

S. HRG. 114-336

**OVERSIGHT HEARING: THE PRESIDENT'S
FISCAL YEAR 2017 BUDGET REQUEST FOR
THE NUCLEAR REGULATORY COMMISSION**

HEARING
BEFORE THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
ONE HUNDRED FOURTEENTH CONGRESS
SECOND SESSION

APRIL 6, 2016

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ONE HUNDRED FOURTEENTH CONGRESS
SECOND SESSION

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OVERSIGHT HEARING: THE PRESIDENT'S FISCAL YEAR 2017 BUDGET REQUEST FOR THE NUCLEAR REGULATORY COMMISSION

WEDNESDAY, APRIL 6, 2016

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m. in room 406, Dirksen Senate Office Building, Hon. James M. Inhofe (chairman of the committee) presiding.

Present: Senators Inhofe, Boxer, Barrasso, Capito, Crapo, Boozman, Wicker, Fischer, Rounds, Carper, Cardin, Gillibrand, Booker, and Markey.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator INHOFE. I would like to begin by welcoming all four commissioners here. I appreciate it.

And I say particularly to you, Commissioner Ostendorff, I understand you are going to be going back to your previous duties, less strenuous, I would assume, teaching at the Naval Academy. You have had a great background in history and great contributions to this committee. We will miss you. We will all miss you sitting out there.

By the way, right now there are two vacancies. Mrs. Jessie Roberson is one of them that has been nominated. These are partisan nominations, so that would be a Democrat slot. What we have always done in the past we will attempt to do again now, is to pair with a Republican, and we are hoping we will be able to do that. We are in contact right now with the White House to try to accommodate that, because I would hate to have to try to operate with just three commissioners.

Barbara is here.

Senator BOXER. Good morning, Jim.

Senator INHOFE. Good morning, Barbara.

So, anyway, that is what our intention will be. And we are going to ask, also, as I did individually with you, since we have a vote at 11, that means we can stay here until 11:15. I think if everyone stays within the time limit, that will work, and that is what we will be asking our members to do.

The NRC requested \$982 million in budget authority for fiscal year 2017, down slightly from fiscal year 2016. The NRC's safety

mission is a critical one, but it accomplished its mission with significantly fewer resources in the past.

Following 9/11 the NRC's budget grew to address rising security concerns. Around 2006 it started growing to address growth in nuclear energy. Unfortunately that growth hasn't been as robust as we thought. In fact, we have seen five reactors close in recent years, and at least three more will be closed by 2019. The NRC's budget remains significantly higher.

So what I am saying is we raised the budget anticipating greater activity out there, and that didn't happen. But it is very typical of a government agency to maintain that same size. So we have a chart. What I am saying is right here, if you look at the increases, and then you look at the workload, the workload is going down, money is going up, and this is not the first time in Government that that has happened. So I am concerned about this.

As a result of Project Aim, the NRC staff has proposed to the Commission an additional \$31 million in cost savings for next year. That is good, but that is not enough.

Now, back then I talked to Barbara about what happened in 1998. At that time we had actually gone 4 years without any oversight, and that is something that doesn't work. So at that time the stakeholders identified several areas for improvement in the Commission meeting and before this Committee, and I was there at the time, and I remember it well.

Those recommendations were five: the timely and fiscally responsible review of the licensing actions; stricter application of the Backfit Rule; the systematic application of a clear standard of safety significance in regulatory decisionmaking rather than vague terms such as enhanced defense-in-depth; more disciplined use of Requests for Additional Information, or RAIs; and the need for an objective, quantitative assessment of safety performance.

You may have noticed that this committee has either written or requested the Commission on all these subjects in the last year. It appears that many of the inefficiencies that plagued the NRC in the 1990s have returned, and that is what we have been talking about.

Back then, in response to congressional oversight Chairman Shirley Ann Jackson held a meeting with stakeholders to delve into their concerns. She followed with a memo tasking agency staff with developing a plan to address those concerns and others raised by this committee.

