

July 14, 2006

REDACTED VERSION FOR PUBLIC RELEASE

SECY-06-0125, "PROPOSED REORGANIZATION OF THE OFFICES OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS AND STATE AND TRIBAL PROGRAMS"

NOTE: The Staff Requirements Memorandum (SRM) associated with SECY-06-0125 - Proposed Reorganization of the Offices of Nuclear Materials Safety and Safeguards and State and Tribal Programs indicated that the "office titles, organizational changes, and functional statements for the proposed new ONMP and its three divisions should better reflect the roles of the Agreement States in the NMP and the importance of the intergovernmental liaison."

These areas continue to evolve based on interactions with internal and external stakeholders.

THE SECRETARIAT

POLICY ISSUE NOTATION VOTE

REDACTED VERSION

June 1, 2006

SECY-06-0125

FOR: The Commissioners

FROM: Luis A. Reyes
Executive Director for Operations

SUBJECT: PROPOSED REORGANIZATION OF THE OFFICES OF NUCLEAR
MATERIAL SAFETY AND SAFEGUARDS AND STATE AND TRIBAL
PROGRAMS

PURPOSE:

To obtain Commission approval of a proposed reorganization of the Office of Nuclear Material Safety and Safeguards (NMSS) including a merger of a portion of NMSS with the Office of State and Tribal Programs (STP).

SUMMARY

This reorganization would: (1) enhance integration of the National Materials Program (NMP) recognizing the increasing number of Agreement States, the value of their experience in administering the National Materials Program, and the importance of coordination between the Nuclear Regulatory Commission (NRC), the States, and other stakeholders and (2) provide increased focused management attention to high-level radioactive waste management, storage and disposal in preparation for receipt of a license application from the Department of Energy (DOE) for a proposed geologic repository at Yucca Mountain in Nevada. In addition, new and expanded nuclear power plant electricity generation will require substantially more nuclear fuel and potential disposal requirements for the future could exceed the capacity of the proposed Yucca Mountain repository. The President has proposed an international initiative to develop new proliferation-resistant recycling technologies in order to produce more energy, reduce

CONTACTS: Jack R. Strosnider, NMSS
(301) 415-7800

Margaret V. Federline, NMSS
(301) 415-7358

Janet R. Schlueter, STP
(301) 415-3340

waste, and minimize proliferation concerns. This reorganization will also (3) lay the groundwork and prepare the NRC to perform its regulatory role for new, expanded, and modified fuel cycle facilities. Further, it will provide a focus for new technology in international and domestic safeguards for these recycling facilities which will ensure that safeguards are designed into the process. Implementation of this reorganization, if approved, will begin October 2006. There are 17 unbudgeted positions necessary to effect this reorganization based on the current fiscal year (FY) 2007 budget estimate.

BACKGROUND:

NMSS currently regulates a diverse range of activities involving the use and handling of radioactive materials, including: uranium recovery; conversion, enrichment and fuel fabrication, medical, industrial, academic, and commercial uses of radioactive materials; transportation including certification of transport containers; spent fuel storage; safe management and disposal of low-level and high-level radioactive waste; and management of decommissioning of reactor and material facilities. The organization has been relatively stable over time with four technical divisions, including the Divisions of Fuel Cycle Safety and Safeguards (FCSS), Waste Management and Environmental Protection (DWMEP), Industrial and Medical Nuclear Safety (IMNS), and the Spent Fuel Project Office (SFPO). On March 22, 2004, the Division of High-Level Waste Repository Safety (HLWRS) was created to provide the necessary management focus to prepare for the receipt of a license application for a proposed geologic repository at Yucca Mountain. Also, NMSS was the first Office to reduce a layer of Senior Executive Service (SES) to allow an increase in the number of first-line supervisors in three of its Divisions. This reorganization will extend this change to other Divisions similar to the recent Offices of Nuclear Regulatory Research (RES) and Nuclear Reactor Regulation (NRR) reorganizations.

The Office of State and Tribal Programs (STP) is responsible for establishing and maintaining effective NRC communications and working relationships with the States, local governments, other Federal agencies and Native American Tribal Governments. STP encompasses two areas: the Agreement State Program and the Federal, State, and Tribal Liaison Program, which are implemented through NRC Headquarters and Regional Offices. Through the Agreement State Program, 34 States have signed formal agreements with the NRC, by which those States have assumed regulatory responsibility over certain byproduct, source, and small quantities of special nuclear material. NRC and State radiation safety regulatory programs are responsible for ensuring protection of public health and safety and the environment. There are approximately 21,600 licenses issued for medical, industrial and academic uses of radioactive materials in the United States. Currently, there are approximately 4,500 licenses issued by the NRC, and 17,100 licenses issued by the Agreement States. The National Materials Program (NMP) is a term developed by the NRC and the Agreement States in the late 1990s to define the broad collective framework within which both NRC and the Agreement States function in carrying out their respective radiation safety regulatory programs. This framework also includes the Organization of Agreement States, Inc. (OAS) and the Conference of Radiation Control Program Directors, Inc. (CRCPD). Through the Federal, State, and Tribal Liaison Program, NRC works in cooperation with Federal, State, and local governments, interstate organizations and Native American Tribal Governments to ensure that NRC maintains effective relations and communications with these organizations and promotes greater awareness and mutual understanding of the policies, activities, and concerns of all parties involved, as they relate to radiological safety at NRC licensed facilities.

DISCUSSION:

Several factors have prompted staff to recommend this reorganization to the Commission. First, the staff believes the time is right to enhance integration of the NMP by merging the

NMSS Divisions of IMNS and DWMEP with STP to become the Office of the National Materials Program (ONMP). This action will improve the effectiveness of the extensive coordination between staff of STP and NMSS to facilitate the NMP. This new Office would consolidate activities now conducted by STP, IMNS, and DWMEP, as well as regulation of Uranium Mill Tailings Radiation Control Act (UMTRCA) Title I and Title II uranium recovery activities. This set of activities includes medical, industrial and academic uses of radioactive materials, increased controls of radioactive sources including international activities to support the Code of Conduct; implementation of the Energy Policy Act of 2005 mandating an NRC regulatory framework for certain naturally-occurring and accelerator-produced radioactive material (NARM); decommissioning; regulation of low-level radioactive waste; environmental reviews and evaluation of the Department of Energy's (DOE's) incidental waste reviews; rulemaking and oversight of Regional licensing, inspection, and liaison functions. These activities have a number of things in common which support their collocation in a single office, including the importance of managing public and worker exposures considering public proximity to many of these activities; significant stakeholder interest; and extensive experience by the States in regulating many of these activities. Recognizing the increasing number of Agreement States and the value of their experience in administering the NMP, including the new responsibilities to control NARM, the staff believes that effectiveness could be enhanced by bringing together, in one office, the staff primarily responsible for developing and implementing regulatory policy and programs for nuclear materials users. This merger recognizes the importance of coordination between NRC, the States, and other stakeholders. Many of these activities benefit from early and effective Agreement State involvement, which has increased significantly over the last few years. In addition, management of State-related activities would be enhanced with the availability of first-line supervisors as proposed in the reorganization.

