

December 18, 1997

FOR: The Commissioners

FROM: L. Joseph Callan /s/
Executive Director for Operations

SUBJECT: WALNUT CREEK FIELD OFFICE (WCFO) CLOSURE PLAN

PURPOSE:

The purpose of this Commission paper is to provide the Commission the Walnut Creek Field Office Closure Plan.

BACKGROUND:

In a memorandum to Chief Financial Officer dated August 20, 1997, the Chairman provided guidance on behalf of the Commission regarding the FY 1999-2001 budget proposal. The approval of the budget reflected a decision on the part of the Commission to close the Walnut Creek Field Office effective no later than October 1, 1998. The staff was directed to develop a closure plan and submit it to the Commission no later than December 1, 1997.

DISCUSSION:

The Executive Director for Operations assigned the Region IV Regional Administrator the responsibility for overall transition planning and implementation of the Commission's decision. A WCFO Closure Working Group was established to prepare the Field Office Closure Plan. The Closure Working Group consisted of NRC management representatives and representatives of the National Treasury Employees Union (NTEU). Two Closure Working Group meetings were held in Walnut Creek to develop the Closure Plan. The Closure Plan provides strategies for accomplishing the following: (1) transition of regulatory programs from WCFO to the Region IV Arlington office; (2) personnel actions for WCFO closure and Region IV Arlington staffing; and (3) closure of WCFO facilities and expansion of Region IV Arlington facilities. These strategies are provided in the Closure Plan, along with preliminary estimates of incremental costs associated with the major activities. The resource estimates will need to be refined and finalized after detailed transition plans have been completed. Significant changes will be provided to the Commission via the Executive Council. These resource estimates are not included in the FY 1998 and FY 1999 budget, and such costs will have to be funded by reprogramming existing resources and through the use of unobligated carryover. Implementation of these strategies will be done in accordance with applicable travel and personnel regulations. Detailed milestones and schedules to accomplish these strategies will be developed by teams within the Region IV organization. The Closure Working Group will maintain oversight of the implementation efforts throughout the transition period by conducting periodic reviews of the transition plan accomplishments and conducting meetings with affected staff. In addition, the DEDM will continue to brief the Executive Council on closure activities.

The Office of the General Counsel has no legal objection to this paper or the Closure Plan.

The Office of the Chief Financial Officer has reviewed this Commission paper for resource implications and has no objections.

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Enclosure: [Walnut Creek Field Office Closure Plan](#)

WALNUT CREEK FIELD OFFICE CLOSURE PLAN
BACKGROUND

In September 1993, the Nuclear Regulatory Commission (NRC) made a decision to consolidate Regions IV and V into one Region headquartered in Arlington, TX, with a field office remaining in Walnut Creek, CA. A partnership committee of NRC management and National Treasury Employees Union (NTEU) members was formed to resolve any and all implementation issues associated with that decision. The Partnership Agreement Regarding Regional Realignment (Attachment 1) documents the agreements reached by the partnership committee.

The consolidation was scheduled to take place no later than October 1, 1994. Detailed transition plans were developed to outline specific milestones within the various program areas. As circumstances evolved, formal dissolution of Region V as an organizational entity occurred on April 4, 1994.

As provided for under the terms of the original Partnership Agreement, after 2 years, the staff (including management and NTEU representatives), prepared an assessment of the effectiveness of the realigned organization. The assessment was submitted to the Commission under SECY 96-165

(Attachment 2). In short, the assessment concluded that the realigned Region IV with a Walnut Creek Field Office (WCFO) was functioning effectively. However, the assessment did note that there were certain management costs associated with this structure.

In conjunction with the FY 1999 Internal Program Review and Budget Process, the Executive Council recommended to the Commission that they consider closure of WCFO. Chairman Jackson's August 20, 1997, memorandum to the Chief Financial Officer (Attachment 3) provided feedback on the budget proposed by the Executive Council. The Chairman's memorandum specifically stated that "The approval of this budget reflects a decision on the part of the Commission to close the Walnut Creek Field Office effective no later than October 1, 1998. The staff is directed to develop a closure plan and submit it to the Commission no later than December 1, 1997. The staff should undertake appropriate discussion with NTEU relative to the implementation of this decision. The plan should assume that all affected employees will be offered a position within the agency."

