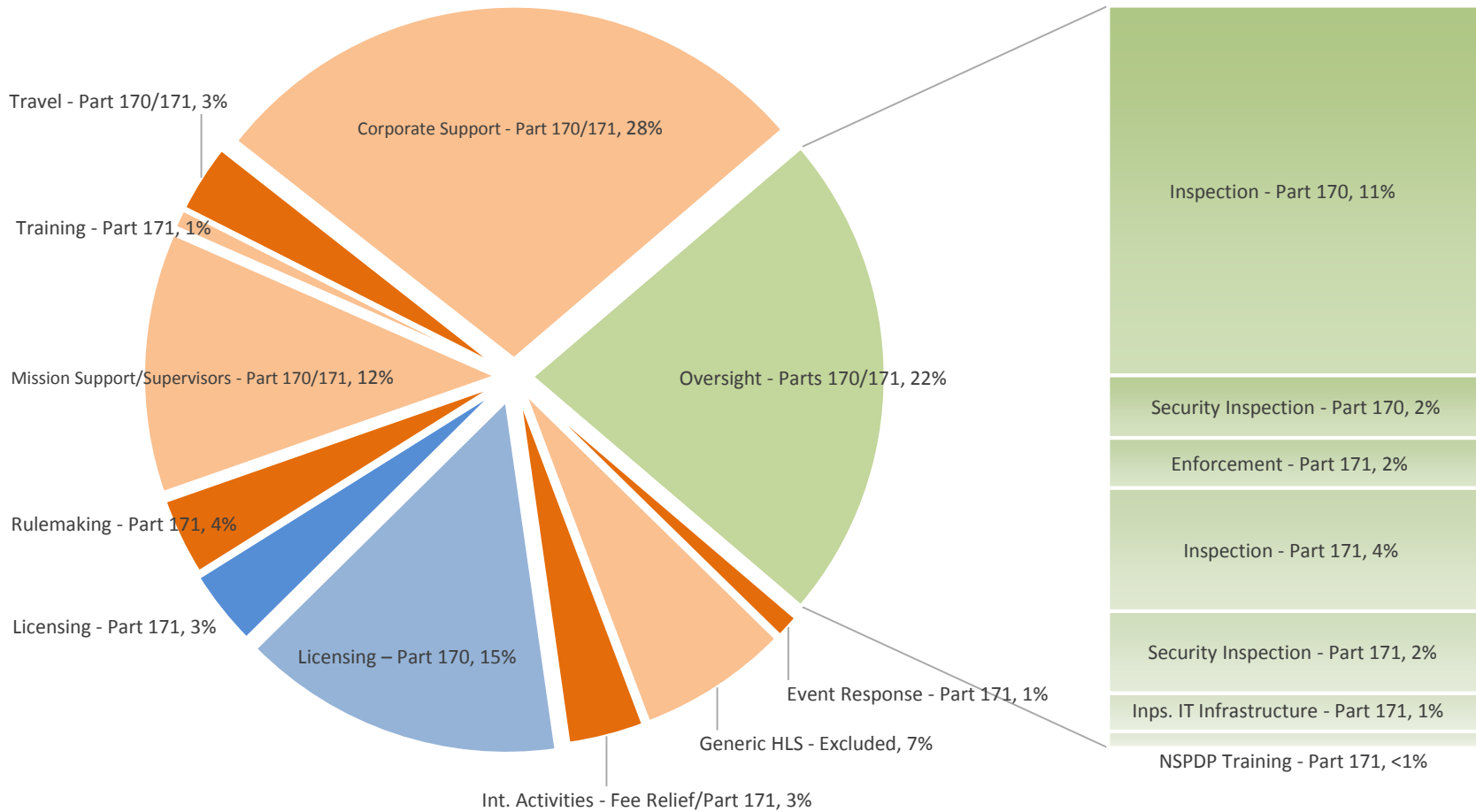
Fuel Facilities Budget Breakdown



Fuel Facilities Budget Breakdown – Licensing



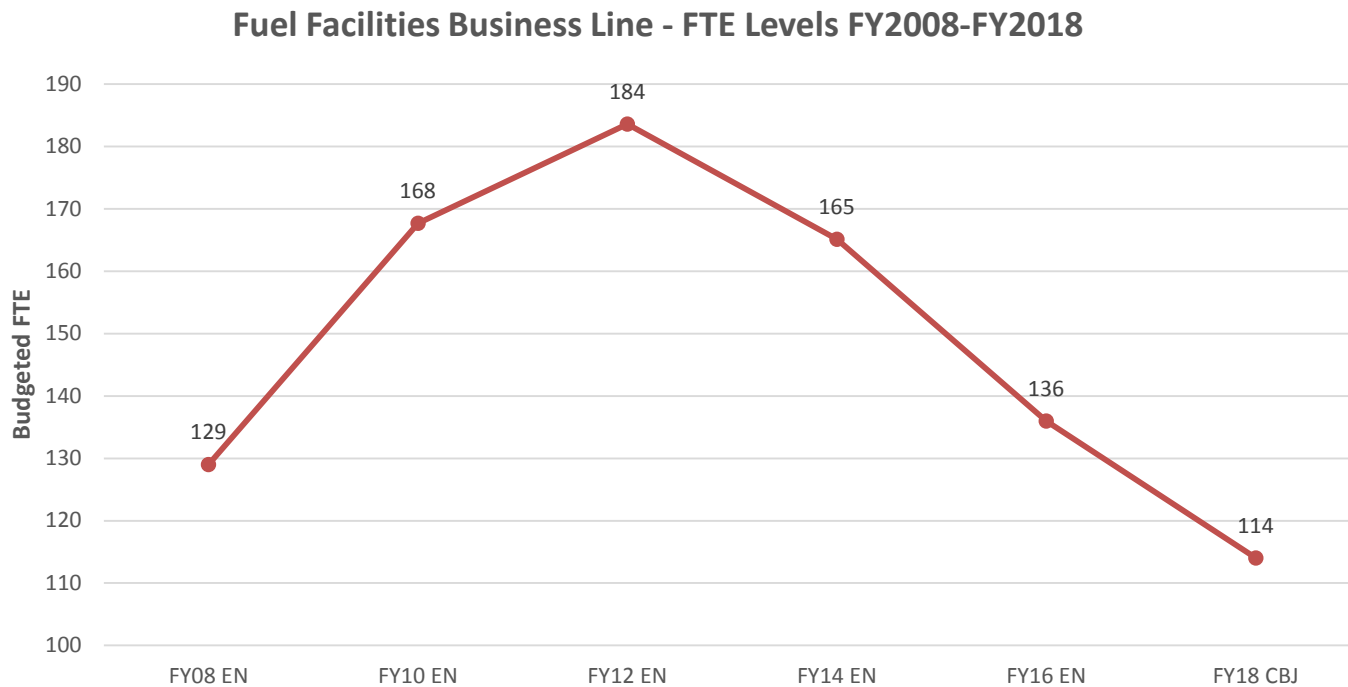
Fuel Facilities Budget Breakdown – Oversight



Number of FTE and the Need for More Timely Budget Adjustments

- Stakeholders felt that, “the number of FTEs high and uneconomical” and that “additional reductions should be made.”
 - Stakeholders noted that, “The number of FTEs in both the Fuel Facilities Business Line and in the Division of Fuel Cycle Safety, Safeguards, and Environmental Review (FCSE) has stayed relatively stagnant over the past several years (approximately 113 FTEs and 60 FTEs, respectively), yet the number of operating facilities has decreased from 11 to 7.”
 - Stakeholders also highlighted the “vital importance for NRC's ability to make timely budget adjustments,” due to anticipated workload and the economic environment.
- The following discussion provides additional clarity on the number of FTE and historical budget adjustments.

NRC Continues to Assess the Changing Environment



Staff to Operating Facility Ratio

- Stakeholders noted that fuel cycle facilities have a “staff to operating facility ratio of approximately 16:1,” while “commercial nuclear reactors have a ratio of approximately 15: 1, yet the risk profile of the fuel cycle facilities is significantly less...”
- NRC continues focusing on our mission, evaluating our priorities, and looking for ways to become more efficient and effective.
- Stakeholders cited the Environmental Review Branch (ERB) as an example of where “it is difficult to understand why 13 FTEs are needed.”