Additional considerations have prompted the recommendation to consolidate the Divisions of HLWRS, SFPO, and FCSS into a new NMSS to provide a systematic focus on the management of fuel cycle safety, including uranium conversion, uranium enrichment, fuel fabrication, and transportation, storage and disposal of spent fuel and high-level radioactive waste. These activities have been safely regulated for years. However, emerging work involving new fuel cycle technologies and industry initiatives to increase production are considerations in this reorganization. In addition, DOE is discussing a number of possible changes in transportation packaging, aging, and handling at reactor sites or at surface facilities of a proposed Yucca Mountain facility. Also, DOE is preparing to submit a license application to the NRC for a proposed geologic repository at Yucca Mountain in Nevada. Recent changes to the Environmental Protection Agency standard and conforming changes to NRC requirements could raise additional issues during pre-licensing. The reorganization will facilitate more focused management attention for these activities.

Another factor stems from the fact that the expected new and expanded nuclear power plant electricity generation will require substantially more nuclear fuel. Also, potential disposal capacity requirements for the future could exceed the capacity of the proposed Yucca Mountain repository. In addition, the President has proposed an international initiative, the Global Nuclear Energy Partnership (GNEP) to develop new proliferation-resistant recycling technologies in order to produce more energy, reduce waste, and minimize the proliferation concerns. This reorganization will lay the groundwork and prepare the NRC to perform its potential regulatory role for new, expanded, and modified commercial fuel cycle facilities which may include recycling, transmutation and actinide burning. With the transfer of domestic and international safeguards responsibilities for fuel cycle facilities to NMSS, it will also ensure better integration of that design process and safeguards reviews. It will also facilitate integration of any new safeguards technologies across fuel cycle facilities. NMSS will work with the Office of Nuclear Security and Incident Response (NSIR) to ensure continued coordination on related physical security policy and implementation for fuel cycle facilities which will remain

with NSIR. Because of the interrelationship between safeguards and physical security, critical skills in these disciplines will be needed in each office to facilitate coordination.

Organizational Structure

Elements of NMSS would be merged with STP in the new ONMP. A common element of these programs is that close NRC and State coordination and cooperation are important for effective program implementation. This ONMP would have three technical divisions: (1) Division of Industrial and Medical Nuclear Safety (IMNS), (2) Division of Waste Management and Environmental Protection (DWMEP), and (3) Division of Program Policy and Coordination (PPC). Elements of the current NMSS programs and organizations dealing with fuel cycle including uranium conversion, enrichment and fuel fabrication, spent fuel and high-level waste storage, transportation, and disposal would be included in a new NMSS. This Office would have three technical divisions: (1) Fuel Cycle Safety and Safeguards (FCSS), (2) Division of Spent Fuel Storage and Transportation (SFST) and (3) High-Level Waste Repository Safety (HLWRS). In addition, the lead responsibility for domestic and international safeguards policy and regulation for fuel cycle facilities, including materials control and accountability (MC&A) will be transferred from NSIR to NMSS FCSS. The transfer of this lead responsibility recognizes the fundamental relationship between the design of safeguards, including MC&A, with the design of the materials process itself. FCSS will work with NSIR to ensure a complete and comprehensive security interface to ensure consistency between safeguards and physical security requirements for these facilities. Also, the staff will ensure that any new safeguards technologies or lessons learned which result from recycling initiatives are considered for other fuel cycle facilities, as appropriate.

The staff believes the proposed reorganization will improve the effectiveness of the current NMSS and STP programs. NMSS, as it currently exists, has responsibility for an extremely diverse range of regulated activities. Under the proposed reorganization, the span of responsibilities for the two new offices would be better focused, thus allowing enhanced management attention, improved coordination and integration of related regulatory activities. This is particularly important recognizing the unique prelicensing and licensing responsibilities for a proposed geologic repository, the renewed interest in fuel cycle activities spurred on by the international expansion in nuclear power, and potential new national policies and direction for managing the fuel cycle. However, it should be noted that the proposed organization will also bring challenges in coordination. The rulemaking staff in ONMP will now be a center of excellence serving NMSS, ONMP, and NSIR as will the environmental review group in ONMP. Additional challenges will result from the need for infrastructure to address events analysis and follow-up, allegations, enforcement and generic issues in the new Office.

In the reorganized offices, divisions would average in size from approximately 50 to 70 staff. (See Enclosures 1 and 2). First-line supervisors would be redesignated as branch chiefs consistent with the RES and NRR reorganizations. If the Commission approves the reorganization, each Office will be developed at the branch and section level to best serve the mission of the organization and the Agency. It is intended that the supervisor-to-staff ratio ultimately will be 8.5:1. A significant portion of NMSS new hires are at entry level, and NMSS has made an effort to reduce the size of sections to provide for better first-line supervision. Although the proposed organization is expected to be stable in FY 2007, uncertainties in resources for the out years, stemming from changes in the number of Agreement States, uncertainty in the date when DOE will submit a high level waste (HLW) license application, and uncertainty on timing of the GNEP initiative, may result in the need for additional modifications to the organization. The structure of the proposed organization provides flexibility to accommodate the modifications.

A total of 36 staff are proposed for the Program Planning, Budgeting and Program Analysis (PBPA) functions in both offices. Given the resources for the PBPA organizations, we will look at the best way to organize these areas. Our PBPA functions consist of program-specific information technology projects, such as the National Source Tracking System as well as routine functions such as personnel, budget and contract management. We may change the scope of work or transfer functions to allow us to operate with the staff size proposed for the PBPA organizations. This may require changes in the organizational structures and functional statements for these organizations.

Impact on SES Positions

The proposed reorganization would include 10 SES positions in ONMP and 12 SES positions for NMSS, for a total of 22 positions. The current NMSS office has 19 SES positions and STP has 2 SES positions. Four of the six technical divisions would have a director and two deputy directors (instead of a deputy division director and two SES branch chiefs). The remaining two divisions would have a director and a single deputy, reflecting their smaller current and expected size. The proposed reorganization (see Enclosure 3) is therefore consistent with the Agency's efforts to reduce layers of management as discussed in SECY-03-0011, "Response to June 27, 2002, SRM on Human Capital Management and Workforce Planning," dated January 27, 2003. Uncertainties exist regarding the number of new Agreement States and subsequent decline in fee base, the date of DOE's HLW license application and the NRC's role in the new recycling initiative, which could impact resources and may necessitate further reorganization. Thus, the number of SES positions could change from this proposal. The staff will base decisions regarding SES and other supervisory reassignments on performance history and demonstrated management, technical and administrative competencies. If the Commission approves the reorganization, the staff will address actions necessary to implement the reorganization by October 2006. This transition period will allow time to address implementation issues including space planning and human resource activities. It will also facilitate budget execution at the beginning of the fiscal year.

