

## POLICY ISSUE (Notation Vote)

June 24, 2006

SECY-06-0144

FOR: The Commissioners

FROM: Luis A. Reyes  
Executive Director for Operations /RA/

SUBJECT: PROPOSED REORGANIZATION OF THE OFFICE OF NUCLEAR  
REACTOR REGULATION AND REGION II

PURPOSE:

To obtain Commission approval to reorganize the Office of Nuclear Reactor Regulation (NRR) and Region II. The purpose of the reorganization is to better prepare the agency for the anticipated new reactor licensing and construction inspection work while ensuring that the agency maintains its focus on the safety, security and emergency preparedness of currently operating facilities.

BACKGROUND:

Since the President signed the Energy Policy Act of 2005 (EPA of 2005) on August 8, 2005, the U.S. Nuclear Regulatory Commission (NRC) has seen a substantial increase in the number of utilities and other entities planning to submit design certification, operating license (COL), early site permit (ESP), and limited work authorization (LWA) applications in fiscal year (FY) 2007, FY 2008, and FY 2009. The agency expects the COL and ESP applications to be submitted within a relatively short time span, creating a large increase in the new reactor licensing workload. As of June 22, 2006, industry has informed the NRC of plans for 18 COLs for 25 units. Industry has advised the NRC that additional applications should be expected in FY 2009 and beyond and that ground-breaking for new reactors could occur in late FY 2008 or early FY 2009. Concurrent with these reviews, the workload associated with operating reactors is

CONTACT: William F. Kane, DEDR  
(301) 415-1713

expected to remain relatively stable. As a result, the agency continues to face significant challenges to provide appropriate focus on new reactor licensing and construction inspection activities while maintaining vigilance over the continued safe and secure operation of the existing reactors.

In SECY-05-0146, "Proposed Reorganization of the Office of Nuclear Reactor Regulation," dated August 12, 2005, the staff laid out its plans to reorganize NRR. NRR reorganized in October 2005 to: (1) prepare for and discharge the increase in the new reactor licensing workload, (2) improve the alignment of the organization for risk-informed regulation, and (3) reduce a layer of executive management to allow an increase in the number of first-line supervisors. In SECY-05-0146 it was recognized that the implemented reorganization would support anticipated growth for FY 2006 and FY 2007, but resources for the out-years would be subject to change. The currently anticipated growth for FY 2007 and FY 2008 far exceeds the anticipated growth used in the development of SECY-05-0146.

In SECY-06-0041, "Proposed Strategy to Support Implementation of the New-Reactor Construction Inspection Program," dated February 22, 2006, the staff proposed a strategy for implementing the construction inspection program (CIP) activities. In the Staff Requirements Memorandum for SECY-06-0041, dated April 21, 2006, the Commission approved an initial approach for implementing the CIP for new reactors. The Commission directed the creation of a dedicated organization in the Region II Office that will have responsibility for implementation of construction inspection activities across the country, including both the day-to-day onsite inspections and the specialized inspection resources needed to support NRC oversight of the construction of new nuclear power plants.

#### DISCUSSION:

With projected growth of new reactor work, the agency needs to be prepared to provide sufficient focus on safety, security and emergency preparedness for currently operating facilities and for the anticipated new reactor and construction inspection work. Therefore, organizational changes are proposed that will establish dedicated offices with separate accountability for operating facilities and new reactor safety. The proposed reorganizations of NRR and Region II are (1) responsive to the projected new reactor and construction inspection workload, (2) responsive to the Commission's expectations for the successful discharge of the agency's reactor licensing and regulatory responsibilities, and (3) consistent with the agency's accountability management expectations for new reactors and construction inspection programs.

#### Organizational Structure and Authority

The proposed reorganization would: (1) divide NRR into two offices, resulting in the establishment of an Office of New Reactors (NRO), with NRR focused on maintaining the safety, security, and emergency preparedness of currently operating facilities, and NRO focused on the anticipated new reactor licensing and construction work (discussed in Enclosure 1); and (2) establish a dedicated construction inspection organization for new reactors in Region II that will report to a new Deputy Regional Administrator for Construction (discussed in Enclosure 2). To implement these changes effectively and in a manner

consistent with the Commission's expectations for management accountability, the Director, NRO, should be authorized to issue permits and licenses for new reactor facilities in accordance with 10 Code of Federal Regulations (CFR) Part 52.

The proposed changes apply to those organizations most directly affected by the anticipated new reactor work. This new work will affect other offices, as well. Thus, the staff will continue to evaluate changes to improve organizational effectiveness and efficiency and prepare them for Commission review, as appropriate.

#### Impact on Senior Executive Service (SES) Positions

The growth of NRC staff to accommodate the increased new reactor and construction inspection workload will require 14 additional SES positions over the FY 2006 level. The proposed reorganization accounts for 2 of the additional SES positions.

Fiscal Year		NRR	NRO	Region II	total	Reorganization adds
FY 2006	current	26	0	7	33	
By the end of FY 2007	with reorganization	23	12	14	49	2
	without reorganization	34	0	13	47	

Two new SES positions are created for the Deputy Director NRO and Deputy Regional Administrator for Construction, Region II. This organization would also have a director and deputy director in each division of NRR, NRO, and Region II, with the exception of the Division of Operating Reactor Licensing, NRR, which would continue to have a director and two deputy directors. These positions would be needed to support staff growth and are independent of the proposed reorganization. In addition, Program Management, Policy Development, and Planning Staff (PMAS), NRR, which will support both NRR and NRO, would continue to have two SES positions for a director and a business process integrator (BPI) to coordinate NRR's and NRO's interactions with other NRC offices regarding the needs of new reactor regulation during the transition period. Additional functional alignment of PMAS will be effected as soon as efficiencies can be achieved.

The proposed reorganization will accommodate the currently projected growth for FY 2007 and FY 2008 of the new reactor licensing and construction inspection workload. However, resources for the out-years are subject to change and may necessitate further reorganization.

In order to implement the changes proposed in this paper, the Office of Personnel Management (OPM) would need to authorize additional SES billets to the NRC. The Office of Human Resources (HR) is currently in the process of requesting additional positions to meet this organizational proposal as discussed in my May 26, 2006, memorandum to the Commission.

As part of the proposed reorganization, the staff will reconsider the existing number and placement of Senior Level Service employees and make appropriate adjustments as needed.