The Executive Director, Joe Callan, seized her challenge, and his routine progress reports became legendary examples of the agency's self-improvement capability and responsiveness. All of this transpired under 3 months.

In 1998, in my first NRC hearing as subcommittee chairman an industry witness testified, "Just as the industry has made a significant transition in the way it operates in a competitive market, the NRC must replace an outdated, ineffective regulatory framework with one that is objective, safety-focused, and responsive," and it did.

The nuclear industry once again faces challenges in the marketplace, and once again the need for the NRC to be an objective, safety focused, and responsive regulator is imperative, and Chairman

Burns, I urge you to take a page out of Chairman Jackson's playbook and tackle these challenges.

Senator Boxer.

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF HON. JAMES M. INHOFE,
U.S. SENATOR FROM THE STATE OF OKLAHOMA

I'd like to begin by welcoming the four commissioners, but especially Commissioner Ostendorff who will leave the Commission in June to once again take up teaching at the U.S. Naval Academy. Bill, your service at the NRC came during some tough times. I personally appreciate your service.

By July 1st, there will be two vacancies at the Commission. Mrs. Jessie Roberson was nominated for the open seat. I have met with the nominee as have many other members of the committee. Before moving forward with her nomination, it is important to know the White House's intentions on the open seat. The NRC has partisan seats, and pairing the nominations informs the committee members' decisions.

We will continue with the committee's practice of a 5-minute opening statement from Chairman Burns and 2 minutes for each of the commissioners.

The NRC requested \$982 million in budget authority for fiscal year 2017, down slightly from fiscal year 2016.

The NRC's safety mission is a critical one, but it accomplished its mission with significantly fewer resources in the past.

As a result of Project Aim, the NRC staff has proposed to the Commission an additional \$31 million in cost savings for next year.

While this is a step in the right direction, I believe the Commission should move beyond incremental savings and examine its budget and regulatory processes more fundamentally.

The NRC can do better. I've seen it do better. Unfortunately, the situation we are witnessing now reminds me of the late 1990s.

Back then, stakeholders identified several areas for improvement:

- The timeliness and fiscally responsible review of licensing actions;
- Stricter application of the Backfit Rule;
- Systematic application of a clear standard of safety significance in regulatory decisionmaking rather than vague terms such as "enhanced defense-in-depth";
- More disciplined use of Requests for Additional Information, or RAIs; and
- The need for an objective, quantitative assessment of safety performance.

You may have noticed that this committee has either written or questioned the Commission on all of these subjects in the last year. It appears that many of the inefficiencies that plagued the NRC in the 1990s have returned.

Back then, in response to congressional oversight, Chairman Shirley Ann Jackson held a meeting with stakeholders to delve into their concerns. She followed with a memo tasking agency staff with developing a plan to address those concerns and others raised by this committee.

The Executive Director, Joe Callan, seized her challenge, and his routine progress reports became legendary examples of the agency's self-improvement capability and responsiveness.

All of this transpired in under 3 months.

In 1998, an industry witness testified: "Just as the industry has made a significant transition in the way it operates in a competitive market, the NRC must replace an outdated, ineffective regulatory framework with one that is objective, safety focused and responsive."

The nuclear industry once again faces challenges in the market place, and once again the need for the NRC to be an objective, safety focused, and responsive regulator is imperative.

Chairman Burns, I urge you take a page out of Chairman Jackson's playbook and tackle these challenges.

**OPENING STATEMENT OF HON. BARBARA BOXER,
U.S. SENATOR FROM THE STATE OF CALIFORNIA**

Senator BOXER. Thank you.

I would like to welcome the commissioners here.

There are many important topics facing us, including implementing post-Fukushima safety improvements, ongoing efforts to cut costs, and the Commission's work on decommissioning reactors

such as the San Onofre Nuclear Generating Station in my home State.

Today's hearing comes more than 5 years after the Fukushima tragedy. The people in Japan continue to suffer from the consequences of this disaster. It may be pleasant not to look at it, but we better look at it.