On September 18, 1997, the Executive Director for Operations issued a memorandum to the Regional Administrator, Region IV, assigning responsibilities for certain transition activities (Attachment 4). This tasking memorandum called for the establishment of a Closure Working Group composed of management and NTEU members to prepare the WCFO Closure Plan. The Closure Working Group was established as an independent entity which would only coordinate with the Agency Labor Management Partnership Committee if agreement could not be reached on any specific issues. Activities of the Working Group were summarized and forwarded to the Executive Council through the Deputy Executive Director for Management Services on a weekly basis throughout the development of the WCFO Closure Plan.

The general approach of the Closure Working Group was to develop a plan that drew upon the prior successful experience with the Region IV/V consolidation. The group was comprised of the management and NTEU members listed in Attachment 5. Two Closure Working Group meetings were conducted at WCFO to develop the Closure Plan. Following each meeting, the WCFO staff was briefed and feedback was obtained on the proposed strategies. This Closure Plan provides the agreed upon strategies for accomplishing the following: (1) transition of regulatory programs from WCFO to the RIV Arlington office, (2) personnel actions for WCFO closure and Region IV Arlington staffing, and (3) closure of WCFO facilities and expansion of Region IV Arlington facilities. These strategies are provided in the following sections of this Closure Plan along with preliminary estimates of incremental costs associated with the major activities. The resource estimates will need to be refined and finalized after detailed transition plans have been completed. Significant changes will be provided to the Commission via the Executive Council. These resource estimates are not included in the FY-1998 or FY-1999 budget and such costs will have to be funded by reprogramming existing resources and through the use of unobligated carryover. Implementation of these strategies will be done in accordance with applicable travel and personnel regulations. Detailed Transition Plans with milestones and schedules to accomplish these strategies will be developed by teams within the RIV organization. The Closure Working Group will maintain oversight of the implementation efforts throughout the transition period by conducting periodic reviews of the transition plan accomplishments and conducting meetings with affected staff.

PROGRAM TRANSITION STRATEGIES

Transition plans will be prepared to ensure program continuity and stability. These plans will be developed by teams comprised of staff members from the various organizations responsible for program implementation and approved by the Regional Administrator, Region IV, by March 31, 1998. Each plan will include detailed assignments with schedules and will address any needed coordination of matters such as staffing, recruitment, training of personnel, and transfer of files and equipment. The plans will be tailored to expected circumstances and will be maintained as working documents to accommodate the anticipated changes.

The Closure Working Group reviewed the functions accomplished at WCFO and developed strategies to prepare transition plans for each organizational unit in Region IV Arlington to assume those functions upon WCFO closure. These strategies were subsequently reviewed and approved by the responsible managers. The following strategies will be employed by the various organizations for their transition responsibilities:

Regional Administrator (RA) Staff

Transition plans for functions supporting the RA from WCFO will be limited to accommodating a turnover of activities in the Regional State Liaison Officer (RSLO) and Public Affairs Officer (PAO) functions including the transfer or replacement of staff. Currently, both functions are supported by staff in WCFO and Arlington offices with the incumbents serving as backup for each other. Transition plans will be developed to ensure timely and appropriate notification of the states, licensees, and public of the change in contacts from WCFO to the Arlington office of Region IV and any changes in personnel. Close coordination with the Office of State Programs and Office of Public Affairs will be conducted for transition planning.

Division of Reactor Safety (DRS)

Transition plans for DRS functions will be limited to supporting the transfer of staff from WCFO to the Arlington office. No official files are maintained at WCFO. Further, the lead for DRS regulatory activities is not conducted from WCFO. Only three DRS employees are expected to be at WCFO at the time of closure. These employees are currently supervised from Arlington. No problems are anticipated with adjusting inspection schedules in support of personnel moves or replacement.