#### Consistency with Agency Supervisory Ratio Target

The staff has evaluated the impact of the proposed reorganization on various management targets for NRR, NRO and Region II and believes relief from the 8.5:1 staff to supervisory ratio is necessary. The agency must select supervisors and managers in anticipation of fully staffing the organization. As was discussed in SECY-05-0146, the large number of new employees to be hired over the next several years requires smaller branches and enhanced supervision. In addition, first line supervisors will require more time to build and develop the staff needed to support activities related to both operating reactors, new reactors, and the construction inspection program. Therefore, the recommended organization will be unable to meet the 8.5:1 staff-to-supervisory ratio initially, but the staff expects the affected organizations to return to the 8.5:1 staff to supervisory ratio after a transition and stabilization period.

#### Implementation of the Proposed Organization

Upon Commission approval, the reorganization would be implemented once appropriate union interactions and staff consultations have been completed. NRR and Region II management would hold preliminary discussions with their labor/management partnership committees on the basic framework, goals, and objectives of the proposed reorganization. The staff believes that any further changes to the proposed organization would not significantly impact the basic structure or concepts discussed herein.

Creation of the new organizational units in NRR Headquarters and Region II will require additional office space. Temporary office space has been contracted for both Headquarters and Region II and will be available for occupancy in October 2006. Transition to the new organizations is scheduled to start commensurate with space availability. Reorganization of Region II can be accomplished quickly due to the limited number of existing personnel moves required for implementation. Creation of NRO will be more involved, requiring co-location of many existing NRR staff to new dedicated office spaces that will not be immediately available. Implementation of the reorganizations will be completed 3 months after sufficient space is available. This extended implementation period will assist with planning for a smooth transition to two offices during a period of rapid personnel growth, facilities changes, and an increased reactor safety workload.

The staff would implement the proposed reorganization as follows:

- Complete the reorganization in NRR and NRO no later than January 1, 2007
- Complete the reorganization in Region II no later than October 1, 2006

RESOURCES:

The current FY 2007 budget estimate, which includes the additional \$40 million for new reactor activities, is sufficient to accommodate the recommended organizational changes. The Office of Chief Financial Officer (OCFO) and OEDO FY 2008 Budget proposal to the Chairman provides increased resources for new reactor licensing, including sufficient funding and full time employee (FTE) to implement the recommended organizational changes.

COMMITMENTS:

- 1) The staff commits to implementing the reorganization consistent with the recommendations discussed below and upon Commission approval.
- 2) The staff will make this paper publically available upon Commission approval and upon completion of the associated communication plan.

RECOMMENDATIONS:

The staff recommends that the Commission approve the following:

- 1) The proposed NRR and Region II reorganizations as discussed herein.
- 2) Establishment of the Office of New Reactors with the authority to issue permits and licenses for new facilities in accordance with 10 CFR Part 52.

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/*

Luis A. Reyes  
Executive Director  
for Operations

Enclosures:

1. Reorganization of the Office of Nuclear Reactor Regulation
2. Reorganization of Region II
3. Functional Statements

## **Reorganization of the Office of Nuclear Reactor Regulation**

The current organization of the Office of Nuclear Reactor Regulation (NRR) (Attachment 1 to Enclosure 1) evolved from the October 2005 NRR reorganization. If NRR remains intact, the office would need to expand from 9 technical divisions to 13 technical divisions in FY 2008 with a goal of having fewer than 80 staff per division (Attachment 2 to Enclosure 1). NRR management challenges are expected with this approach as the office grows to a size about four times the next largest NRC office. NRR's focus will continue to be divided between the operating and new reactor programs and the office director's span of control would be great.

As a result, the staff proposes to divide NRR into two offices: The Office of Nuclear Reactor Regulation and the Office of New Reactors (NRO) (Attachment 3 to Enclosure 1). NRR would maintain responsibility for operating reactor licensing and oversight, policy, and rulemaking. NRO would be responsible for the review of applications for new reactor design certifications (DCs), early site permits (ESPs), combined licenses (COLs), construction permits or work authorizations. NRO will also oversee the Headquarter's program office responsibilities for the construction inspection program.

Major benefits will result from this proposed approach. Each office can devote its efforts to its primary responsibilities, oversight of either the operating reactor program or the new reactor program. The span of control for both office directors would be more manageable, with improved accountability. Each office would have its own technical divisions, enhancing alignment of priorities within the offices. The two offices will use various approaches to maintain consistent technical expertise, including the use of common standards (e.g., Standard Review Plan), communities of practice in technical areas, and technical steering committees. Establishing some technical branches in NRO could be deferred beyond January 2007 to allow for the formation of branches with minimum critical staffing levels and effective development of new staff.

During the FY 2007 transition for NRO, the staff proposes to create four initial divisions with 7 additional Senior Executive Service (SES) managers in FY 2007 within NRO (Attachment 4 to Enclosure 1). This structure will accommodate the personnel who are expected to be assigned to NRO at its inception and will allow growth as more staff are brought on board. The staff expects the number of NRO divisions to increase as the work load increases.

In addition, the Program Management, Policy Development, and Planning Staff (PMAS) function would not be duplicated in NRO. Instead, one PMAS division, reporting to NRR, would service both offices and support infrastructure areas such as human capital, hiring, space and contract management. This approach would provide efficiency and stability to the organization, and would not impact the huge hiring and contracting efforts already underway.