A study released in October 2015 and published in the journal *Epidemiology* found that children living near the site of the Fukushima meltdown have been diagnosed with thyroid cancer at a rate 20 to 50 times that of children elsewhere. Also, in October Japan's Health Ministry announced the first confirmed case of cancer in a Fukushima recovery worker. These reports do not inspire confidence.

Just last month the Gallup Poll showed that for the first time a majority of U.S. adults, 54 percent, opposed nuclear power.

I have been saying over and over again since Fukushima, in order to earn the confidence of the American public and win them over, the nuclear power industry must do everything it can to avoid similar disasters, and so must you. That is why it is so critical to address post-Fukushima safety recommendations that were identified by the Fukushima Near-Term Task Force in 2011.

While I recognize that progress has been made on some of the recommendations I remain concerned that not one—not one—of the 12 Task Force recommendations has been fully implemented, and many have been closed without any action at all.

We will share with you this chart. Sadly, it is the same darned thing I held up months ago. What are you folks doing over there? You have a majority of the people against nuclear power for the first time in a long time. People believe nuclear should be part of the mix if it is safe.

So you have reports out of Japan; you had your task force tell you what to do. I will tell you if the Congress did that, we would all be voted out if we were expected to take certain steps. I don't understand it. So I am going to ask you about it.

Now, in addition to this, the non-action over here, the Commission recently approved an NRC staff proposal to close out numerous lower priority recommendations without taking any action to implement safety improvements. This approach ignores the serious safety concerns raised in the wake of Fukushima.

I am concerned that the efforts to reduce your budget would undermine safety if they are not implemented carefully, those cuts. The staff recently provided the Commission with a paper outlining 151 recommendations for cutting costs. Unfortunately, some of these recommendations would reduce or eliminate important safety initiatives, including new limits on inspections at nuclear plants.

If we want to convince the American people, again, that they are wrong on nuclear power, that it can be done safely, this is the worst way to go about it I have heard. I don't get it. I really don't, in all sincerity.

The Commission has to live up to its mission "to ensure the safe use of radioactive materials for beneficial civilian purposes while protecting people and the environment." One mess-up in any one of these power plants, and it is over for the nuclear power industry.

I hope everyone understands that, with this news coming out of Fukushima.

Finally, I want to highlight challenges at the two nuclear power plants in my home State. My people there are telling me they are very concerned that Diablo Canyon cannot withstand earthquakes that could occur in the area. Despite evidence in recent years of increased seismic risk at the plant, the NRC is proceeding merrily along the way with the relicensing process for this plant and has failed to take action to address seismic safety concerns. My people are at a loss to understand it.

And at the San Onofre Nuclear Plant, which is closed permanently, there are many concerns about public safety during the decommissioning process. As I stated at our October hearing, I disagree with NRC's approval of exemptions to emergency planning requirements. Why would you do that with so many people living so close to this plant?

Because of this exemption, the plant's operator will no longer be required to maintain detailed plans for the evacuation, sheltering, and medical treatment of people residing in the 10-mile zone. This is troubling. You know how populated the area is, and there are thousands of tons of extremely radioactive spent fuel remaining at the site and millions of people, millions living in close proximity.

So, in closing, and I will close in 10 seconds, you cannot be a rubber stamp for exemptions from the nuclear industry. That is not your job. That is counter to your job. And I think you owe it to the citizens of my great State and the Nation to make safety your highest priority.

Thank you.

Senator INHOFE. Thank you, Senator Boxer.

Without objection, I want to enter into the record this article from Platts entitled Nuclear safety upgrades post-Fukushima cost \$47 billion, a very complimentary article to you folks.

[The referenced information follows:]

Platts: Nuclear safety upgrades post-Fukushima cost \$47 billion

- I'd like to ask to have this article from Platts, "Nuclear safety upgrades post-Fukushima cost \$47 billion," included in the record.
- For those who question what has been done since Fukushima to make our plants safer, I'd like to call your attention to an article from Platts which states that

The US nuclear industry has estimated more than \$4 billion, or about \$40 million/reactor, will be spent by 2017 or 2018 to meet the requirements.

