



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

February 26, 1988

The Honorable John Glenn, Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

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Dear Mr. Chairman:

In your letter of January 28, 1988, received on February 1, you and Senator Roth asked a number of questions about the Commission's decision to direct the Office of Investigations to report to the Commission through the Executive Director for Operations rather than directly. Detailed answers to those questions are enclosed.

Although partial implementation of the Commission's directive began on February 1, full implementation will not take place until the Commission has an opportunity to review the recommendations developed by the recently established OI Organizational Review Group. The review group is scheduled to present its recommendations for the placement of OI within the EDO's organizational structure by March 1, 1988. The Commission is not likely to act on those recommendations before March 21, 1988.

We wish to emphasize that the Commission is fully committed to the maintenance of a strong, independent, professional staff of investigators. While a majority of the Commission believes that it is most desirable for the Office of Investigations to report directly to the Commission, the Commission also believes that it is possible for OI to exercise its investigatory functions with competence and integrity in an organizational structure in which OI is under the Office of the Executive Director for Operations, as the Congress has directed.

Sincerely,

Lando W. Zech, Jr.
Lando W. Zech, Jr.

Enclosures:
Responses to Five Questions



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NUCLEAR REGULATORY COMMISSION
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The Honorable William V. Roth, Jr.
Ranking Minority Member
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

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QUESTION 1:

Absent the directive in the Statement of Managers, does the Commission endorse as a matter of policy the concept of consolidating the Office of Investigations with other "inspection and examination" functions under the Executive Director of Operations? Is this approach preferable as a matter of policy to the existing reporting relationship of the Office of Investigations?

ANSWER:

The Commission believes that it is possible to structure its activities in a variety of ways without adversely affecting its mission to protect the public health and safety. The Conferees have directed us to place the investigative functions under the supervision of the Office of the Executive Director for Operations. While a majority of the Commission believes that OI reporting to the Commission is preferable, we believe that OI reporting to the Commission via the EDO can result in the agency effectively carrying out its investigative functions. We are firmly committed to implementing this directive in a manner that will preserve our investigative competence and will give our investigators the independence needed to conduct thorough, objective investigations. We are mindful that this new organization should be carefully monitored by the Commission, and we intend to do just that.

QUESTION 2

Please identify all of the "inspection and examination organizations" currently under the supervision of the Executive Director.

ANSWER:

The majority of the NRC inspection staff are located in the five NRC Regions. The Regional inspection staff conduct inspections at reactors, fuel facilities, and materials licensees; initiate enforcement actions; and provide technical support to the Office of Investigations. The vendor inspection program and management of specialized headquarter/regional team inspections are the responsibility of headquarters staff in the Office of Nuclear Reactor Regulation (NRR) and the Office of Nuclear Material Safety and Safeguards (NMSS). Responsibility for inspection policy development and oversight is vested in headquarters staff by major program area. The Office of Enforcement (OE) has responsibility for enforcement actions referred to it by the Regional Offices.

The five Regional Offices, NRR, NMSS, and OE as well as the support offices responsible for personnel, budget, and administrative matters all report to the Executive Director for Operations (EDO) either directly or through the Deputy Director for Regional Operations.

QUESTION 3: Please explain the reasons why the Commission chose to consolidate OI's activities under the Deputy Director for Regional Operations, rather than placing it directly under the Executive Director for Operations?

ANSWER:

The Deputy Director for Regional Operations directly oversees the other activities of the program staff which most closely relate to the activities of the Office of Investigations (OI). Accordingly, he is well positioned to coordinate and integrate the activities of OI with those of the inspection and enforcement staff.

For example, most of the interaction between the OI investigations staff and the inspection staff takes place at the Regional level. The Deputy Director for Regional Operations oversees and coordinates the activities of the five Regional Offices. At the headquarters level, OI investigations are primarily used to support enforcement actions of the Commission. The Office of Enforcement also reports directly to the Deputy Director.

In addition, the Deputy Director serves as the Chairman of the Investigation Priority Review Group (IPRG) and in that capacity is familiar with the workload and investigative priorities of OI and the Regional Offices.

QUESTION 4: Have the changes announced in your January 21st letter had an impact upon any cases pending before the Department of Justice for its review?

ANSWER:

No, and the Commission does not foresee any.

QUESTION 5: Please provide a cost analysis of the two-step reorganization proposed in your January 21st letter, and all documents which discuss the effects of any such consolidation.

ANSWER:

The costs of implementing phase one of the reorganization have been negligible. They are principally the costs associated with providing notice to NRC staff, the Congress, and the public.

The Commission has established an OI Organization Review Group to prepare a recommended organization for Commission approval based on discussions with Commissioners, senior NRC management, and other personnel, as appropriate. At the request of the Review Group the Commission has authorized them to obtain the services of several consultants to assist them in their review. Obviously, there will be some costs involved in the operation of the Review Group. However, we estimate that these costs also will be minimal.

Enclosed are all documents concerning the Commission's January 21, 1988 decision and its effects.