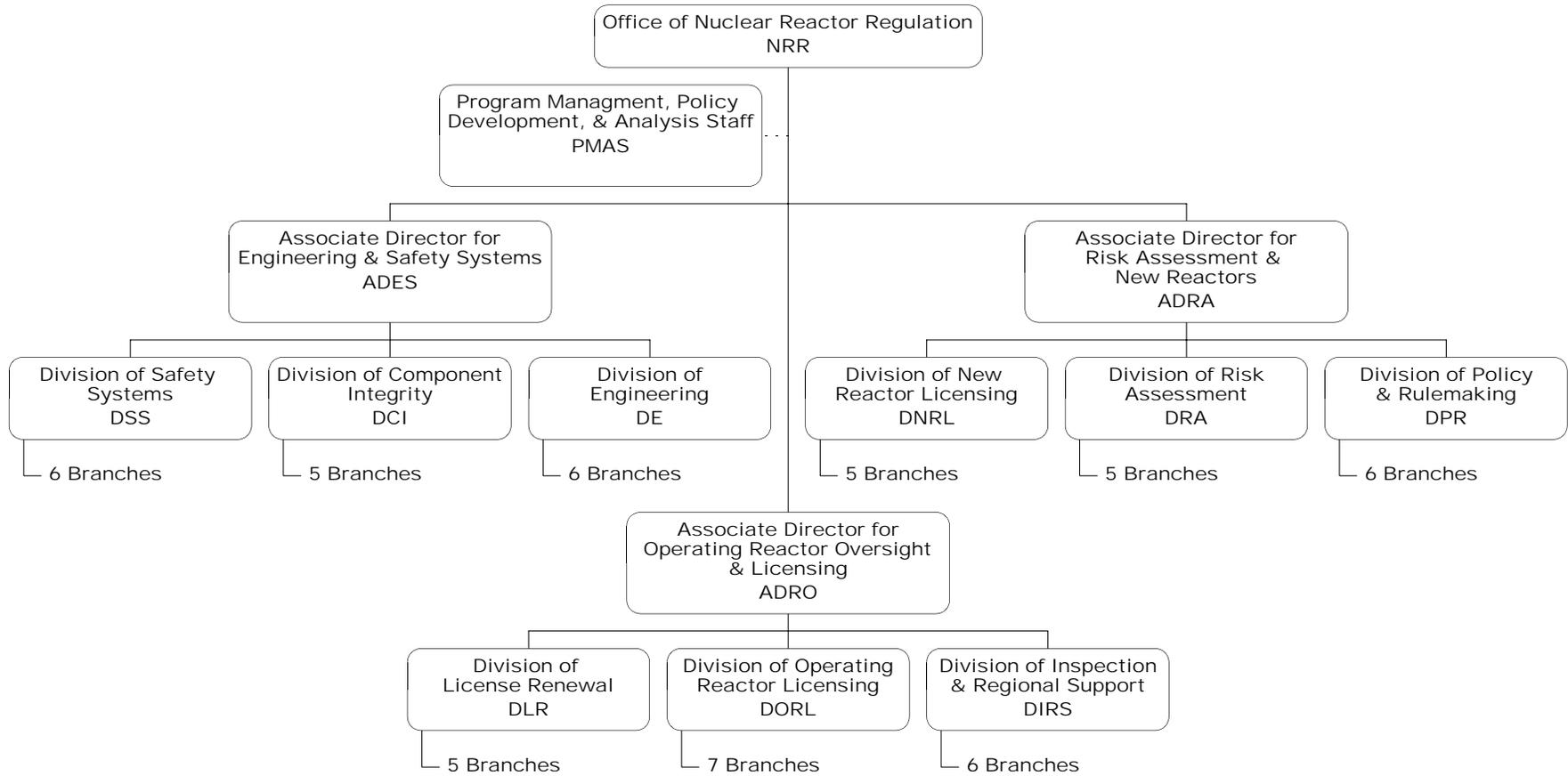
For efficiency, specific functions will remain under NRR, and support both offices, as needed. These include (1) policy and rulemaking; (2) Operating Experience; (3) generic communications; and (4) operator licensing. In addition, some specific technical functions, where it may not be feasible to split the function due to limited staff expertise or the infrastructure required (i.e., only one person is currently on staff who possesses that particular expertise, specialized computer equipment and software), may continue to reside in either NRR or NRO. Specific examples include staff expertise and the required infrastructure to perform functions such as code analyses. A formal process would be developed to request work between the offices.

In most cases, both organizations will consist of staff with similar technical skills and abilities. Where gaps in technical abilities or expertise exist in one of the organizations, a transition plan will be developed to establish the appropriate technical expertise either during or shortly after the transition period. This transition plan will utilize such tools as hiring and training to meet skills gaps. In addition, some process options the staff will consider to ensure consistency in technical positions include: enhancing the role of senior level staff in key technical areas to address new or unique technical and policy issues; establishing a formalized process for documenting decisions systemically and in detail to understand the technical basis; or establishing a protocol with NRR responsible for all final decisions for resolution of issues as owner of the Reactor Safety Program (similar to the process used between NRR and the Regions). The processes used to support the transition will be identified prior to implementation of the reorganization.

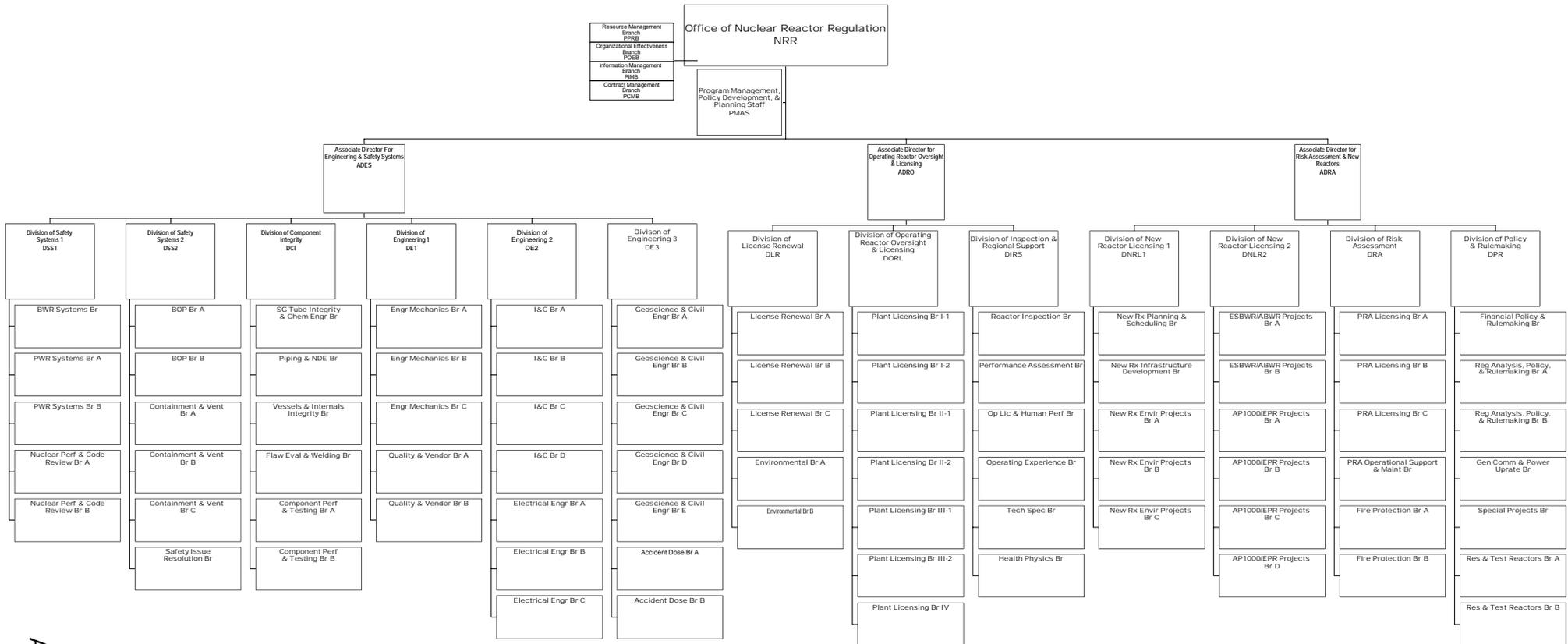
In order to maintain schedule and quality of the economic simplified boiling water reactor (ESBWR) review, NRR and NRO will transfer all the project managers currently in the Division of New Reactor Licensing (DNRL) and a core competency of knowledgeable technical staff from the technical divisions to the new office. In addition, the Work Planning Center (WPC) process will continue to be used to track those portions of the ESBWR review that remain under NRR due to NRR personnel continued involvement in the reviews or available for consultation with NRO staff during the transition. The WPC process in NRR along with line management will continue to be used to hold both staff and managers accountable for meeting due dates and quality expectations.