Consistency With Agency Supervisory Ratio Target

The staff has evaluated the impact of the proposed reorganization on various management targets. In the proposed reorganization, the staff would continue to operate within management targets for supervisory ratios and GG-14 and above positions. Based on current projections, the supervisory ratio in the proposed organization would be less than 8.5:1 target. The proposed organizational structure provides flexibility to accommodate anticipated growth in HLWRS to conduct a review of DOE's HLW application, in SFPO to review transport aging and disposal (TAD) package applications, and in FCSS, if NRC's responsibilities are consistent with planned growth in the national initiative. Further, it will be flexible enough to handle the additional number of supervisory GG-15 positions that may be needed to achieve improved staff oversight at the first-line supervisory level. The proposed reorganization would not reduce the existing number of Senior Level System (SLS) employees.

Modified Functional Statements

Functional statements for each division in the current and proposed organizations are enclosed (Enclosures 4 and 5). The proposed functional statements reflect the organizational realignment. As discussed earlier, some functions have been realigned to provide better management focus to related activities. The staff believes the proposed reorganization will generally improve the effectiveness of current programs by reducing the overall responsibilities of a single office and improving access to supervisors and management. Under the proposed reorganization, the span of responsibilities for the two new offices would be better focused, thus

allowing enhanced management attention and coordination and integration of related regulatory activities. This is particularly important given the expanded regulatory responsibilities assigned to NRC in the Energy Policy Act of 2005, the continuing and important role of Agreement States, the unique, first-of-a-kind licensing responsibility for a proposed geologic repository, the renewed interest in fuel cycle activities spurred on by the international expansion in nuclear power, and potential new national policies and direction for managing the fuel cycle. ONMP will provide rulemaking for NMSS, and NSIR. ONMP will also provide environmental reviews for NMSS and NSIR. This will require inter-office coordination similar to that which occurs today through the integrated rulemaking plan and the IMNS rulemaking group, which supports NMSS and NSIR. As stated previously, the functional statements for PBPA may change.

Implementation of the Proposed Organization

Upon Commission approval, the reorganization, or any future changes to the reorganization, would be implemented once appropriate Union interactions have been completed. NMSS and STP management have held preliminary discussions with the NMSS Labor/Management Partnership Committee on the basic framework, goals, and objectives of the proposed reorganization. As the staff continues to refine the staffing plan, it may be necessary to establish additional branches in order to ensure appropriate staff-to-supervisor ratios.

The staff requests Commission approval to move ahead to address actions needed to begin the reorganization by October 2006. This transition period will allow time to address implementation issues including space planning and human resource activities. It will also facilitate budget execution at the start of a fiscal year.

RESOURCES:

The proposed reorganization would be implemented based on FY 2007 current budget estimates. Implementation of this reorganization will require approximately 17 unbudgeted positions in FY 2007 (to provide secretarial and technical support for the new Office Director; for a PBPA SES supervisor for the new office; for a non-SES safeguards supervisor; for 3 non-SES managers for first-line supervision and a secretary for the new Division; for program management and support in both offices; to continue functions such as coordination of generic issues, allegations, events, and risk activities in both offices; and to coordinate control of sources). Seventeen FTEs for these positions will be included in the FY 2008 budget subsequent to the Commission decision on this paper.

Ten FTEs in Headquarters and two FTEs in the Regions will be transferred from NSIR to NMSS to accomplish the shift of domestic and international safeguards responsibilities for fuel cycle facilities to NMSS in the Divisions of FCSS. The FY 2007 and FY 2008 budget will be adjusted to reflect this transfer.

COMMITMENT:

The staff commits to implement the reorganization consistent with the recommendations discussed below and upon Commission approval.

RECOMMENDATIONS:

The staff recommends that the Commission approve the proposed reorganization as discussed herein.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection to the proposed reorganization. The Office of the Chief Financial Officer has reviewed this paper and has no objection to the proposed reorganization.