- NRC’s ERB provides a wide range of environmental review services, guidance, and training related to decommissioning and uranium recovery, fuel cycle, spent fuel, and rulemaking activities. ERB receives only two FTE and a Supervisor from the FF budget. All other ERB FTE are funded by other Business Lines.

Retrospective Reviews

- Stakeholders noted that retrospective reviews of agency initiatives could inform current and future NRC activities/initiatives:
 - “New initiatives should be thoroughly vetted with demonstrable efficiency, safety or security benefits before they are started. In the past few years NRC has spent significant resources in this business line on several projects that have never come to fruition, despite consistent industry feedback that these initiatives were not enhancing safety or security.”
 - “Examples of efforts which should be considered for termination because they expend NRC resources and provide little to no safety or security benefit include: material control and accounting (MC&A) 10 CFR Part 74 changes, enhanced security for special nuclear material (SNM) 10 CFR Part 73 changes, and the ANS 57.11 Integrated Safety Analysis (ISA) Standard.”
- NRC agrees that retrospective reviews may be beneficial. NRC puts careful thought into the regulatory initiatives it pursues. FCSE and Industry Cumulative Effects of Regulation Meetings have been used as an effective forum for dialogue on regulatory initiatives.

Conclusion

- **NRC understands stakeholder feedback.**
- **NRC provided additional information in response to stakeholders concerns.**
- **NRC continues evaluating ways to be more effective and efficient.**
- **NRC continues engaging stakeholders on regulatory initiatives.**