Division of Reactor Projects (DRP)

Transition plans for DRP functions will address personnel moves and the turnover of oversight of four reactor licensees, currently being accomplished by WCFO, to the Arlington office. The resident inspector personnel at the four reactor sites will not be affected by the WCFO closure, except for their supervisory transfer. The final number of DRP branches will be reduced during WCFO closure to less than the current total of Arlington and WCFO branches (6) as part of agency streamlining actions. Transition planning will identify the branches to be assigned the WCFO sites and provide scheduling milestones for an effective turnover commensurate with the movement of WCFO personnel.

Division of Resource Management and Administration (DRMA)

Transition plans for DRMA functions will be limited to the transfer of responsibilities from the WCFO support staff to existing staff in the Arlington office. No WCFO support staff positions are being transferred to Arlington. Transition planning will ensure timely transfer of the travel, property and payroll functions and files to the Arlington office. A significant amount of DRMA activities will be conducted after WCFO closure to accommodate facility closure as described in the Facility Strategies section of this Closure Plan.

Division of Nuclear Material Safety (DNMS)

Transition plans for DNMS functions will be the most complex. Approximately one third of the Region IV materials licensing and inspection activities are currently being conducted by the eight WCFO staff assigned to DNMS. Official agency files are maintained at WCFO for these activities. Additionally, WCFO has responsibility for the regional fuel cycle inspection program and oversight of the Syncor multi-site license involving 38 nationwide radiopharmacies. Specific program expertise needs to be developed in Arlington through aggressive training, transfer of people, and innovative measures to cover program needs. Transition planning will account for the potential loss of expertise and knowledge for the materials inspection and licensing areas. Aggressive staffing and training activities will be initiated as soon as WCFO personnel plans are known and shortages identified. Despite these aggressive activities, Region IV management estimates that a minimum of four licensing and inspection staff from the WCFO DNMS organization will be required to maintain program continuity. These staff could be required for a period of up to 2 years to maintain program continuity while Region IV undertakes necessary hiring and training of new personnel to effectively carry out the workload. This challenge dictates the use of innovative personnel staffing approaches discussed in the Personnel Staffing Strategies section of this WCFO Closure Plan.

Additionally, State Agreement Officer (SAO) activities for the western states, including participation in the IMPEP Program, have been predominantly conducted from WCFO. The SAO functions in Arlington have been covered by the RSLO in addition to his normal responsibilities. Transition planning for accommodating the transfer of the SAO functions will include consolidating all SAO functional support into a single position located in Arlington.

Office of Investigations (OI)

Transition plans for OI Field Office activities will be limited to accommodating the transfer of one Special Agent position and the working files for ongoing investigations to the Arlington Office. Projected OI workload and the availability of trained resources to fill a vacant position in the Arlington office may necessitate the use of temporary staffing actions to ensure program continuity. Any transition staffing options offered to the OI Special Agent assigned to WCFO will be consistent with those offered to DNMS personnel to the extent justified by programmatic needs.

PERSONNEL STAFFING STRATEGIES

The Closure Working Group agreed upon an approach to reassign the WCFO staff and fill the positions in Arlington. Consistent with the Region IV/V consolidation, NRC agreed to exercise any authority that is granted to the agency to offer incentives for retirement and early outs so that affected WCFO employees may take advantage of these incentives unless this would result in a significant disadvantage to the agency. Similarly, NTEU agreed not to grieve or arbitrate the selections made according to the process described in the WCFO Closure Plan. This agreement does not preclude an individual from filing an Equal Employment Opportunity complaint with the Agency. Any hardship cases will be considered by the Regional Administrator, Region IV, consistent with the practices used during the Region IV/V consolidation. The Closure Working Group identified the following sequential steps to accomplish the personnel actions:

1)	Determine the Fiscal Year (FY) 1999 Staffing Plan for the Region IV organization consolidated in the Arlington, TX, office. The Region IV FY 1999 Staffing Plan was developed through normal regional partnership activities consistent with existing agency guidance.
2)	Offer permanent reassignment letters to WCFO staff based on the openings on the Region IV FY 1999 Staffing Plan and other positions within the agency. After responses are received, actions for the competitive selection and recruitment of remaining vacant positions will be initiated by normal agency procedures.
3)	After the permanent transfers to the Region IV Arlington office are identified, initiate a competitive selection process to fill transition staffing positions to meet the remaining needs identified in the Program Transition Strategies for DNMS. Any transition staffing options deemed appropriate by the Director, OI, that are justified by programmatic needs will be offered to the incumbent Special Agent.