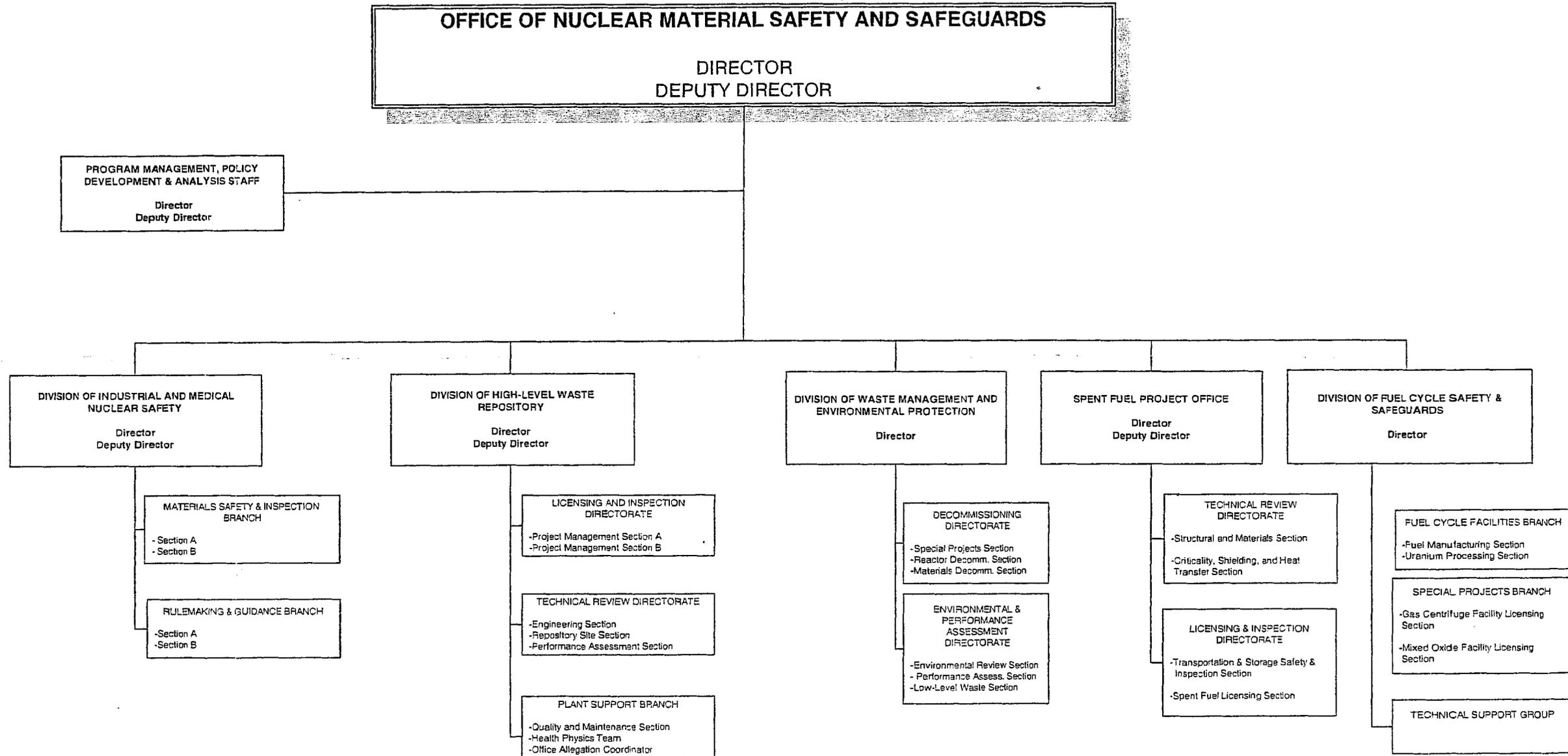
/RA by Martin J. Virgilio Acting For/

Luis A. Reyes
Executive Director
for Operations

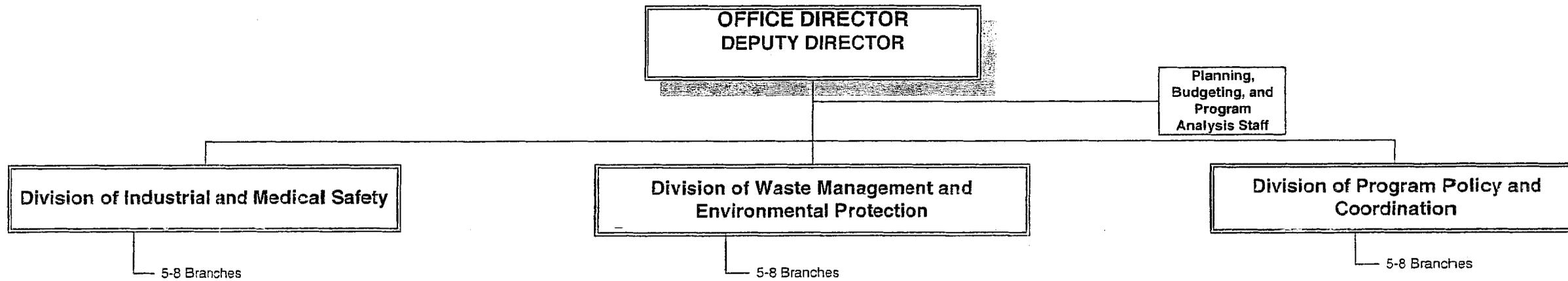
Enclosures:

1. Existing Organizational Chart for the Office of Nuclear Material Safety and Safeguards
2. Proposed Organizational Charts for the Office of Nuclear Material Safety and Safeguards and the Office of National Materials Program
3. NMSS Current and Proposed Senior Executive Service Management Positions
4. Current NMSS and STP Functional Statements
5. Proposed NMSS and ONMP Functional Statements

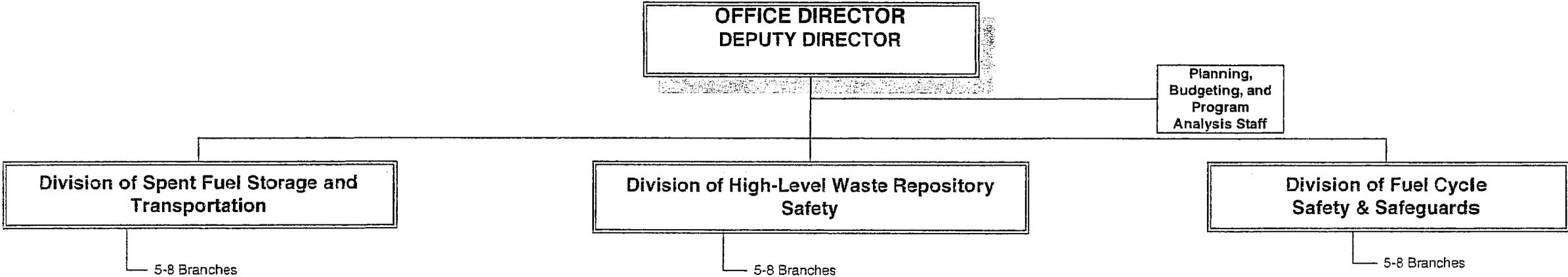
EXISTING ORGANIZATION



PROPOSED OFFICE
OFFICE OF NATIONAL MATERIALS PROGRAM



PROPOSED OFFICE
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS



**NMSS AND ONMP CURRENT AND PROPOSED
SENIOR EXECUTIVE SERVICE MANAGEMENT POSITIONS**

POSITION TYPE	CURRENT		PROPOSED
Office Director	2		2
Deputy Office Director	2		2
PBPA Director	1		2
Division Directors and Deputies	14		16
SES BC's	2		0
<u>TOTAL</u>	21		22

CURRENT FUNCTIONAL STATEMENTS
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Responsible for ensuring the public health and safety through licensing, inspection, and environmental reviews for all activities regulated by the Nuclear Regulatory Commission (NRC), except operating power and all non-power reactors and the safeguards technical review of all licensing activities, including export/import of special nuclear material, excluding reactors. Develops and implements NRC policy for the regulation of activities involving the use and handling of radioactive materials, such as: uranium recovery activities; fuel fabrication and development; medical, industrial, academic, and commercial uses of radioactive materials; safeguards activities; transportation of nuclear materials, including certification of transport containers, and reactor spent fuel storage; safe management and disposal of low-level and high-level radioactive waste; and management of related decommissioning. Identifies and takes action to resolve safety and safeguards issues, and directs NRC's contingency planning and emergency response operations dealing with accidents, events, incidents, threats, thefts, and radiological sabotage relating to licensed activities under its responsibility.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Program Management, Policy Development and Analysis Staff

Provides focus and management attention on major office programs and issues. Develops office policy in non-technical areas and conducts independent review of office programs, including management control reviews. Provides program management of the NRC's Center for Nuclear Waste Regulatory Analyses. Provides management, control and coordination of the execution of the office's financial resources and associated contracting activities. Manages and provides leadership on strategic planning, short-range program planning, resource forecasting and allocation, and budgeting. Oversees the development and coordination of congressional testimony. Oversees, tracks, and coordinates special projects designated by the Office Director. Provides independent review of office-initiated policy papers and issues to ensure completeness, promptness, accuracy, and adherence to agency and office policy. Represents the office in conducting intra- and interagency special projects. Provides administrative and management support, including human resource management, training, information technology, systems analysis, and correspondence/action item control.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Division of Fuel Cycle Safety and Safeguards

Develops, implements, and evaluates overall agency safety policy for fuel cycle, special nuclear material (SNM), uranium recovery (UR), and associated waste processing facilities licensed under the Atomic Energy Act of 1954, as amended, or certified in accordance with the Energy Policy Act of 1992. Directs the NRC's principal licensing, certification, inspection, environmental reviews, and other regulatory activities associated with these facilities to assure adequate safety and safeguards. Identifies and takes action to resolve, and directs NRC's contingency planning and emergency response operations dealing with accidents, events, incidents, threats, thefts, and radiological sabotage relating to licensed activities under its responsibility. Provides technical support for training and guidance to NRC headquarters and regional office licensing and inspection staff. Serves as the NRC's lead for DOE's Remedial Action Plans, for Title I sites under the Uranium Mill Tailings Radiation Control Act (UMTRCA).