Section 203 of the Energy Reorganization Act specifies that the Director of NRR shall be delegated the "principal" licensing regulation functions involving reactor facilities. The proposed reorganization is consistent with this directive because some 1500 licensing actions, programmatic oversight of operating reactors and enforcement will remain under NRR and can reasonably be considered "principal" licensing functions. Although the initial licensing to be performed by NRO constitutes a significant volume of work, the actual numbers of licensing actions are small and the spectrum of actual regulatory functions assigned to NRO is far less. Therefore, the Commission has sufficient flexibility under the Energy Reorganization Act to transfer the initial licensing function (including signature authority) for reactors to the Office of New Reactors.

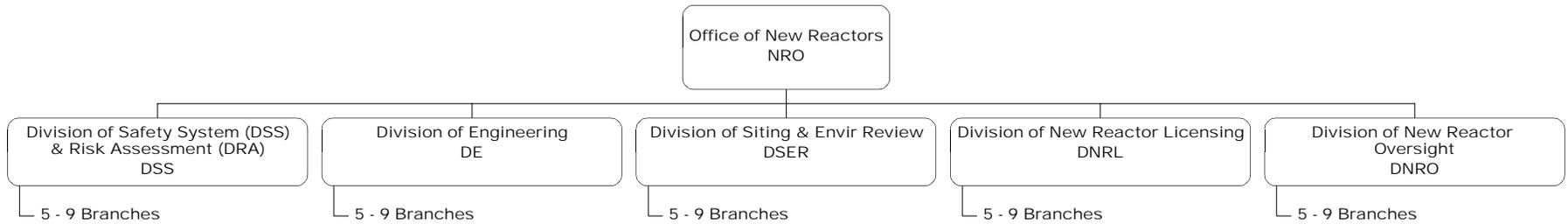
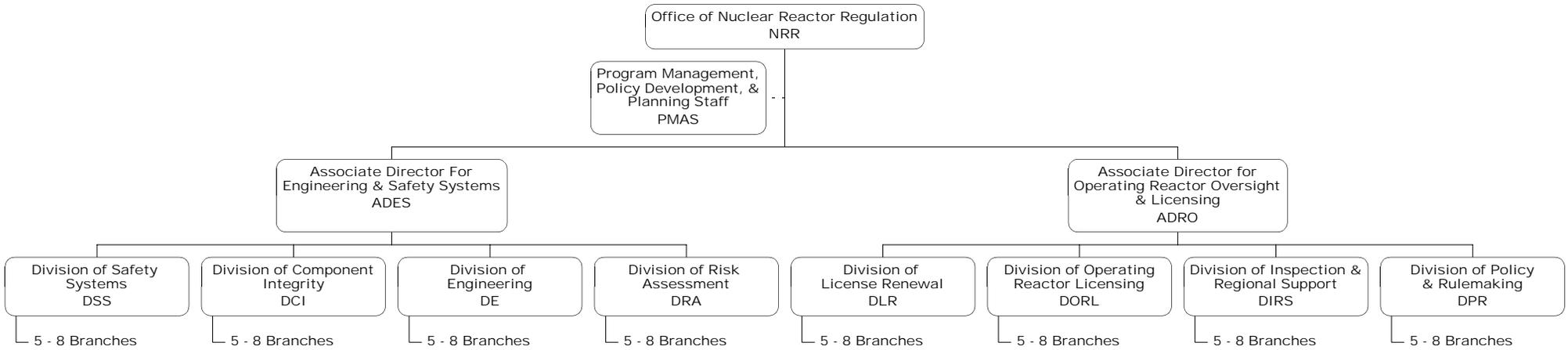
# Current NRR Office Structure FY 06