Region IV Consolidated Organization

The Region IV Labor Management Partnership Committee met and agreed upon a staffing plan to be implemented once WCFO closure has been completed and all Region IV resources are consolidated in Arlington, TX. Attachment 6 is the agreed upon organizational structure reflecting the elimination of overhead positions and transfer of direct staff positions to Arlington. This staffing plan identifies progress toward agency streamlining objectives such as the supervisory ratio and the percentage of GG-14's and above, but does not achieve the desired ratios. Region IV management made a conscious decision not to propose further organizational changes during this transition period to avoid further distractions from the agency mission and safety focus. The intent is to establish the identified organization by October 1, 1998. However, some interim functional or organization shifts may be required prior to that time to accommodate early departure of personnel.

Permanent Staffing Process

The following actions will be taken to identify permanent reassignments of WCFO personnel.

1)	All WCFO staff will be issued a reassignment letter. For most staff, there are equivalent positions in Arlington with comparable duties. Reassignment letters are expected to be issued by January 30, 1998.
2)	Individuals for whom there is not a one-for-one comparable position match will be issued a reassignment letter to an equivalent position in Arlington or elsewhere wherever the best match can be made. If an individual chooses to take an alternative position at a lower grade, they will be afforded saved-grade for 2 years and saved-pay thereafter.
3)	The WCFO staff will be briefed on relocation benefits by representatives of the Office of the Chief Financial Officer. Similarly, all interested individuals will have an opportunity to have an individual consultation with the Regional Personnel Officer and will be given severance pay calculations and retirement estimates. A career counselor will be available for assistance with resume preparations, etc. These activities, briefings, and services will be timed to generally coincide with the issuance of the reassignment letters.
4)	Reassignment letters will require acceptance or declination within 30 days in order to allow management to proceed with the transition process. Failure to respond will be treated as a declination. Staff will be encouraged to identify any preference for a location other than Arlington, TX, when they respond to the reassignment letters.
5)	Personnel desiring to transfer to other Regions or Headquarters may be reassigned to the location of their choice and placed in a position for which they are qualified and for which viable work exists. Individuals assigned to lower graded positions will be afforded saved-grade and saved-pay in accordance with Agency regulations. Where management determines that no viable work exists, they will work with the impacted employee on a case-by-case basis.
6)	All employees transferring to Arlington will be expected to report for duty no later than October 1, 1998. No employees transferring to Arlington will be required to transfer any earlier than October 1, 1998.
7)	As soon as possible after offer letters are accepted, employees will be provided appropriate authorizations to incur relocation expenses consistent with applicable regulations.
8)	Individuals finding positions elsewhere in the Agency will need to report for duty consistent with existing agency policy or within approximately 120 days of acceptance of any such position.
9)	Individuals not able to accept a position outside the WCFO commuting area who will separate from government service, will not be required to separate earlier than October 1, 1998. Earlier separations are at the discretion of the individual. These separations will be considered involuntary.
10)	WCFO employees may withdraw their declination of reassignment at any time prior to October 1, 1998. Upon withdrawal, the staff member will be considered for available positions within the agency for lateral reassignment. However, if no positions are available, the individual may have to take a lower grade position under Agency saved-grade/saved-pay provisions.

Transition Staffing Process

If sufficient personnel do not accept permanent reassignment to Arlington, TX, it will be necessary to retain experienced WCFO staff to ensure DNMS and OI program continuity during the transition period until the Arlington office can be fully staffed with trained and qualified personnel. The transition positions would be for a period which would allow management time to recruit and train new staff. For DNMS, this period could be approximately 2 years consistent with NRC Inspection Manual Chapter 1246. For OI, the training period is not as well defined and the period could be approximately 3 years, depending on the quality and background of the replacement individual hired. At the end of the 2- or 3-year period (DNMS or OI respectively) the positions would be abolished and incumbents separated from the agency, allowing incumbents to be eligible for discontinued service benefits such as retirement or severance consistent with OPM and Agency regulations. The following two options were developed for filling these transition positions:

- WCFO staff could be transferred to Arlington, TX, as transitional reassignments until trained replacements were in place. Transitional reassignments would be lateral reassignments. Staff transferring to Arlington, TX, under this option would be authorized reimbursement for relocation costs consistent with applicable travel regulations. This option is the preferred selection for accomplishing the program transition strategy.
- Work-at-home arrangements could be established until trained replacements were in place. The work-at-home positions would be at the GG-13 level since such individuals would not be able to perform the full range of duties of a GG-14 staff member including training more junior individuals. Thus, if a current GG-14 individual applied and was accepted for a work-at-home position, they would accept a voluntary down grade with saved pay. Periodic trips to Arlington to review work may be required at management discretion. Each work-at-home arrangement will be reviewed by management on a case-by-case basis every 6 months. If any arrangement is found to be not in the best interest of the agency, the position would be abolished and the incumbent will be given the opportunity to relocate under a transitional reassignment or terminate employment at their option.

For OI, the options available for the Special Agent will be discussed with the incumbent and a decision made by the Director, OI, on the approach to be taken for transition and permanent staffing of the Special Agent position.

For DNMS, up to four such transition positions (depending upon the number of staff who permanently transfer to Arlington) would be posted for competitive selection. The following process will be used to fill the DNMS transition positions:

- 1) Position descriptions, elements and standards, and rating factors will be developed for the transitional, lateral reassignment and work-at-home positions based on the anticipated needs of the DNMS organization. These staffing documents will be developed by management and coordinated with the Region IV partnership.
- 2) The postings will be advertised simultaneously and applicants can apply for both the transitional, lateral reassignment and work-at-home positions. Applications will be accepted from WCFO staff for transition positions associated with the Closure Plan.
- 3) The rating panel for these positions will be comprised of two management representatives, two NTEU representatives, and a personnel representative from Region IV.
- 4) The best qualified list (BQL) for each position will be rank ordered according to qualification.
- 5) Selections from the posting for transitional reassignment will be considered first. After acceptances are received for the transitional reassignments, the remaining vacant transition positions will be filled from the work-at-home posting. Personnel selected for both positions will be offered their choice. If an employee previously selected for transitional reassignment chooses the work-at-home alternative, an additional work-at-home selection will be made to complete filling the transition positions. Once selections have been made for the work-at-home positions, these positions will not be canceled if other WCFO DNMS employees change their decision and choose to relocate to Arlington, TX.
- 6) The selecting official will consider personnel on the BQL in rank order. If a person is selected in other than the rank order, such selection must be reviewed by the Region IV Administrator in consultation with the appropriate NTEU representative and the selecting official.

FACILITY STRATEGIES

The Facility Transition Plan will address the disposition of all equipment and property at WCFO as well as the return of the space to the General Services Administration (GSA). While some of this activity may begin while staff are still working out of the WCFO offices, a significant portion will have to occur immediately after October 1, 1998. The formal inventory and preparation of property for sale or excess is expected to take approximately 3 months. This may require that an individual from the WCFO support staff remain for a short period of time to conduct these activities. Service and maintenance contracts for equipment at WCFO will have to be terminated as appropriate.

Conversely, facility expansion plans will be initiated in Arlington. GSA and the Harris Health Building management have been approached about acquiring additional space to accommodate the staff transferring or being recruited to fill vacant positions.

INCREMENTAL COSTS

As part of the FY 1999 Internal Program Review and Budget Process, resource savings were considered for steady-state conditions with and without WCFO. Budgeted resources were subsequently reduced to reflect projected savings in staff overhead (5 FTE) and net facility reductions for Region IV with closure of WCFO (\$250K). Based on the options described in this Closure Plan, the Closure Working Group estimated the preliminary incremental costs that could be incurred during the transition period associated with WCFO closure. These estimates were included, not to revisit the closure decision, but rather to provide information on requisite cash flows by expense categories during the implementing years. Preliminary incremental costs considered were associated with facilities closure and employee expenses including permanent and transition relocations, severance packages, and work-at-home expenses. The vast majority of relocation costs are expected to occur during fourth quarter FY-1998. The majority of other costs will be generated during fourth quarter FY-1998 and first quarter FY-1999. Severance payments and replacement employee training and travel will be spread out over FY-1999 with the latter extending into FY-2000. The Closure Working Group recognizes that in addition to these preliminary incremental costs there will be a number of factors such as unemployment compensations and locality pay savings which were not included in the estimates.