Plans, coordinates, and manages the overall development and implementation of policies, and programs for activities covering various types of fuel-cycle facilities. Manages overall office-wide work related to vulnerability assessments and mitigative measures related to the security of materials regulated by NMSS. Manages the Integrated Safety Assessment (ISA) program to complete needed reviews. Leads divisional efforts using results of ISA review to identify and implement risk-informed program activities. Performs other special activities to support agency initiatives as needed, including coordinating activities to support fuel cycle infrastructure considerations necessary for future reactor designs and DOE external regulation. Reviews programmatic activities and identifies technical and policy options for regulations, regulatory guides, and policy statements.

Conducts criticality licensing reviews for uranium fuel processing and fabrication facilities, other source material processing facilities, other SNM facilities, and associated waste processing facilities, enrichment facilities including the gaseous diffusion facilities and plutonium fuel fabrication and processing facilities. Develops, coordinates, and oversees fuel-cycle inspection program to evaluate the implementation of NRC-required activities. Oversight of licensee activities include efforts to train, inspect, and assess effectiveness of licensees' implementation of regulatory requirements. Performs criticality inspections at various facilities.

Plans, coordinates, and manages the overall development and implementation of policies, and programs for activities covering various types of fuel-cycle facilities. Manages the day-to-day activities related to the regulatory policy and licensing actions for NRC programs for licensed uranium recovery and operating fuel manufacturing facilities and in NRC-licensed activities. Oversees the promulgation of regulatory requirements, the development of policy, and the conduct of licensing reviews related to such facilities. Conducts environmental assessments and prepares environmental impact statements related to licensing actions. Issues fuel cycle licenses, renewals, and amendments.

Conducts safety licensing reviews related to uranium recovery, conversion facilities, and fuel fabrication facilities. Provides technical support and guidance to the Regions on licensing and inspection activities. Reviews programmatic activities and identifies technical and policy options for regulations, regulatory guides, and policy statements. Develops and implements certification and licensing review procedures for facilities. Issues, renews, and amends certificates and licenses for the operating fuel-cycle facilities. Provides technical support for incident management and emergency responses at fuel cycle facilities, and to Agreement States on UR issues. Serves as the agency focal point for the Federal Dam Safety Program.

Plans and coordinates Licensee Performance Reviews and screening process for the Agency

Action Review Meetings.

Plans, coordinates, and manages the overall development and implementation of policies, and programs for activities covering the regulatory policy and licensing actions for NRC programs for the Mixed-Oxide Fuel Fabrication Facility (MFFF) and gas centrifuge facilities. Oversees the promulgation of regulatory requirements, the development of policy, and the conduct of licensing reviews related to such facilities. Conducts environmental assessments and prepares environmental impact statements related to licensing actions. Issues licenses upon completion of staff review and findings of regulatory compliance.

Serves as the focal point for implementation and overall coordination of the program activities. Conducts safety licensing reviews related to the MFFF and gas centrifuge facilities. Reviews programmatic activities and identifies technical and policy options for regulations, regulatory guides, and policy statements associated with regulation of fuel-cycle licensees. Develops and implements licensing and review procedures for licensing activities related to the MFFF and gas centrifuge facilities.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Division of Industrial and Medical Nuclear Safety

Directs the NRC's principal rulemaking and guidance development, licensing, inspection, event response and regulatory activities for material licensed under the Atomic Energy Act of 1954, as amended, to ensure safety and quality associated with the possession, processing, and handling of nuclear material. Oversees health physics and radiation protection, nuclear safety review, and use of licensed materials in medicine, research, industry, and other purposes with a focus on assuring safety and the effective and efficient delivery of regulatory services. Plans, develops, monitors and directs technical rulemakings and regulatory guides, including those related to fuel cycle and materials, safeguards, transportation, decommissioning, the management of nuclear waste, and closure of uranium recovery facilities. Develops, documents and implements policies and procedures for developing regulations, regulatory actions and handling of petitions for rulemaking. Develops, implements, and evaluates material policies and the overall NRC materials regulatory program to assure program effectiveness and efficiency. Implements program improvements systematically and in an open manner with the support and input of internal and external stakeholders. Manages agency program for "exempt" use of radioactive material and for evaluation of sealed sources and devices. Provides technical support for training of regional and Agreement State licensing and inspection staffs. Provides technical support and guidance to the Regions on licensing, inspection, and enforcement activities and, upon request, to the Agreement States. Identifies and takes action to control safety issues; responds to allegations; and directs NRC contingency and response operations dealing with accidents, events, and incidents under its responsibility.

Responsible for the oversight and programmatic direction of materials uses associated with medical, academic, and industrial uses of byproduct materials including direction to the Regions regarding these activities. Responsible for incident response coordination and training, emergency preparedness policy and emergency response, and Operations Center coordination for nuclear materials events. Reviews licensee performance to determine the need for Information Notices, Bulletins and rulemaking. Provides regional coordination, allegation coordination, enforcement coordination, and event review and follow-up for the Office. Provides NMSS Radiation Safety Officer functions. Responsible for materials program budget formulation and Division operating plan maintenance. Identifies and resolves generic problems and policy issues. Develops policy and procedures for assessing regional performance of materials licensing and inspection activities, and coordinates Office participation in the Integrated Materials Performance Evaluation Program. Provides technical support for training of regional and Agreement State materials licensing and inspection staffs. Reviews programmatic activities and participates in the development of technical and policy operations for regulations, regulatory guides, and policy statements. Develops and implements technical and policy guidance related to sealed sources and devices for Headquarters, Regions and Agreement States. Conducts safety evaluation of sealed sources and devices. Conducts the exempt distribution licensing and the generally-licensed device registration programs. Plans and coordinates all activities involving the Advisory Committee on Medical Uses of Isotopes. Maintains all licensing database management systems including the Sealed Source and Device Registry, the General License Tracking System, and the License Tracking System.