- This \$4 billion, which ultimately is paid for by electricity customers, has been spent to make our plants safer and better able to withstand extreme events.
- It is NRC's responsibility to ensure that these improvements are warranted and that the safety benefits are commensurate with the costs.
- This \$4 billion expenditure signifies significant work by the NRC and the industry and I believe both are to be commended for their efforts to improve the safety of our nuclear plants.

Platts: Nuclear safety upgrades post-Fukushima cost \$47 billion

Five years after the accident at Fukushima I in Japan resulted in three reactor meltdowns, the global nuclear industry is spending \$47 billion on safety enhancements mandated after the accident revealed weaknesses in plant protection from earthquakes and flooding. This is according to a Platts review put together by Steven Dolley in DC, Benjamin Leveau in London, Yuzo Yamaguchi from Tokyo, as well as Platts correspondents in Sweden, South Korea and China.

Reactions to the March 11, 2011 accident ranged from pauses in new nuclear construction programs in China to Germany's decision to gradually phase out nuclear generation.

But in the majority of countries with nuclear power, plans for new reactors have been scaled back, not just because of the Fukushima I accident but for economic reasons, as competing sources of power become less expensive, renewable energy grows in popularity and slow economic growth curbs demand.

Global nuclear regulators carried out reviews of the accident, and in most countries nuclear plant operators were required to install backup sources of electric power and cooling water along with additional protection from earthquakes and flooding. A record-setting earthquake triggered a tsunami that swamped backup emergency power generators and disabled on-site power distribution systems at Fukushima I, leading to a complete loss of cooling.

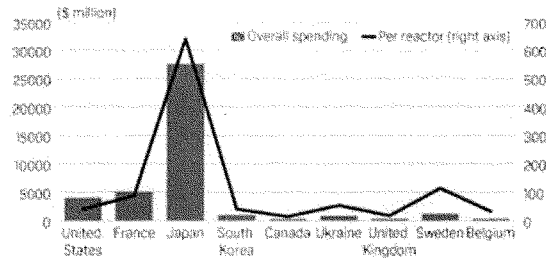
Those safety improvements have come at a high cost.

A Platts review found that in nine of the 13 countries with the largest nuclear fleets, costs to comply with post-Fukushima requirements will total more than \$40 billion, mostly before 2020. Those countries accounted for 289, or two-thirds, of the power reactors in operation worldwide.

The median of the costs was \$46.9 million/reactor.

If the remaining reactors not covered in the Platts survey spent the median amount to meet post-Fukushima regulatory requirements, the global cost to make post-Fukushima enhancements would be \$47.2 billion.

POST-FUKUSHIMA SAFETY COSTS THROUGH 2020



Source: Platts reporting

The greatest cost per country was in Japan, where operators may spend \$640 million per reactor to enhance safety.

The OECD Nuclear Energy Agency released a five-year status report on the Fukushima I accident, concluding that actions implemented by member countries had improved the overall safety of the world's nuclear fleet, but that enhancing safety remains "a long-term process."

NEA Director General William Magwood said February 29 he believes the addition of portable power sources and sources of cooling is one of the most important improvements resulting from the Fukushima I accident. Validating the safety culture and independence of a country's nuclear regulatory regime is another element that Magwood said is important.

While Magwood said he recognized member countries had responded differently to the Fukushima I accident, he said he had been "struck by the commonality" in the response to the accident.

In the US, Nuclear Regulatory Commission members in 2012 ordered power reactor operators to enhance their ability to mitigate severe accidents. The US nuclear industry has estimated more than \$4 billion, or about \$40 million/reactor, will be spent by 2017 or 2018 to meet the requirements.

