



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

NOV 10 1981

11-12-81
P.M.
B.G.S.

MEMORANDUM FOR: Daniel J. Donoghue, Director
Office of Administration

FROM: Richard C. DeYoung, Director
Office of Inspection & Enforcement

SUBJECT: COMMISSION QUESTION REGARDING IE RECOVERABLE
RESOURCES CONTAINED IN THE LICENSE FEE PROPOSAL

On November 5, 1981, members of your staff met with mine to seek an answer to a question raised by the Commission during their review of the proposed change to license fee collection procedures. I understand that background material presented to the Commission showed that your staff projected about 20% of the IE Budget as recoverable. Because this seemed like a low figure, the Commission asked for an explanation of how IE uses its staff. Since the question resulted from the low proportion of the budget that was recoverable, I have prepared this memorandum and Enclosure 1 in a way that relates the IE FY82 staffing (by function) to dollar costs in the budget. I trust it will be helpful to you in formulating your response to the Commission. Based on our computations using FY 1982 budget data, we believe about 30% of the IE total budget should be recoverable using the same definitions and computation methods embodied in your proposal.

To begin the explanation of how our budget and staffing breaks down, we need to recognize that a sizeable portion of our total budget has been excluded from license fee consideration. Program Support and Technical Equipment funds comprise about 20% of IE's total budget. (See Enclosure 1 - Section I). I understand these amounts are not deemed recoverable because in nearly all cases their costs cannot be directly attributable to specific dockets.

The balance of the IE budget is, however, personnel related and partially available for recovery. In FY 1982, our "inspector" workforce is 485 out of a total IE strength of 985 or about 50%. This includes performance appraisal team inspectors, resident inspectors, region based inspectors, and the emergency preparedness licensing staff. Only 24 of the 485 are not eligible for cost recovery (Vendor/Contractor inspectors) because these inspectors do not inspect fee eligible activities. Of the remaining inspector workforce (461 staffyears), 249 staffyears are budgeted for the inspection work defined in the proposed license fee change (preparation, documentation, routine and reactive inspection effort). (See Enclosure 1 - Section II). The remaining 212 staffyears are consumed by other inspector activities which are not included as fee recoverable, e.g., leave, training, travel to perform inspections, travel for other purposes, other professional duties, and administrative responsibilities. These 212 staffyears when coupled with the Vendor/Contractor inspectors account for another 19% of IE funding that is not recoverable. (See Enclosure 1 - Section III).

Another group of IE employees for which costs are not recoverable is the direct technical staff in IE and in the regional offices who do not conduct inspections. They develop programs, monitor programs, manage contracts, conduct investigations,

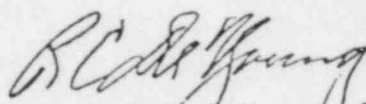
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handle enforcement actions, evaluate events, manage incidents, review inspection results, conduct IE technical training, serve as section chiefs, participate in SALP and perform a number of other similar activities. This accounts for 203 positions which is another 17% of IE funding that is not recoverable. (See Enclosure 1 - Section IV).

Another portion of the IE staff, for which fees are only partially recovered, is the indirect workforce. This category includes Office Directors, Deputy Directors, Division Directors, Branch Chiefs and all administrative/clerical employees in IE and the regional offices. There are 297 such positions. Since only 36% of the professional direct staff is recoverable, only 36% of the non-professional direct staff can be recovered under the existing method of assigning overhead to the professional staffyear rate. This accounts for another 190 positions or 15% of IE funding that is not recoverable.

The remaining portion of the IE Budget is recoverable (29%). However, I understand some part of the PDA/PTS costs are in the IE average professional staffyear rate, which might increase the 29% to about 32%. (See Enclosure 1 - Section VI). The difference between this 32% and the 20% figure presented to the Commission would appear to be attributable to the difference in our estimate of actual staffyears which will be reported through MPS and your staff's estimate. Based on actual MPS data from FY81, I believe it is reasonable to assume that 100% of the 249 staffyears will be reported through our MPS system in FY 1982.

Enclosure 2 is an additional chart requested by your staff. We will be glad to provide whatever additional information you may need in the future.



Richard C. DeYoung, Director
Office of Inspection & Enforcement

Enclosures:
As stated

cc: L. I. Cobb
W. O. Miller

FY82 Budget For IE Staffing
And Dollar Analysis Relative to
License Fee Recovery

	<u>Staffyears</u>	<u>% of IE Budget</u>	<u>% of Budget That is Fee Recoverable*</u>
<u>Non-Personnel Related Costs</u>			
<u>Section I</u>			
Program Support and Technical Equipment Dollars	N/A	20%	0%
<u>Personnel Related Costs</u>			
<u>Section II - Inspectors</u>			
Direct Inspection Staffyears ^{1/}	249	20%	20%
<u>Section III - Inspectors</u>			
Indirect Inspector Staffyears and Vendor & Contractor Inspectors			
Leave/Holidays	(60)		
Administration	(22)		
Inspection Travel	(32)		
Other Travel	(7)		
Training (Tech. and Other)	(23) ^{2/}		
Other Professional Effort	(68) ^{3/}		
Vendor & Contractor	(24) ^{3/}		
	236	19%	0%
<u>Section IV</u>			
Regional and HQ Professional ^{4/} Direct Technical Staffyears ^{4/}			
Technical Training	(28)		
Program Development & Appraisal	(13) ^{5/}		
Program Management	(47)		
Bulletins/Events Evaluation	(5)		
Operations Center	(10)		
Enforcement/Investigations	(27)		
Regional Section Chiefs	(68)		
State Liaison Officers	(5)		
	203	17%	0%

*Assuming 249 staffyears through MPS in FY 1982 will be reported.

	<u>Staffyears</u>	<u>% of IE Budget</u>	<u>% of Budget That is Fee Recoverable</u>
<u>Section V</u>			
Management Direction/Non-Professional Direct Staffyears			
HQ Management ^{6/} Direction/Supervision (20)			
Regional Management Direction/Supervision ^{6/} (56)			
Regional Clerical/Admin (165)			
HQ Clerical/Admin (56)			
	297	24%	9%
SUBTOTAL	985	100%	
<u>Section VI</u>			
IE Estimate of PDA/PTS Costs Recoverable	N/A	7%	<u>3%</u>
SUBTOTAL		RECOVERABLE	32%

^{1/} Includes preparation, documentation, routine and reactive inspection effort only.

^{2/} Non-inspection regional inspector activity (bulletin coordination, event evaluation, mobile lab management, SALP reviews, support to HQ/Other NRC offices, program development, generic safety concerns, interface with licensing offices, special study groups, taskforce participation, etc.

^{3/} Not included as part of Section II since inspections are conducted for non-fee eligible activities.

^{4/} Excludes staff in Emergency Preparedness performing license reviews (included in direct inspection - Section II).

^{5/} Excludes Performance Appraisal Branch inspectors (included in Section II).

^{6/} Technical staff (Branch Chiefs and above).

IE FY82 Budget
 Distribution of Direct Inspection^{1/} Staffyears
 By Licensee Category (Routine & Reactive)

	<u>PLANNED ROUTINE</u>	<u>PLANNED REACTIVE</u>
Reactors with O/Ls	99.88	41.87
Reactors with C/P (O/L Review)	50.09	23.09
Reactors Pre C/P (C/P Review)	1.00	—
Non Power	1.65	—
Fuel Facilities	11.21	4.71
Material Licensees	<u>10.45</u>	<u>4.87</u>
	174.28	74.54

TOTAL = 249 Staffyears

^{1/}Includes preparation, routine and reactive inspection and documentation time only as reflected in FY82 Budget.