Develops needed regulatory products (regulations, licensing and inspection guides, etc.) based on technical and scientific information; identified safety concerns; the potential for risks to workers, members of the public and the environment; petitions for rulemaking; and other information. Proposes or initiates rulemaking, as appropriate, and manages complex rulemakings that span the technical and organizational responsibilities of the Office, or that involve novel or complex questions of regulatory policy. Develops, documents, and implements policies and procedures needed for developing effective, coherent, consistent, and understandable regulations. Prepares regulatory analyses, including cost analysis on the impact of proposed regulatory activities. Considers risk significance of regulations. Coordinates the review and planning of all Office rulemaking activities and monitors and schedules rulemaking to ensure that rules are developed in time frame specified by Commission guidance. Manages the contracts necessary to support the development of regulatory products, and coordinates with other divisions, offices, government agencies, and national and international scientific and standards organizations having related responsibilities. Tracks, develops, coordinates and analyzes new and revised OMB Clearances for all information collection requirements related to Office program areas.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Division of Waste Management and Environmental Protection

Directs the NRC's program for the regulation of Decommissioning, Environmental Protection, and Low-Level Waste (LLW). Responsible for implementation of the regulatory program under the Low Level Radioactive Waste Policy Amendments Act of 1985 (LLRWPA) and implementation of the license termination criteria in Title 10, Code of Federal Regulations, Part 20. Also responsible for implementing the NRC's responsibilities stemming from the Ronald Reagan Defense Authorization Act for Fiscal Year 2005 (NDAA), which requires the NRC to consult with DOE on its incidental waste determinations for selected sites and to monitor selected DOE incidental waste disposal activities. Identifies and takes action to control safety issues under its responsibility. Develops, implements, and evaluates safety and environmental policies and long-range goals for these activities. Assumes lead responsibility for preparing Environmental Impact Statements (EISs) in the Office, supporting all divisions in the preparation of Environmental Assessments (EAs), and establishing policy and guidance for environmental reviews in the nothing. Provides guidance for regional activities relating to waste management and decommissioning. Interacts with other NRC offices, Federal and State organizations, Indian tribes, and other jurisdictions on matters under its cognizance. Represents NRC in international waste management and decommissioning activities. Coordinates with research to ensure regulatory commitments are achieved.

Serves as the focal point for implementing the NRC's materials and power reactor Decommissioning Program. Manages complex decommissioning activities including sites previously identified under the Site Decommissioning Management Plan. Conducts environmental and safety reviews related to decommissioning. This responsibility includes project management for power reactors and materials facilities undergoing decommissioning and terminating licenses when decommissioning is complete. Reviews reactor and materials license financial assurance plans for decommissioning and issues licenses and license amendments related to sites undergoing decommissioning. Reviews license termination plans submitted by power reactors, manages power reactor decommissioning after approval of the licensed operator program for permanently shut-down and de-fueled conditions and implementation of the de-fueling technical specifications. Implements an active interface program, including ongoing consultation with Federal, State, Indian tribe, and other entities to promote understanding of decommissioning programs and to identify and resolve concerns in a timely manner. Manages the program to inform industry and non-industry stakeholders about NRC's decommissioning program. Provides technical assistance to Agreement States on decommissioning issues.

Responsible for the management of four areas: Protection of the Environment, LLW Program, consultation with DOE on incidental waste determinations in accordance with the Ronald Reagan Defense Authorization Act for Fiscal Year 2005 (NDAA), and non-HLW Performance Assessment (PA) analyses. These responsibilities are discharged through the staff of the three Sections: (1) Environmental Review Section; (2) Low-Level Waste Section; and (3) Performance Assessment Section. The Directorate serves as the NMSS focus for the development of all office EIS' and review of all office EAs, and review of outside EIS'. Serves as the focus for implementation and overall coordination of the LLW program. Responsible for implementing the NRC responsibility under the NDAA. EPAD performs PA analysis and reviews using risk informed approaches for non-routine and complex cases to demonstrate

compliance with regulatory standards for the Decommissioning and LLW programs, as well as DOE incidental waste determinations and other programs as practicable. Interacts with other

NRC offices, Federal and State organizations, Indian tribes, and other jurisdictions on matters under its cognizance. Represents NRC in international LLW management and environmental activities. Coordinates with research to ensure regulatory commitments are achieved.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Division of High-Level Waste Repository Safety

Serves as the focal point for project management, integration, technical evaluation, and overall coordination of the High-Level Waste (HLW) repository program consistent with the NRC Strategic Plan and associated Nuclear Waste Safety performance goals and strategies. Responsible for implementation of the regulatory program under the Nuclear Waste Policy Act (NWPA) of 1982, and implementation of the NRC and DOE procedural agreement governing pre-licensing consultation for HLW. The NRC has structured its pre-licensing program around key technical issues. The resolution of the issues by DOE is tracked by the NRC to ensure that potential health and safety issues are identified and addressed. The NRC reviews the DOE work relevant to each issue and conducts some independent technical work related to each issue. As the center for technical expertise in earth sciences, geotechnical, mechanical, and structural engineering, and material sciences disciplines, and quality assurance activities, conducts risk informed technical reviews in the HLW program. Develops guidance with respect to specific technical information required for strategies and methodologies, as well as risk informed-performance based, technical evaluations that would be acceptable to demonstrate licensee compliance with applicable high-level waste regulations. Ensures technical completeness, accuracy, and consistency within assigned technical responsibilities. Interfaces with the U.S. Environmental Protection Agency and others in the development of environmental radiation protection standards for high-level waste management and disposal. Reviews regulatory requirements and relevant pre-licensing, and licensing documents. Responsible for coordination with international community regarding engineering and geoscience activities in the HLW area. Responsible for engaging in activities to communicate with the public about the role of the NRC in the Nation's HLW program.

Serves as the focal point for implementing the NRC's project management and technical evaluation of engineering activities for the HLW repository program. The directorate oversees the implementation of the regulatory program under the Nuclear Waste Policy Act (NWPA) of 1982, and implementation of the NRC and DOE procedural agreements for HLW. The program managers will lead the HLW program effort in safety evaluations, transportation issues, and quality assurance. The directorate will also have lead responsibilities for the LSN support, records, and communications activities. Activities under the engineering safety responsibilities include review of surface design facilities, engineered barriers, safeguards, mechanical/thermal effects, and container life and source term. Develops guidance with respect to specific technical information required for strategies and methodologies, as well as risk informed-performance based, technical evaluations that would be acceptable to demonstrate licensee compliance with applicable high-level waste regulations. Ensures technical completeness, accuracy, and consistency within assigned technical responsibilities.

Serves as the focal point for the NRC's site and performance assessment technical review for the HLW repository program. These activities include performance assessment and safety assessment aspects. As the center for technical expertise in seismic, unsaturated/saturated zone flow, near field effects, radionuclide transport, and igneous activities, conducts risk informed technical reviews in the HLW program. Develops models and ensures integration within current programs. Develops guidance with respect to specific technical information required for technical evaluations that would be acceptable to demonstrate licensee compliance with applicable HLW regulations. Ensures technical completeness, accuracy, and consistency within assigned technical responsibilities.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

Spent Fuel Project Office

Develops and implements the agency's regulatory, licensing, and inspection program for the storage of nuclear reactor spent fuel and the domestic and international transportation of radioactive materials. Serves as the agency lead in spent fuel storage and transportation activities. Develops licensing, certification, and quality assurance review criteria and policies. Manages and conducts the safety and environmental reviews of: (1) commercial transportation cask designs under 10 CFR Part 71 and spent fuel storage cask designs under 10 CFR Part 72, including the certification of storage systems under the general license provisions of 10 CFR Part 72; and (2) interim spent fuel and high-level waste storage facilities, including the licensing of nuclear utility specific facilities, private facilities, and a Department of Energy (DOE) centralized facility. Manages and conducts the review of DOE applications for storage and transport systems for the civilian high-level radioactive waste program. Conducts safety inspections of transport packages and spent fuel storage system vendors. Conducts safety inspections at independent spent fuel storage installations. Conducts inspections of the implementation of quality assurance programs by users, suppliers, and fabricators of NRC-certified transport packages and dry storage systems. Approves quality assurance programs for transportation activities and for fabrication of transportation packagings. Develops policy, regulations, and guidance for designers, users, and fabricators of NRC-certified transportation packages and dry spent fuel storage casks. Provides technical and policy guidance to the NRC Regions and licensees on transportation and spent fuel storage. Coordinates and develops guidance with other U.S. Government and International Agencies on transportation policy and safety issues, and provides guidance to industry and the public. Participates in the development of international transportation and spent fuel storage safety standards. Reviews and provides guidance on transportation physical protection issues. Provides technical support for incident and emergency response.