"The industry has managed its response to Fukushima while avoiding costly new requirements that would have provided little benefit," said Marvin Fertel, CEO of the Nuclear Energy Institute, in New York February 11.

Anti-nuclear groups have said the regulatory and industry response following the Fukushima I accident has been insufficient. Regulators in the US have "capitulated" to industry by failing to order vent filters, the group Beyond Nuclear said in a March 10 statement.

Measures to protect nuclear plants from earthquakes and flooding have left unaddressed vulnerabilities in areas such as plant security, the group said.

The biggest problem facing US nuclear plant operators recently has been economic. Low natural gas prices and an abundance of cheap renewable electricity in some markets have created financial problems for nuclear plants in competitive electricity markets. Entergy in late 2015 said it would permanently shut two stations, the 849 MW FitzPatrick in New York state and 728 MW Pilgrim in Massachusetts.

Japan's nuclear reactors were all shut following the Fukushima I accident, and only two have met regulatory requirements and restarted.

The country's nuclear industry has budgeted about Yen 3.1 trillion (\$27.5 billion) for earthquake and tsunami protection following the accident.

Shunichi Tanaka, chairman of the Japanese nuclear regulator, said March 23 that Japanese reactors have to be protected from greater earthquake or tsunami risks than those in most other countries. "There have been few big earthquakes or tsunami in Europe, unlike in Japan."

Power companies in Japan are willing to spend billions of dollars on reactor upgrades because they expect the investments will help them reduce substantial costs spent on replacement fossil fuels. Restarting the two Takahama reactors, for example, could save about Yen 10 billion/month for Kansai Electric Power Co., a company spokesman said March 22.

For Germany, the Fukushima I accident was the catalyst for a government decision to permanently shut the country's nuclear reactors.

In April 2011, German Chancellor Angela Merkel said her government was moving to phase out nuclear power in favor of renewables. After the accident, the government ordered that the country's seven oldest units be shut permanently and set a schedule for nine remaining units to shut by 2022.

The phase-out decision, which parliament confirmed, sparked a number of lawsuits by German nuclear utilities that are still pending.

Because of the broad German political consensus on shutting nuclear power, politicians have said there is no reversing the phase-out decision.

"The nuclear phase-out decision will not be reversed as there is no serious political party favoring nuclear power," Claudia Kemfert, a professor of energy economics at the Hertie School of Governance in Berlin, said.

Despite the Fukushima I accident, the political consensus in favor of nuclear energy and the UK's new nuclear plant construction program remains.

Tim Yeo, who was an environment and energy minister in the Conservative government of Prime Minister John Major in the mid-1990s, said March 14 he attributes this to a combination of bipartisan support for nuclear power and a robust and the UK regulator's 2011 report concluding there was no inherent weakness in the regulation of UK nuclear stations.

France ratified last year a law that aims to change the country's energy mix, reducing the share of nuclear energy in electricity production to 50% from 75% and promoting renewable energy use in its place. But the practical steps to reduce nuclear power's share of generation have yet to be discussed.

State utility EDF estimated in late 2011 that it would cost Eur11 billion to 2033 to implement the safety measures that the country's nuclear safety authority, ASN, recommends. The post-Fukushima measures were divided in phases, with the first two phases costing an estimated Eur4.5 billion to 2020.

South Korea will spend a total of Won 1.1 trillion (\$930 million) to carry out post-Fukushima measures from 2011 to 2017, Kim Tae-Seok, a senior spokesman for the country's state-run nuclear power operator, Korea Hydro & Nuclear Power, or KHNP, said March 15.

The political and economic impact of the accident in South Korea include larger protests by residents against plans to build new reactors, which has forced the government to offer larger economic aid packages to win support in those communities.

Following the Fukushima I accident, China's government slowed the approval process for planned units and suspended approvals for the start of construction of any new plants, Xu Dazhe, the chairman of the China Atomic Energy Authority, said at a briefing January 27.

The country resumed new nuclear plant construction approvals in 2015, with the start of work at Hongyanhe-5.