Each category of costs is described in the following paragraphs of this section. A preliminary summary of these costs with a low estimate and high estimate for the total costs is provided. We have intentionally presented the low and high figures within the bounds of what we think is realistic to establish budget input for specific expense categories. These summary costs were based on the Closure Working Group's assessment of the probable decisions made by each employee. A summary review of the demographics of the WCFO employees is also provided. These demographics were considered in the development of the summary of preliminary estimates. It should be noted that employee decisions will not be made until sometime in 1998 and can be subject to change up until WCFO closure on October 1, 1998.

WCFO Employee Demographics

The WCFO staff currently consists of 30 personnel, including one inspector who plans to retire in early 1998 and one inspector who has accepted a position as a resident inspector at a site. Of the 28 WCFO employees expected to be assigned at the time of closure, six are or will be eligible for regular retirement and an additional eight are or will be eligible for discontinued service retirement. The remaining 14, having an average of 18 years of service and 46 years of age, will be eligible for severance pay. These 14 employees not yet eligible to retire represent the greatest uncertainty with respect to the incremental cost estimates. Three DNMS employees eligible for severance pay are within 2 years of retirement eligibility under discontinued service conditions; one DNMS inspector in FY 1999, two DNMS inspectors/ reviewers in FY 2000. The OI Special Agent assigned to WCFO is eligible for retirement under discontinued service conditions in FY 2001. These individuals and some of the retirement eligible employees have shown the greatest interest in pursuing the transition staffing positions.

Employee Severance Payments

As noted above, 14 WCFO staff will be eligible for severance pay if they do not accept reassignments within the Agency. The average age of these 14 staff is 46 and the average number of years of service is 18. The calculations indicate that severance payments, which will be incurred during FY-99, will range from approximately \$4K to \$90K per individual. The median payment is estimated as \$50K per individual. The best estimate of the Closure Working Group is that approximately five to eight employees will leave federal service and be entitled to severance pay.

Permanent Relocation Expenses

As previously indicated, all 28 WCFO employees will be offered reassignments in the Agency. Permanent relocation expenses are comprised of two major components. The first component is made up of various claims associated with the change of station. The second component is the relocation service fee if such services are used. The change of station claims include house hunting, transportation of the employee and family, transportation and storage of household goods, temporary quarters, the reimbursable real estate closing costs, miscellaneous expenses, and the relocation income tax allowance. Experience over recent years indicate that such costs range from \$1K to \$55K. A figure of \$50K per employee is used, since experience from the Region IV/V consolidation indicated that employees from that area tend to have expenses on the high end of the range. The relocation service fee, if an employee sells their home to the relocation company, is 24% of the sale price. The Office of the Chief Financial Officer performed an analysis using the zip codes of the WCFO staff and determined that the average price of homes is approximately \$240K. Therefore, the relocation service fee for an employee using the full service program would be approximately \$60K. We have used \$60K as the estimate for the relocation service component. However, experience indicates that less than 50% of those relocating use the service. With the \$50K estimate for change of station claims and the \$60K estimate for the relocation service, our total permanent change-of-station figure per employee is estimated at \$110K. Based on the prior experience with use of the relocation service, this estimate is somewhat conservative. While theoretically all 28 WCFO employees could relocate, the Closure Working Group estimates that 6-12 will permanently move to positions in Region IV or elsewhere in the Agency if the options for transition positions are offered to four DNMS employees and the OI Special Agent.

Transition Relocation Expenses

As noted under the Staffing Strategies section, up to five transitional positions will be established. Management's preference is that these positions be in Arlington, TX. If an employee were to relocate for one of these transitional positions, they would be entitled to all claims associated with a temporary change-of-station. The specific cost estimate for such claims including house hunting, transportation, temporary quarters, storage of household goods, property management, miscellaneous expenses, and relocation income tax allowances is \$135K per employee. This estimate is highly conservative since it assumes that a family of four would temporarily relocate, lease their home and need full temporary quarters on both ends. While up to five staff could transfer for such transitional positions, the Closure Working Group considers it likely that only one or two staff members will consider this alternative.