Manages and coordinates the safety and environmental reviews of transportation cask designs under 10 CFR Part 71 and spent fuel storage cask designs under 10 CFR Part 72, including the certification of storage systems under the general license provisions of 10 CFR Part 72. Manages and coordinates inspections and reviews of transportation packages, spent fuel storage system vendors, and independent spent fuel storage installations to assess compliance with provisions of licenses or certificates. Directs the inspections of the implementation of quality assurance programs by users, suppliers, and fabricators of NRC-certified transport packages and dry storage systems. Directs the approve of quality assurance programs for transportation activities and for fabrication of transportation packagings. Directs the development of policy, regulations and guidance for designers, users and fabricators of NRC-certified transportation packages and spent fuel storage casks, and participates in the development of international transportation and spent fuel storage safety standards. Provides technical support for incident and emergency response.

Manages and coordinates the technical safety evaluation of commercial transportation cask designs under 10 CFR Part 71 and of spent fuel storage cask designs under 10 CFR Part 72, including the certification of storage systems under the general license provisions of 10 CFR Part 72. Directs the technical safety review of interim spent fuel and high-level waste storage facilities under 10 CFR Part 72. Directs the technical safety review of DOE applications for storage and transport systems for the civilian high-level radioactive waste program. Directs the development and maintenance of technical guidance for the design, analysis, fabrication, and operation of spent fuel and non-spent fuel shipping containers under 10 CFR Part 71, and spent fuel storage cask designs, and interim spent fuel and high-level waste storage facilities

under 10 CFR Part 72. Provides technical support for issuance of technical and policy guidance and technical support for incident and emergency response.

CURRENT FUNCTIONAL STATEMENTS
OFFICE OF STATE AND TRIBAL PROGRAMS (OSTP)

Responsible for establishing and maintaining effective communications and working relationship between the NRC and States, local government, other Federal agencies and Native American Tribal Governments. Serves as the primary contact for policy matters between NRC and these external groups. Keeps the external groups informed on NRC activities. Keeps the Agency appraised of these groups' activities as they may affect NRC and conveys to NRC management these groups' views toward NRC policies, plans, and activities. Administers the Agreement State Program.

PROPOSED FUNCTIONAL STATEMENTS

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

The Office of Nuclear Material Safety and Safeguards (NMSS) is responsible for regulating activities which provide for the safe and secure production of nuclear fuel used in commercial nuclear reactors; the safe storage, transportation and disposal of high-level radioactive waste and spent nuclear fuel; and the transportation of radioactive materials regulated under the Atomic Energy Act. Ensures safety and security by implementing a regulatory program involving activities including licensing, inspection, assessment of licensee performance, events analysis, enforcement, and identification and resolution of generic issues. Develops and implements NRC policy for the regulation of these activities involving uranium recovery, conversion, and enrichment activities; fuel fabrication and development; transportation of nuclear materials, including certification of transport containers, and reactor spent fuel storage; and safe management and disposal of spent fuel and high-level radioactive waste. Has lead responsibility within NRC for domestic and international safeguards policy and regulation for fuel cycle facilities, including material control and accountability (MC&A). Consistent with direction in the Nuclear Waste Policy Act and the Energy Policy Act, conducts pre-licensing activities to ensure appropriate standards and regulatory guidance are in place and interacts with the applicant, the Department of Energy (DOE), such that the licensing review for a potential Yucca Mountain HLW repository can be conducted in 3-4 years as directed by Congress. The Office also is responsible for regulation and licensing of recycling technologies intended to reduce the amount of waste to be disposed through geologic disposal and to reduce proliferation concerns since the technologies do not produce separated plutonium. In order to develop an appropriate regulatory framework, NMSS interacts with DOE and international experts in recycling during development, demonstration and deployment of new advanced recycling technologies that recycle nuclear fuel in a manner which does not produce separated plutonium. Creates and maintains the regulatory infrastructure to support the agency's role in licensing a reprocessing facility and a related fuel fabrication facility and vitrification and/or waste storage facility. Lays the groundwork for and prepares NRC to perform its regulatory role for new, expanded, and modified commercial fuel cycle facilities which may include recycling, transmutation and actinide burning. This framework including regulatory processes such as licensing, inspection, assessment of license performance assessment, events analysis, and enforcement will ensure that this technology can be safely and securely implemented commercially in the United States.

**OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)
Program Planning, Budgeting and Program Analysis Staff (PBPA)**

Provides leadership and coordinates strategic and programmatic planning, resource forecasting and allocation, budgeting through the PBPM process and analysis of office performance through coordination of the operating plan. Manages and coordinates the execution of the office's budget, financial plan and associated contracting activities. Provides administrative and management support, including human resource management, training, information technology, systems analysis, and correspondence/action item control. Ensures compliance with office and agency standards and requirements. Maintains office procedures and letters. Ensures that appropriate quality standards are maintained for work initiated at the office level. PBPA staff will also be responsible for supporting and coordinating office human resource activities, knowledge management, FOIA, internal and external training, office space, office travel planning and utilization of travel resources, correspondence control, and internal controls. Represents the office in intragency and interagency special projects in areas of responsibility and completes special projects assigned by office level management.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)
Division of Spent Fuel Storage and Transportation (SFST)