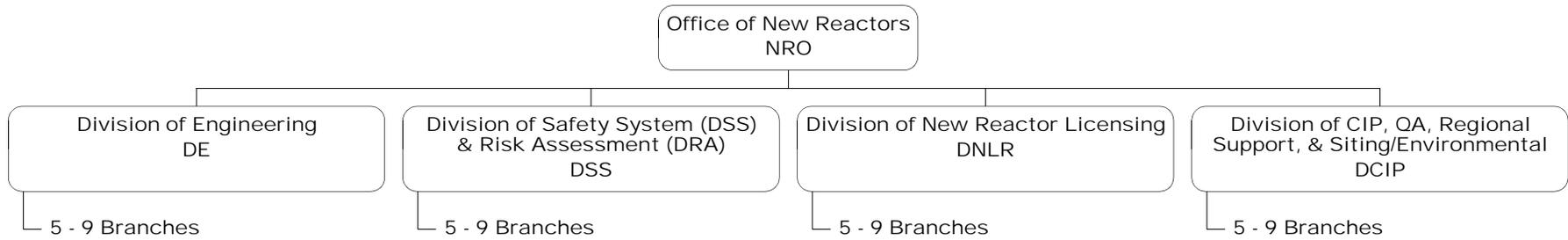
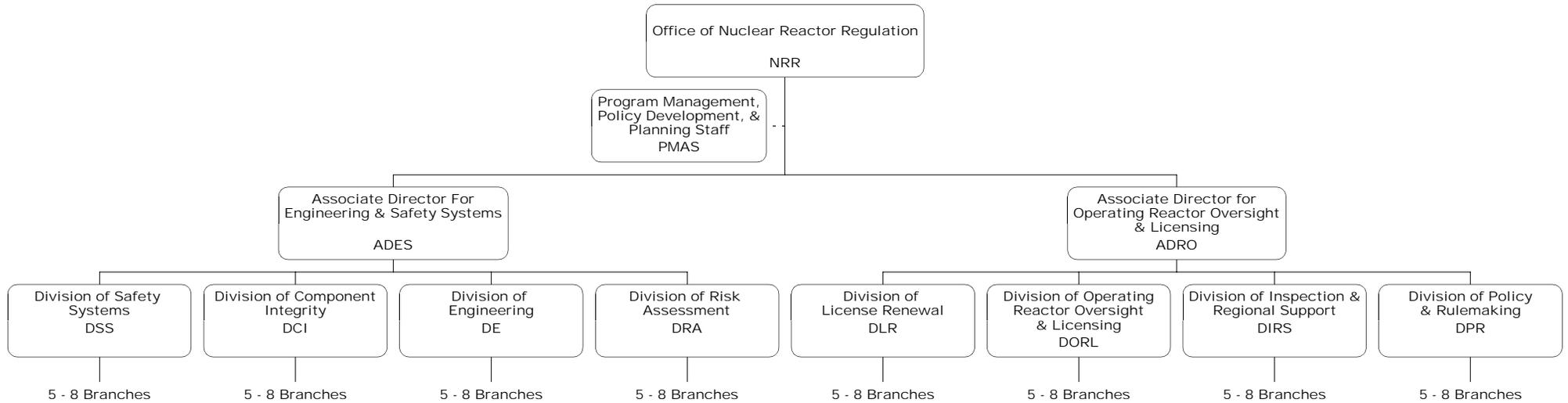
# NRR Office Structure FY 08



# Proposed Two Office Structure FY 08



# Proposed Transitional Two Office Structure FY 07



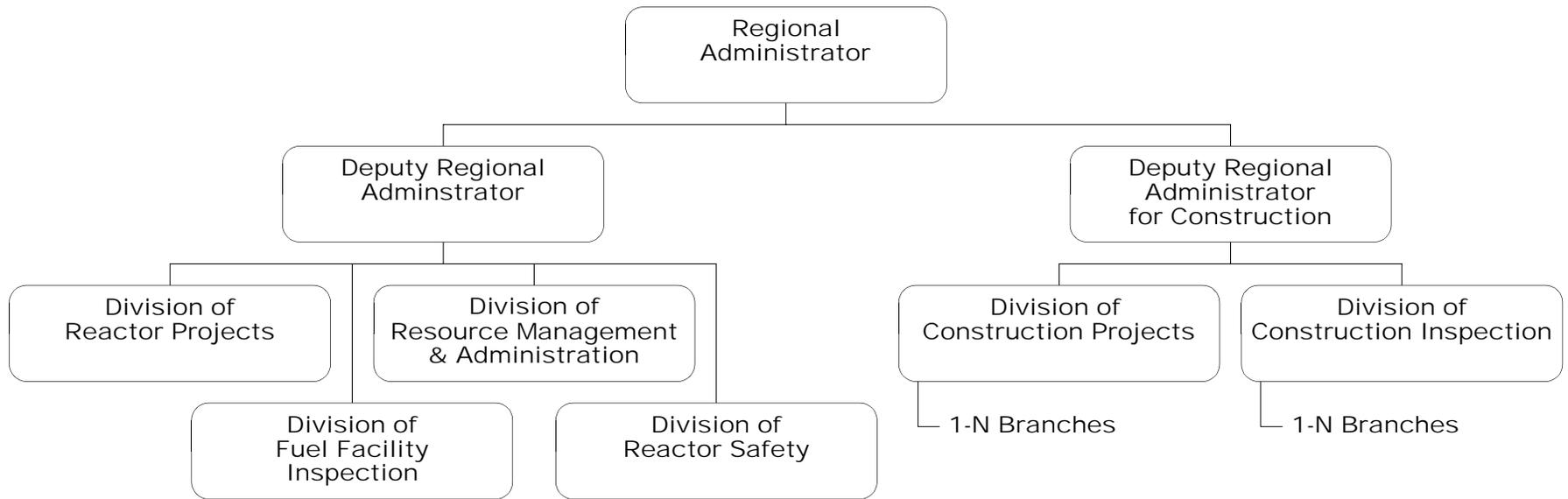
## Reorganization of Region II

The addition of the construction inspection program (CIP) activities to Region II will require a reorganization to ensure appropriate management oversight of the initial CIP efforts, as well as the safety oversight of Region II operating reactor and fuel facilities. The staff evaluated the organizational needs for effective oversight of the CIP activities using some general assumptions about construction inspection program staffing needs. The staff proposes a parallel organization to the existing Region II organization for operating reactors for the construction activities that will report to a Deputy Regional Administrator for Construction (DRA-C) (Attachment to Enclosure 2). Assuming that the new reactor construction activities occur as currently envisioned, the parallel organization would develop over time to include a Division of Construction Projects to manage the onsite inspectors and a Division of Construction Inspection to manage the specialized and vendor inspection resources. The Office of New Reactors (NRO) will fulfill the Headquarters oversight responsibilities.

To ensure an effective organizational transition and to conduct the necessary planning and development needed to implement the CIP when actual construction activities begin, the position of DRA-C would be established in October 2006. A planning and development group would be formed and report to the DRA-C. This group would initially be comprised of approximately 10 senior staff members. The primary functions of this group would be to assist NRO in inspection program and procedure development, develop training and qualification requirements and materials, develop hiring and recruiting plans, skills analyses, and strategies, and complete detailed planning for implementation of the initial CIP activities. This organization will also be able to start development and training of construction inspection staff by using them to inspect fuel facility construction activities that are ready to begin in Region II.

As more definitive plans are known regarding possible construction inspection activities, the organization will evolve into the proposed organization shown in the Attachment to this Enclosure, which would include 3 to 5 SES managers, depending on how many reactor units are simultaneously under construction.

