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ENERGY AND NATURAL RESOURCES

## United States Senate

WASHINGTON, DC 20510-0304

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Shirley Ann Jackson  
Chairperson  
Nuclear Regulatory Commission  
Washington, DC 20852

Dear Ms. Jackson:

Section 4306(a) of Public Law 104-106 amended the Office of Federal Procurement Policy Act to require each executive agency to establish and maintain cost-effective value engineering procedures and processes. As defined in the statute, value engineering means:

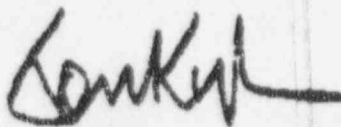
"an analysis of the functions of a program, project, system, product, item of equipment, building, facility, service, or supply of an executive agency, performed by a qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety, and life cycle costs."

The savings from such cost-saving procedures and processes can be significant. It is my understanding that the Office of Management and Budget reported savings to the government of over \$1.2 billion in FY94 alone as a result of the employment of value engineering techniques.

Given the potential for savings, it is important to determine whether and how value engineering is or can be applied at the Nuclear Regulatory Commission. Could you please let me know as soon as possible how the Commission has approached the issue (including examples of savings and other positive developments), and what you plan to do in the future? Are there any particular problems the Commission has experienced with value engineering?

I look forward to your early reply. Thank you, in advance, for your consideration.

Sincerely,



JON KYL

United States Senator

JK:tg