Develops and implements the agency's regulatory, licensing, and inspection program for the storage of nuclear reactor spent fuel and the domestic and international transportation of radioactive materials. Serves as the agency lead in spent fuel storage and transportation activities. Ensures that activities and products are consistent with NRC strategic and performance goals. Develops licensing, certification, and quality assurance review criteria and policies. Manages and conducts the safety and environmental reviews of: (1) commercial transportation cask designs under 10 CFR Part 71 and spent fuel storage cask designs under 10 CFR Part 72, including the certification of storage systems under the general license provisions of 10 CFR Part 72; and (2) interim spent fuel and high-level waste storage facilities, including the licensing of nuclear utility specific facilities, private facilities, and a Department of Energy (DOE) centralized facility. Manages and conducts the review of DOE applications for storage and transport systems for the civilian high-level radioactive waste program. Coordinates with the Division of High-Level Waste Repository Safety to manage and implement a seamless regulatory program for a transportation, aging and disposal system for the civilian high-level radioactive waste program. Conducts safety inspections of transport packages and spent fuel storage system vendors. Conducts safety inspections at independent spent fuel storage installations. Conducts inspections of the implementation of quality assurance programs by users, suppliers, and fabricators of NRC-certified transport packages and dry storage systems. Approves quality assurance programs for transportation activities and for fabrication of transportation packages. Develops policy, regulations, and guidance for designers, users, and fabricators of NRC-certified transportation packages and dry spent fuel storage casks. Provides technical and policy guidance to the NRC Regions and licensees on transportation and spent fuel storage. Plans and coordinates activities, as appropriate, with the Advisory Committee on Nuclear Waste (ACNW) in areas of its responsibility. Coordinates and develops guidance with other U.S. Government and International Agencies on transportation policy and safety issues, and provides guidance to industry and the public. Participates in the development of international transportation and spent fuel storage safety standards. Reviews and provides guidance on transportation physical protection issues. Supports NSIR in the development and implementation of safeguards and physical protection requirements for storage and transportation of spent fuel. Provides technical support for incident and emergency response. Ensures that appropriate quality standards are met for Spent Fuel Storage and Transportation Division work and associated products. Ensures that all regulatory activities are consistent with the Commission's openness policy.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)
Division of High-Level Waste Repository Safety (HLWRS)

Serves as the focal point for project management, integration, technical expertise, and overall coordination of the High-Level Radioactive Waste (HLW) repository safety program consistent with the NRC Strategic Plan and associated Nuclear Waste Safety performance goals and strategies. Responsible for implementation of the regulatory program under the Nuclear Waste Policy Act (NWPA) as amended and the Energy Policy Act of 1992. Implements the NRC and DOE procedural agreement governing pre-licensing consultation for HLW, continually reviewing this agreement to ensure it addresses any changes in the OCRWM program. Also serves as the primary manager for the NRC's Federally Funded Research and Development Center at Southwest Research Institute, the Center for Nuclear Waste Regulatory Analyses (CNWRA). The NRC has structured its pre-licensing program around key technical issues. During pre-licensing, identify issues, interact with DOE and clarify DOE's path to resolution of key technical issues which are important to demonstrating compliance with 10 CFR Part 63 requirements. Track resolution of the issues by DOE to ensure that potential health and safety issues are identified and addressed, thus contributing to the likelihood of a high quality license application. Review DOE work relevant to each issue based upon NRC's independent understanding of these issues which stems from independent technical activities and performance assessment conducted by the NRC and the CNWRA. As the center for technical expertise in earth sciences, geotechnical, mechanical, and structural engineering, and material sciences disciplines, and quality assurance activities, conducts risk informed technical reviews in the HLW program. Develops guidance with respect to specific technical information required for strategies and methodologies, as well as risk informed-performance based, technical evaluations that would be acceptable to demonstrate licensee compliance with applicable high-level waste regulations. Ensures technical completeness, accuracy, and consistency within assigned technical responsibilities. Coordinates with the Division of Spent Fuel Storage and Transportation to manage and implement a seamless regulatory program for a transportation, aging and disposal system for the civilian high-level radioactive waste program. Interfaces with the U.S. Environmental Protection Agency and others in the development of environmental radiation protection standards for high-level waste management and disposal. Reviews regulatory requirements and relevant pre-licensing, and licensing documents. Plans and coordinates pre-licensing activities, as appropriate, with the Advisory Committee on Nuclear Waste (ACNW) in areas of its responsibility. Responsible for coordination with the international community regarding engineering, geoscience and performance assessment activities and development of criteria for HLW disposal. Supports NSIR in the development and implementation of physical protection requirements for disposal of spent fuel and high level waste. Provides technical support for incident and emergency response. Ensures that appropriate quality standards are met for High-Level Waste Repository Safety Division work and associated products. Ensures that all regulatory activities are consistent with the Commission's openness policy. Responsible for engaging in activities to communicate with the public about the role of the NRC in the nation's HLW program.

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)
Division of Fuel Cycle Safety and Safeguards (FCSS)

The Division of Fuel Cycle Safety and Safeguards (FCSS) develops, implements, and evaluates overall agency safety and safeguards policy for fuel cycle facilities, using special nuclear material, including uranium enrichment and conversion, MOX and uranium fuel fabrication and processing facilities, licensed under the Atomic Energy Act of 1954, as amended, or certified in accordance with the Energy Policy Act of 1992. Directs the NRC's principal licensing, certification, inspection, and other regulatory activities associated with these facilities to assure adequate safety and safeguards. Ensures implementation of risk informed and performance based approaches where feasible and practical. Has lead responsibility for domestic and international safeguards policy and regulation for fuel cycle facilities, including material control and accountability (MC&A). Directs NRC contingency and response operations dealing with accidents, events, and incidents under its responsibility. Ensures appropriate coordination on physical security activities with the Office of Nuclear Security and Incident Response (NSIR) and others. Responsible for emergency preparedness for materials regulated by NMSS. Provides support to the regions, NSIR and others for emergency response and in the evaluation of accidents, events, incidents, threats, thefts, and radiological sabotage relating to licensed activities under its responsibility. Provides technical support for training and guidance to NRC headquarters and regional office licensing and inspection staff. Ensures the quality of FCSS activities and work products. Plans and coordinates activities, as appropriate, with the Advisory Committee on Nuclear Waste (ACNW) in areas of its responsibility. Responsible for regulation and licensing of commercial waste processing recycling technologies including actinide conversion and transmutation technologies. In order to support development of an appropriate regulatory framework, interacts with DOE and international partners in the Global Nuclear Energy Partnership during development, demonstration and deployment of new advanced recycling technologies such as UREX, pyro-processing, actinide conversion transmutation technologies, that recycle nuclear fuel in a manner which does not produce separated plutonium. This framework, including regulatory processes such as licensing, inspection, assessment of licensee performance, events analysis, and enforcement, ensures that this technology can be safely and securely implemented commercially. Create the regulatory infrastructure for licensing a reprocessing facility, an actinide conversion, transmutation or associated technology facility, a fuel fabrication facility, and vitrification and/or waste storage facility with specialized process and waste streams. Coordinates with other NRC Divisions and Offices as appropriate. Evaluates and regulates safeguards, including material control and accounting, during the planning and design for new facilities, and provides regulatory review of safeguards which will be incorporated in the design through an integrated systems approach. Takes the lead for international safeguards from a regulatory perspective for these advanced safeguards technologies. NMSS will coordinate closely with NSIR to ensure these advances are considered in physical security requirements for these facilities. Ensures that feedback from these advanced safeguards technologies are considered in safeguarding other domestic fuel cycle facilities. Reviews the international safeguards and technical aspects of export licensing and retransfer requests. Conducts and coordinates NRC activities in support of implementation of IAEA safeguards at NRC licensed facilities.