# Proposed Alternative Regional Structure



## **OFFICE OF NUCLEAR REACTOR REGULATION (NRR)**

### **CURRENT FUNCTIONAL STATEMENTS**

Responsible for accomplishing key components of the Nuclear Regulatory Commission's (NRC's) nuclear reactor safety mission. As such, NRR conducts a broad range of regulatory activities in the four primary program areas of rulemaking, licensing, oversight, and incident response for commercial nuclear power reactors, and test and research reactors to protect the public health, safety, and the environment. NRR works with the regions and other offices to accomplish its mission and contribute to the agency mission.

#### **Program Management, Policy Development and Planning Staff (PMAS)**

Provides leadership and manages strategic and programmatic planning, short-range program planning, resource forecasting and allocation, and budgeting through the planning, budgeting, and performance management (PBPM) process. Manages, controls, and coordinates the execution of the office's financial resources and contracting activities. Provides independent review of office policy papers and issues to ensure completeness, accuracy, consistency with budgeted resources, and adherence to agency and office policies. Enhances communication. Provides oversight and support of information management and technology. Provides administrative and management support in areas including human resource management, facility management, training, Freedom of Information Act (FOIA) coordination, and principal correspondence. Facilitates continuous organizational improvement by developing and improving Office infrastructure. Coordinates the NRC Regulatory Information Conference.

#### **Associate Director for Engineering and Safety Systems (ADES)**

Provides management direction of technical evaluations and assessment of technical issues including safety systems and engineering. Interacts with the other associate directors to resolve or recommend resolution of policy on major office-level programmatic issues. Responsible for the NRR allegations program.

#### **Division of Safety Systems (DSS)**

Performs systems-related safety evaluations of licensee implementation of NRC requirements, changes to existing licenses, and applications for new facilities or designs and provides technical support and expertise for special projects, programs, and policy activities. Reviews and evaluates design-basis and severe accident issues as they relate to advanced plant designs, combined licenses (COLs), and current operating plants.

### **Division of Component Integrity (DCI)**

Performs engineering-related safety evaluations of licensees' implementation of NRC requirements, changes to existing licenses (including license renewals), topical reports, American Society of Mechanical Engineers (ASME) Code changes, and applications for new facilities or designs. Provides engineering expertise for special inspections, projects, programs, and policy activities. Reviews may be in support of individual licensing actions, topical reports, ASME code changes, ASME standard reviews, license renewal, or new reactor designs. Reviews and evaluates the design, fabrication, inspection, evaluation, and repair of reactor coolant system and other ASME-class components and mechanical equipment and components. Focus is related to materials engineering issues such as corrosion, nondestructive examination, flaw evaluation, and welding. Additionally, focus related to mechanical engineering issues such as component design, qualification, aging degradation, performance, and testing. Issues generic communications as needed. Performs technical reviews to ensure specific regulatory requirements are met.

### **Division of Engineering (DE)**

Performs engineering-related safety reviews and quality assurance-related reviews of licensees' implementation of NRC requirements, changes to existing licenses (including license renewals), and applications for design certification, early site permits, combined licenses, and new reactor pre-application activities. Provides engineering expertise for special inspections, projects, programs, and policy activities. Oversees quality assurance at nuclear vendors/suppliers.

Manages the development and implementation of the policy, programs, and activities for the reactor allegations program.

### **Associate Director for Operating Reactor Oversight and Licensing (ADRO)**

Provides overall policy, planning, and management direction for the project management and technical review of operating reactor licensing and license renewal activities, non-radiological environmental issues, standard technical specifications, and the reactor inspection and performance assessment programs. Provides management direction of technical evaluations and assessment of technical issues involving: operating licensing, human factors, and radiation protection. Interacts with the other associate directors to resolve or recommend resolution of policy and office-level programmatic issues.

### **Division of License Renewal (DLR)**

Responsible for receipt and acceptance review of license renewal applications. Responsible for project management of the safety review of the applications, preparation of a safety evaluation report, ACRS presentations, and preparation of the renewed license. Responsible for developing and implementing policies, processes, and guidance documents associated with review and approval of license renewal applications. Responsible for conducting on-site safety review audits of license renewal applications for the license renewal process. Responsible for pre-application activities, staff and management interactions with industry, internal reporting requirements, and the interfaces with stakeholders.

Responsible for receipt and acceptance review of the environmental portion of license renewal applications. Responsible for project management of the environmental review of applications for license renewal, including preparation of an environmental impact statement, coordination with state and federal government agencies and Indian Nations, and the conduct of public meetings and site audits. Responsible for review of environmental issues for operating reactors, including licensing actions such as power uprates and consultation with federal resource agencies (e.g., incidental take statements).

### **Division of Operating Reactor Licensing (DORL)**

Implements the policy, programs, and activities, including coordinating licensing and technical reviews, associated with the overall safety and environmental project management for power reactors located in the Regions. Provides the overall safety and environmental project management and monitors routine operations of power reactors in the Regions. Manages the review and processing of license amendments and other requests requiring NRC approval. Serves as headquarters contact with licensees, the Regions, and other stakeholders in matters pertaining to assigned facilities. Coordinates other licensing tasks such as evaluating information received from licensees in response to NRC requests, preparing responses to public petitions and correspondence associated with individual licensees, and providing assistance to the Regions or other NRC organizations. Coordinates and provides presentations to the Commission, the Advisory Committee for Reactor Safeguards (ACRS), industry groups, and other government offices on licensee-related activities.

### **Division of Inspection and Regional Support (DIRS)**

Develops policy and provides overall program management and planning for the reactor inspection and performance assessment programs for commercial nuclear power plants. Develops and oversees the radiation protection inspection and licensing programs. Implements programs and procedures to systematically assess and screen daily reactor events, recommends immediate corrective plant-specific and generic actions, and coordinates follow-up activities after events. Develops programs and guidelines to improve generic technical specifications (TSs) and provides NRR interpretations of TS requirements. Develops policies and guidance and implements the national program for the licensing of nuclear reactor operators. Develops programs and conducts reviews to ensure the effective consideration of

human factors engineering in nuclear power plant design and operation and the adequacy of facility training programs and emergency operating procedures.

### **Associate Director for Risk Assessment and New Projects (ADRA)**

Provides overall policy, planning and management direction for the project and technical review of design certifications, early site permits, and combined license applications. Provides management direction of probabilistic risk assessment activities, rulemaking, and policy and program implementation in licensee financial, insurance, indemnity, and antitrust matters. Provides management direction for the agency's Generic Communication program and its oversight of licensees that possess decommissioning plants or operate research and test reactors. Interacts with the other associate directors to resolve or recommend resolution of policy and office-level programmatic issues.

