



CHAIRMAN

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

COMMISSION
CORRESPONDENCE

February 11, 1981



The Honorable David A. Stockman
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Stockman:

The recently announced retroactive freeze on federal hiring may significantly impair the functioning of the Nuclear Regulatory Commission. The hiring "freeze" imposed by the previous Administration allowed us to hire one person for every two losses and to fully staff inspector positions. In addition, as a result of discussions with OMB, the "freeze" eventually was mitigated by allowing NRC to hire to a level of 3267, which was 69 below the FY 81 Congressionally authorized level. While this freeze had a serious impact on some programs, the exemption allowing us to hire inspectors recognized their critical role in assuring the safe operation of nuclear plants. We also had enough hiring flexibility to maintain operating license review schedules, so that staff action on new nuclear power plants could be completed to allow public hearings and to permit licensing when construction was completed.

The new hiring freeze, however, does not provide any flexibility and will prevent the hiring of people who are specifically recruited and selected to work on critical inspection and licensing functions. Since accomplishment of these functions is essential to fulfilling NRC's statutory responsibility and ensuring the continued public health and safety, I request NRC staff who perform licensing and inspection functions be exempted from the hiring freeze.

The lack of adequate staff has contributed to placing NRC's licensing activities on the critical path for nuclear reactor operating licenses. Continuation of the new hiring freeze will have the long-term impact of delaying operation of completed plants pending the completion of NRC's licensing reviews and hearings. In addition, the freeze eventually will lead to further delaying NRC work on construction permit reviews so that the staff can complete work on plants ready to operate.

Our inspection program currently has 34 vacancies. Personnel have been recruited and selected for most of these positions, but cannot be hired because of the freeze. In addition, at the current attrition rate, we can expect to lose over 50 inspectors between now and the end of the fiscal year. Under the new freeze, this loss, together with our current vacancies, will gravely impact our inspection program. The freeze will also damage other critical areas of NRC's safety oversight

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of operating reactors. Our program to annually requalify reactor operators will have to be cut back significantly. The freeze will also affect other initiatives arising from reviews of the TMI accident, in particular, our evaluation of licensee, State and local emergency plans and procedures.

The TMI accident did happen. The NRC has attempted to respond in such a way as to maintain the public health and safety and to grant licenses where applicants have met our standards. One example of the choice the freeze presents us is in the area of human factors. A major finding of the TMI review was that the people running nuclear power plants are as important as the equipment but that the NRC (and the industry) had paid little attention to their importance. In response we have set up a Human Factors group and tried to staff it. Qualified people in this area are very hard to find, and harder to hire. We had seven offers out to such people, offers the freeze has effectively terminated. I do not know how many months it will take us to find and hire competent people when the freeze is lifted - it took us about five months to find and recruit the ones to whom we had made offers. However, the freeze gives us the choice of developing inadequate regulations, waiving the importance of human factors in operating reactors, or not licensing new reactors.

Others frozen include:

- two lawyers to chair licensing boards - offers made after a many-month screening process to choose people who can handle difficult cases.
- consultants for the Advisory Committee on Reactor Safeguards, who were to be hired to work on the issue of whether there is really very much iodine released in a nuclear accident.
- nine third year law students and one judicial clerk, chosen after a lengthy application and review process from Honor Law Graduates and judicial clerks, who had accepted offers to join our principal legal offices.

The NRC's waste management program is also being impaired by our inability to bring on qualified personnel. In order to minimize the public health and safety impacts of uranium recovery operations, license renewals and amendments for operating facilities will have to take precedence over the licensing of new facilities. A continued hiring freeze will result in increasing the licensing time for a major new facility from one year to between two or three years. Should licensing actions in the areas of reprocessing of spent fuel and NSF West Valley program be required, further delays in these as well as other ongoing programs can be expected.

We have already reassigned personnel to support the functions described above. The opportunity for further reassignment is extremely limited, because of the absence of the necessary skills and the need to support other ongoing safety-related missions. Examples of specialties where we do not have adequate numbers include human factors and reactor systems engineering. In each of these specialties, we have people selected and ready to be hired.

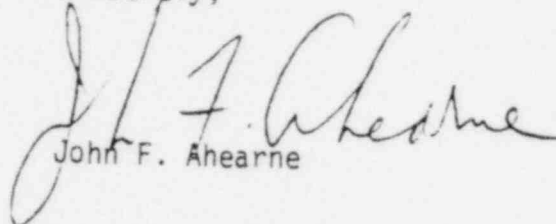
The Agency's on-board strength today is approximately 200 below the FY 1981 Congressional authorization of 3336. Three-fourths of these unfilled positions are in our three licensing and inspection offices which have direct public health and safety responsibility. We have about 300 outstanding commitments which are the result of a major recruitment effort started over six months ago. We undertook this recruitment effort only after months of negotiation with the previous Administration to grant us a partial exemption from the hiring restriction. These commitments, when refusals and attrition are considered, would have brought us to our authorized level by the end of the fiscal year. Only the requirement to conduct lengthy security reviews has kept many of these people from being on board already.

The Congress and OMB have strongly encouraged the NRC to staff its reactor licensing and inspection programs as quickly as possible in order to meet licensing schedules and commitments flowing from the various studies and analyses of the Three Mile Island accident. There is a universal recognition that the labor market for engineers experienced in nuclear reactor operations is the tightest that it has been in years. Even with tight labor market conditions, the NRC has been successful in recruiting candidates to fill a significant number of these positions. Given the demand for these technical skills, these people will quickly find jobs outside the government. Thus, if we are forced to withdraw or delay offers of employment, it will take many months to re-establish a selection pool of qualified personnel. In addition, the security clearance process will add at least three more months before these people can be hired.

The Commission will comply with the President's order to the maximum extent consistent with our legal obligations. However, Constitutional and statutory proscriptions may limit the Commission's ability to implement the letter of OMB Bulletin No. 81-6 in all areas. Under section 161(d) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2201(d)), the Commission is specifically authorized to appoint such employees as it deems necessary to carry out its functions under the Act. We are particularly concerned about our authority to implement an Executive Branch order should it adversely affect our ability to discharge the

statutory quasi-judicial and quasi-legislative functions that the law orders us to perform. The Department of Justice has expressed serious reservations on the President's authority over the substantive activities of independent agencies. Pending your response, I have asked our General Counsel to review our options and duties in the event that the hiring freeze seriously impairs our ability to assure nuclear safety.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. F. Ahearne".

John F. Ahearne