Work-at-Home Costs

As with the temporary relocation discussed above, one of the options identified in the Staffing Strategies Section for transitioning the OI and DNMS programs is work-at-home. Up to five such positions may be established. Certain costs will be incurred to establish any such work-at-home arrangements. The specific costs will be those associated with establishing a computer with point-to-point video conferencing and fax capability plus ongoing costs for a communications link. The estimate for such expenditures is \$5K for the initial installation and approximately \$100 per month thereafter. While up to five such positions may be established; the Closure Working Group estimates that two to four such positions will, in fact, be established. Individuals chosen for such work-at-home assignments may be required to make periodic visits to interact with management in Arlington. Costs associated with this travel are expected to be a small fraction of the Region IV travel allocation and are expected to occur throughout FY-1999 and FY-2000.

Employee Recruiting and Training Costs

As discussed in the section on Program Transition Strategies for DNMS, an aggressive recruiting, training and qualification program will be undertaken to restore the technical expertise expected to be lost after WCFO closure. Incremental recruitment costs are expected to be small in comparison to the overall agency budget. However, current DNMS materials reviewer and inspector qualification requirements outlined in NRC Inspection Manual Chapter 1246 specify a number of courses available only through contractor supported efforts. In order to support these emergent requirements, the Region IV training budget will need to be supplemented by approximately \$20K to \$30K over a period of 2 years to train new personnel to fill the DNMS program losses. Incremental training costs for other Region IV organizations are expected to be small in comparison to the overall budget allotment. Travel to support the qualifications training is estimated at approximately \$100K over the next 2-year period starting in FY-1998.

Facility Costs

On September 30, 1998, WCFO will close and no longer exist as an organizational entity. However, to avoid disruption of WCFO activities before this date, there will necessarily be a number of activities which will have to occur in the months following closure to return the building to GSA. Most of these activities are related to property management. Some progress will be able to be made in terms of furniture and property excessing before closure; however, all furniture, property and files still being used by the staff will have to be available and functional until the employees depart. Therefore, the Closure Working Group assumed that the Agency will need to continue to pay WCFO rent for 3 to 4 months after closure while such property management activities are ongoing. Based on the current GSA lease, the incremental cost estimate for rent during facility closure is \$80K to \$100K. Additionally, a rough estimate of \$10K to \$20K for other miscellaneous facility costs such as shipment of files, computers, and equipment has been factored into the facilities closure cost estimate.

Additionally, one time costs will be incurred to set up the Region IV Arlington facilities to support the increased number of inspectors assigned to this

office. Informal discussions with the Harris Health Building (current landlord for Region IV offices) indicate that space is available on a floor adjacent to the current NRC spaces. Incremental costs associated with setting up these spaces and preparing them for NRC occupation are being negotiated with GSA and the Harris Health building management, and are not included in the aforementioned cost estimates.

Expected Personnel Costs

The Closure Working Group developed two profiles for the expected 28-employee decision. These profiles represent our best assumptions of what the 28 staff will do.

Profile 1 represents our best assumptions of what the 28 staff will, in fact, decide to do. According to this profile:

- 9 employees will retire,
- 8 employees will resign and take severance pay,
- 6 employees will accept permanent reassignments involving relocation,
- 1 employee will accept a temporary change-of-station for a transition position in Arlington,
- 4 employees will enter work-at-home arrangements.

The preliminary estimated costs (excluding Region IV office reconfiguration costs) to support these personnel decisions is approximately \$1.2 million.

Profile 2 reflects more costly assumptions to account for the reasonable amount of uncertainty about what the 28 staff will decide to do, particularly if fewer staff retire or resign. According to Profile 2:

- 7 employees will retire,
- 5 employees will resign and take severance pay,
- 12 employees will accept permanent reassignments involving relocation,
- 2 employees will accept a temporary change-of-station for a transition position in Arlington,
- 2 employees will enter work-at-home assignments.

The preliminary estimated cost (excluding Region IV office reconfiguration costs) to support these personnel decisions is approximately \$2 million.