### **Division of New Reactor Licensing (DNRL)**

Responsible for the project management organization for design certification application reviews, early site permit (ESP) application reviews, combined license (COL) application reviews, and new reactor pre-application activities. Develops and maintains the necessary regulatory infrastructure to support new reactor licensing activities, including rulemaking, guidance development, interaction with stakeholders on issues pertaining to new reactors, large-scale project management tools, schedule and resource planning and tracking, and issuance of design certifications, ESPs, and COLs.

### **Division of Risk Assessment (DRA)**

Provides leadership for development and implementation of risk informing the NRC's Part 50 regulatory processes. Develops and implements policies and guidance for the use of probabilistic risk assessments (PRA) and associated analyses in regulatory decision making. Applies risk informed methods to support resolution of regulatory issues. Provides risk assessment support in areas of plant security and utility actions to reduce potential vulnerabilities.

In the areas of fire protection and dose assessment, evaluates plant-specific licensing actions and generic issues, develops regulations and regulatory guidance, and supports the reactor oversight programs. Participates in the development of a technology neutral framework to support the risk informing of 10 CFR Part 50. Executes these activities utilizing risk methods along with a deterministic approach, thus supporting the Commission's Final Policy Statement on the Use of Probabilistic Risk Assessment Methods in Nuclear Regulatory Activities (FR, Vol. 60, p. 42622, August 16, 1995).

**Division of Policy and Rulemaking (DPR)**

Responsible for the development, documentation, and implementation of policies, procedures and program management for NRR rulemaking, including regulatory analysis and the process for maintaining the Code of Federal Regulations associated with reactor regulation; financial reviews, including decommissioning funding assurance, insurance, and indemnification; reviews of amendments to antitrust license conditions; generic communications; topical reports; licensing processes, including Notices of Enforcement Discretion (NOEDs), §2.206 petitions, and regional task interface agreements (TIAs); interoffice coordination, including coordination of reactor-related reports, research user needs and regulatory guides; and, coordination with industry groups, including the Nuclear Energy Institute, the Electric Power Research Institute, the American Society for Mechanical Engineers, owners groups, reactor vendors, and other industry groups. Responsible for all licensing and oversight for operating research and test reactors, including conduct of operator licensing and coordination of security and decommissioning activities.

**OFFICE OF NUCLEAR REACTOR REGULATION (NRR)**

**PROPOSED FUNCTIONAL STATEMENTS**

Responsible for the Nuclear Regulatory Commission's nuclear reactor safety mission. Conducts a broad range of regulatory activities in the four primary program areas of rulemaking, licensing, oversight, and incident response for commercial operating nuclear power reactors, and test and research reactors to protect the public health, safety, and the environment and to promote the common defense and security. NRR works with the Office of New Reactors, the regions, and other offices to accomplish the agency mission.

**Program Management, Policy Development and Planning Staff (PMAS)**

Provides leadership and manages strategic and programmatic planning, short-range program planning, resource forecasting and allocation, and budgeting through the planning, budgeting, and performance management process. Manages, controls, and coordinates the execution of the office's financial resources and contracting activities. Provides independent review of office policy papers and issues to ensure consistency with budgeted resources, and adherence to agency and office policies. Provides oversight and support of information management and technology. Provides administrative and management support in areas including human resource management, facility management, training, Freedom of Information Act coordination, and principal correspondence. Facilitates continuous organizational improvement by developing and improving Office infrastructure. Coordinates the NRC Regulatory Information Conference.

**Associate Director for Engineering and Safety Systems (ADES)**

Provides management direction of technical evaluations and assessment of technical issues including safety systems and engineering for operating reactors. Interacts with the other associate director and other offices to resolve or recommend resolution of policy on major office-level programmatic issues. Responsible for the NRR allegations program.

**Division of Safety Systems (DSS)**

Performs systems-related safety evaluations of licensee implementation of NRC requirements, changes to existing licenses and provides technical support and expertise for special projects, programs, and policy activities. Reviews and evaluates design-basis and severe accident issues as they relate to current operating plants.

### **Division of Component Integrity (DCI)**

Performs engineering-related safety evaluations of licensees' implementation of NRC requirements, changes to existing licenses (including license renewals), topical reports, and ASME Code changes. Provides engineering expertise for special inspections, projects, programs, and policy activities. Reviews and evaluates the design, fabrication, inspection, evaluation, and repair of reactor coolant system and other ASME class components and mechanical equipment and components. Reviews focus on materials engineering issues such as corrosion, nondestructive examination, flaw evaluation, welding, as well as mechanical engineering issues such as component design, qualification, aging degradation, performance, and testing.

### **Division of Engineering (DE)**

Performs engineering-related safety reviews and quality assurance-related reviews of licensees' implementation of NRC requirements and changes to existing licenses (including license renewals). Provides engineering expertise for special inspections, projects, programs, and policy activities. Reviews focus on engineering mechanics, geosciences, civil engineering, instrumentation and control, electrical engineering and related areas.

### **Associate Director for Operating Reactor Oversight and Licensing (ADRO)**

Provides overall policy, planning, and management direction for the project management and technical review of operating reactor licensing and license renewal activities, environmental issues, standard technical specifications, and the reactor inspection and performance assessment programs. Provides management direction of technical evaluations and assessment of technical issues involving: operating licensing, human factors, and radiation protection. Interacts with the other associate director and other offices to resolve or recommend resolution of policy and office-level programmatic issues.

### **Division of License Renewal (DLR)**

Responsible for receipt and acceptance review of license renewal applications. Responsible for project management of the safety review of the applications, preparation of a safety evaluation report, ACRS presentations, and preparation of the renewed license. Responsible for developing and implementing policies, processes, and guidance documents associated with review and approval of license renewal applications. Responsible for conducting on-site safety review audits of license renewal applications for the license renewal process. Responsible for license renewal pre-application activities, staff and management interactions with industry, internal reporting requirements, and the interfaces with stakeholders.

Responsible for receipt and acceptance review of the environmental portion of license renewal applications. Responsible for project management of the environmental review of applications for license renewal, including preparation of an environmental impact statement, coordination with state and federal government agencies and Indian Nations, and the conduct of public meetings and site audits. Responsible for review of environmental issues for operating reactors, including licensing actions such as power uprates and consultation with federal agencies (e.g., incidental take statements).