Senator INHOFE. Mr. Chairman, if you would begin. And I am going to ask you all to try to stay within your time.

**STATEMENT OF STEPHEN BURNS, CHAIRMAN,
U.S. NUCLEAR REGULATORY COMMISSION**

Mr. BURNS. Thank you, Chairman Inhofe and Ranking Member Boxer and other members of the committee. We appreciate the opportunity to appear before you this morning to provide an update on the fiscal year 2017 budget request and the agency's current regulatory activities.

As we said, the NRC is an independent agency established to license and regulate the civilian use of nuclear and radioactive materials in the United States and ensure adequate protection of the public health and safety to promote the common defense and security and protect the environment. The resources we are requesting will allow the NRC to continue to carry out our important mission.

The proposed 2017 budget is \$970 million and 3,462 FTE, full-time equivalent staff, excluding the Office of the Inspector General. The proposal represents a net decrease of nearly \$20 million and 90 FTE from the fiscal year 2016 enacted budget. The request reflects a decrease of approximately \$74 million and 280 full-time equivalent employees from the 2014 enacted budget.

The inspector general component of the 2017 budget is \$12 million.

Consistent with the Omnibus Budget Reconciliation Act, our 2017 request provides for 90 percent fee recovery, resulting in a net appropriation of \$121 million. This appropriation is an increase of \$2 million compared with the 2016 enacted budget due to the inclusion of \$5 million in non-fee recoverable resources for advanced nuclear reactor technology.

Our 2017 budget request reflects our continuing focus on our important mission while continuing our Project Aim initiative. We are concluding the review of the re-baselining paper that outlines an additional 150 activities that could be eliminated or reduced without an impact on safety, for a savings of about \$41 million in 2017, of which \$10 million has already been reflected in the fiscal year 2017 President's budget request.

We cannot emphasize, however, strongly enough that while we expect to be a smaller agency as a reflection of workload reductions and efficiency gains, the need for the great majority of the services that we provide the American people remains unchanged. As we proceed the agency remains mindful of the importance of its highly skilled technical staff and the need to maintain our expertise. We must keep a focus on knowledge management as senior staff retire and new experts take their place.

I want to highlight one area the Commission is attending to: improving our rulemaking process. The Commission has revised its processes to improve its understanding of, and where possible to reduce the cumulative effects of regulation. In addition, the Commission has recently directed the staff on a proposed plan to better define and enhance the Commission's role in the early stages of rulemaking, before significant resources are expended.

The Commission is also considering a proposal to establish a single unified approach to tracking rulemaking activities so the public and stakeholders have real-time access to current information.

We carry out our safety and security activities through two major programs: nuclear reactor safety, which includes operating reactors and new reactors; and nuclear materials and waste safety, consisting of fuels facilities, nuclear materials users, decommissioning and low level waste, spent fuel storage, and transportation.

Our request in the operator reactors business line represents a decrease of \$1.7 million from the 2016 enacted budget.

These resources that we request will help with implementation of lessons learned from the Fukushima Daiichi accident in Japan. The requested resources support the continued implementation of the most safety significant, or Tier 1, enhancements that were identified after Fukushima, including implementation of our orders on mitigation strategies, spent fuel instrumentation, and severe-accident-capable hardened vents, and completion of the mitigation of beyond-design-basis events rulemaking.

The bulk of the most safety significant enhancements for post-Fukushima should be completed in this year, calendar year 2016. We expect to bring to closure our evaluation of the longer term Tier 2 and Tier 3 issues. We will inspect the work that has been done and ensure plants maintain their progress. We strongly believe that the United States' plants are better prepared for extreme events now than they were in 2011.

On a related note, the NRC recently issued letters to the Nation's commercial operating plants about their 2015 performance. While the vast majority fully met safety and security performance objectives, three reactors at two sites, Arkansas Nuclear and Pilgrim, were deemed to be in the fourth or lowest performance category.

To wrap up, we have requested in our budget to cover some new reactor activities, including the review of the small modular reactor design expected from NuScale, and we have asked for \$5 million in non-fee activities to cover development of image structure for advanced reactors.

I thank you for the opportunity to appear, and we would be pleased to answer your questions.

[The prepared statement of Mr. Burns follows:]

**STATEMENT OF STEPHEN G. BURNS, CHAIRMAN
U.S. NUCLEAR REGULATORY COMMISSION
BEFORE THE
SENATE ENVIRONMENT AND PUBLIC WORKS
COMMITTEE
April 6, 2016**

Chairman Inhofe, Ranking Member Boxer, Chairwoman Capito, Ranking Member Carper, and distinguished Members of the Committee, my colleagues and I appreciate the opportunity to testify this morning to provide an update on the U.S. Nuclear Regulatory Commission's (NRC) Fiscal Year (FY) 2017 budget request and the agency's current regulatory activities.

As you know, the NRC is an independent agency established to license and regulate the civilian use of radioactive materials in the United States to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment. The resources we are requesting for FY 2017 will allow the NRC to continue to uphold our important safety and security mission.

This budget request reflects a substantial reduction from the 2016 enacted budget. NRC's Project Aim is delivering on the promise to achieve efficiencies in both corporate and programmatic areas. The NRC has taken a hard look at the proposed FY 2017 budget, and is proposing reductions in both full-time equivalents (FTE) and contract support dollars that represent real savings. As we continue our work through the Project Aim initiative, we anticipate additional savings and efficiencies to come.

To put this in context, the FY 2017 budget request reflects a decrease of \$73.7 million and 279.7 full-time equivalent employees from the FY 2014 enacted budget. We believe this FY 2017

budget request reflects our continuing focus on our important mission while achieving resource savings and improving the agency's efficiency and effectiveness.

THE CHANGING REGULATORY ENVIRONMENT

Beginning in 2001, the agency grew significantly to enhance its security and incident response regulatory structure, and to prepare for the projected growth in nuclear power in the United States. That forecast in growth has been adjusted downward in response to changes in the nuclear industry. As is appropriate, the NRC is being scrutinized by its stakeholders for its response to these changes and the resulting use of resources. The NRC's safety and security mission remains paramount as actions are taken to re-baseline the agency, take a hard look at our workload and achieve efficiencies.

We are confident the agency is on the right track with our Project Aim initiative to find efficiencies, use resources wisely, and streamline processes and regulatory decision making while continuing to meet our critically important safety and security mission. More than \$9 million in savings in the FY 2017 budget proposal has already been identified through a comprehensive evaluation that involved staff at all levels of the agency, as well as stakeholder input. The savings, particularly in the areas of rulemaking, travel and corporate support are significant. However, we are continuing to pursue additional efficiencies.

The Project Aim Steering Committee has delivered to the Commission a rebaselining paper that outlines additional proposed efficiencies. While still under Commission review, the now-public paper reflects more than 150 activities that could be eliminated or reduced over the next six months, for a savings of about \$41.1 million in FY 2017 (of which, \$9.9 million of the reduction has already been applied in the FY17 Presidents' Budget). Total potential reductions identified over 18

months are \$49.5 million. The staff recently submitted to the Commission a paper outlining additional areas for longer-term efficiencies and projected workload changes through FY 2020.

However, we cannot emphasize strongly enough that the NRC's ability to ensure adequate protection of public health and safety and the common defense and security will always be our main concern. While our size may change to reflect workload reductions and efficiency gains, the need for the great majority of the services we provide the American people remains unchanged.

As we proceed, the agency remains mindful of the importance of its highly skilled technical staff and the need to maintain our expertise. We must keep a focus on knowledge management as senior staff retire and new experts take their place. We must not forget the success of the agency is due, in no small part, to the quality and dedication of the agency's people. Remaining one of the best places to work in the Federal government is important to our ability to continue to recruit the most talented candidates, and retain our skilled and knowledgeable technical experts.