### **Division of Operating Reactor Licensing (DORL)**

Implements the policy, programs, and activities, including coordinating licensing and technical reviews, associated with the overall safety and environmental project management for operating power reactors. Manages the review and processing of license amendments and other requests requiring NRC approval and review. Serves as headquarters contact with licensees, the Regions, and other stakeholders in matters pertaining to operating nuclear power plants. Coordinates other licensing tasks such as evaluating information received from licensees in response to NRC requests, preparing responses to public petitions and correspondence associated with individual licensees, and providing assistance to the Regions or other NRC organizations. Coordinates and provides presentations to the Commission, ACRS, industry groups, and other government offices on licensee-related activities.

### **Division of Inspection and Regional Support (DIRS)**

Develops policy and provides overall program management and planning for the reactor inspection and performance assessment programs for commercial operating nuclear power plants. Develops and oversees the radiation protection inspection and licensing programs. Implements programs and procedures to systematically assess and screen daily reactor events, recommends immediate corrective plant-specific and generic actions, and coordinates follow-up activities after events. Develops programs and guidelines to improve generic technical specifications and provides NRR interpretations of TS requirements. Develops policies and guidance and implements the national program for the licensing of nuclear reactor operators. Develops programs and conducts reviews to ensure the effective consideration of human factors engineering in nuclear power plant design and operation and the adequacy of facility training programs and emergency operating procedures.

### **Division of Policy and Rulemaking (DPR)**

Responsible for the development, documentation, and implementation of policies, procedures and program management for reactor rulemaking, including regulatory analysis and the process for maintaining the Code of Federal Regulations associated with reactor regulation; financial reviews, including decommissioning funding assurance, insurance, and indemnification; reviews of amendments to antitrust license conditions; generic communications; topical reports; licensing processes, including NOEDs, §2.206 petitions, and regional TIAs; interoffice coordination, including coordination of reactor-related reports, research user needs and regulatory guides; and, coordination with industry groups, including the Nuclear Energy Institute,

the Electric Power Research Institute, the American Society for Mechanical Engineers, owners groups, reactor vendors, and other industry groups. Responsible for all licensing and oversight for operating research and test reactors, including conduct of operator licensing and coordination of security and decommissioning activities. Coordinates with Office of Nuclear Security and Incident Response on safeguards, security, and offsite emergency preparedness. Coordinates with the Office of New Reactors on rulemaking regarding new reactor facilities.

**OFFICE OF NEW REACTORS (NRO)**

**PROPOSED FUNCTIONAL STATEMENTS**

Responsible for accomplishing key components of the Nuclear Regulatory Commission's nuclear reactor safety mission for new reactor facilities licensed in accordance with 10 CFR Part 52. As such, NRO is responsible for regulatory activities in the primary program areas of siting, licensing and oversight for new commercial nuclear power reactors, to protect the public health, safety, and the environment and to promote the common defense and security. NRO works with the regions and other offices to accomplish the agency mission.

**Division of Safety System & Risk Assessment (DSS)**

Performs systems-related safety evaluations of applications for new facilities or designs and provides technical support and expertise for special projects, programs, and policy activities. Reviews and evaluates design-basis and severe accident issues as they relate to advanced plant designs and combined licenses.

Develops and implements policies and guidance for the use of probabilistic risk assessments (PRA) and associated analyses in regulatory decision making for new reactors. Applies risk informed methods to support resolution of regulatory issues. Reviews PRA submittals and severe accident design features related to the certification and licensing of advanced designs. Provides risk assessment support in areas of plant security and utility actions to reduce potential vulnerabilities.

**Division of Engineering (DE)**

Performs engineering-related safety reviews and quality assurance-related reviews of applications for design certification, early site permits, combined licenses, and new reactor pre-application activities. Provides technical expertise to support regional activities, special projects, programs, and policy activities. Reviews may be in support of topical reports, ASME Code changes, or new reactor designs.

**Division of Siting and Environmental Review (DSER)**

Responsible for early site permit and environmental portion of COL application reviews. Develops and maintains the necessary regulatory infrastructure to support issuance of ESPs. Responsible for interactions with stakeholders on issues related to ESP activities including Congress, the Commission, ACRS, applicants, and other stakeholders.

**Division of New Reactor Licensing (DNRL)**

Responsible for the project management for design certification application reviews, combined license application reviews, and new reactor pre-application activities. Develops and maintains the necessary technical and programmatic support for new reactor licensing activities, guidance development, interaction with stakeholders on issues pertaining to new reactors, large-scale project management tools, schedule and resource planning and tracking, and issuance of design certifications and COLs.

**Division of New Reactor Oversight (DNRO)**

Develops policy and provides overall program management and planning for the Construction Inspection Program for new commercial nuclear power plants. Coordinates with Region II, the Office of Nuclear Reactor Regulation, and other offices in support of the new reactor oversight program. Develops programs and conducts reviews to ensure the effective consideration of human factors engineering in nuclear power plant design and the adequacy of facility training programs and emergency operating procedures.

**REGION II**

**PROPOSED FUNCTIONAL STATEMENTS**

**Deputy Regional Administrator for Construction**

Executes established NRC policies and assigned programs relating to inspection, licensing, enforcement, investigation, and governmental liaison for construction inspection program activities for reactors and fuel cycle facilities, nationwide.

**Division of Construction Projects**

Implements and coordinates the inspection of construction and fabrication activities for new reactors and fuel cycle facilities. Performs related project management activities. Supervises and directs the resident inspection staff at each reactor construction site and coordinates site inspection activities with the Division of Construction Inspection. The span of activities includes, but is not limited to, inspections; enforcement; assessment; allegation follow-up; and the recruiting and training of staff. Assists the Office of New Reactors and the Office of Nuclear Material Safety and Safeguards in the development of the necessary regulatory infrastructure to support reactor and fuel cycle facility construction activities. Coordinates with the Office of New Reactors, the Office of Nuclear Reactor Regulation, the Office of Nuclear Material Safety and Safeguards, and the host regional office. Serves as the contact with applicants, Headquarters offices, external stakeholders, and the public for construction activities.

**Division of Construction Inspection**

Implements assigned portions of the construction inspection program and the vendor inspection program for all new reactors and fuel facilities. Provides specialized technical support to the Division of Construction Projects. Serves as the focal point for coordinating with technical counterparts and referring potential generic insights to Headquarters. Coordinates with the technical divisions in the Office of New Reactors, the Office of Nuclear Reactor Regulation, the Office of Nuclear Security and Incident Response, and the Office of Nuclear Material Safety and Safeguards.