To highlight one other area where the Commission is focusing on improvement: the Commission's rulemaking process. Over the last several years, the Commission has revised its rulemaking processes to improve its understanding of, and, where possible, reduce the cumulative effects of regulations. These new processes include increased opportunities for stakeholder interactions and feedback, publishing draft supporting guidance concurrent with proposed rules, requesting specific comment on the cumulative effects of regulations in proposed rules, and developing better-informed implementation timeframes. In addition, the Commission has recently issued its direction to staff on a proposed plan, which presented eight recommendations to better define and enhance the Commission's role in the early stages of rulemaking, before significant resources are expended.

Further, the staff is tasked with providing a vote paper to the Commission this month recommending a single, unified approach to tracking rulemaking activities so the public and stakeholders have “real time” access to current information. While the NRC prides itself on being one of the most transparent agencies in the federal government, this tasking will improve communication and ensure the accuracy and timeliness of rulemaking information.

FY 2017 BUDGET REQUEST

The NRC's proposed FY 2017 budget is \$970.2 million and 3,462 FTE, excluding the Office of the Inspector General (OIG). The proposal represents a net decrease of \$19.8 million from the FY 2016 enacted budget, as well as a decrease of 90 FTE.

The OIG's component of the FY 2017 budget is \$12.1 million, of which \$11.2 million is for auditing and investigation activities for NRC programs and \$1 million is for auditing and investigation activities of the Defense Nuclear Facilities Safety Board (DNFSB). These resources will allow the OIG to carry out its mission to independently and objectively conduct audits and investigations to ensure the efficiency and integrity of the NRC and DNFSB, to promote cost-effective management, and to prevent and detect fraud, waste, and abuse.

Consistent with the provisions of the Omnibus Budget Reconciliation Act of 1990, as amended, the NRC FY 2017 budget request provides for 90 percent fee recovery, less the amounts appropriated for generic homeland security activities, waste incidental to reprocessing activities and DNFSB activities. Accordingly, \$861.2 million of the FY 2017 budget will be recovered from fees assessed to NRC licensees, resulting in a net appropriation of \$121.1 million. This appropriation is an increase of \$2.1 million compared with the FY 2016 enacted budget due to the inclusion of \$5 million in non-fee-recoverable resources for advanced nuclear reactor technology.

The NRC carries out its safety and security activities through two major programs: Nuclear Reactor Safety, which includes both Operating Reactors and New Reactors, and Nuclear Materials and Waste Safety, consisting of fuel facilities, nuclear materials users, decommissioning and low-level waste, and spent fuel storage and transportation. Compared to the FY 2016 enacted budget, the NRC's Nuclear Reactor Safety Program decreased by \$3 million and 61.9 FTE; the Nuclear Materials and Waste Safety Program, including Decommissioning and Low-Level Waste, decreased by \$1.8 million and 28.1 FTE.

Below are some highlights of the FY 2017 budget request.

NUCLEAR REACTOR SAFETY

Operating Reactors

The FY 2017 budget request for the Operating Reactors Business Line is \$587.5 million, a decrease of \$1.7 million from the FY 2016 enacted budget. This reflects declining or completed workload associated with, among other activities, implementation of the Fukushima lessons learned, license renewals and National Fire Protection Association 805 license amendment requests.

In FY 2017, the NRC will continue licensing and oversight activities for 100 operating commercial nuclear power reactors, including the Watts Bar Unit 2 nuclear power station slated to begin commercial operation later in calendar year 2016, and 31 research and test reactors.

The resources requested for FY 2017 also support ongoing work associated with implementing lessons learned from the Fukushima Dai-ichi Nuclear Power Plant accident in Japan. We expect

the bulk of the most safety significant enhancements to be completed in calendar year 2016 and to bring to closure our evaluation of the longer-term "Tier 2 and 3" issues. Resources requested for FY 2017 support the continued implementation of the "Tier 1" enhancements, including continued implementation and documentation of NRC Orders on mitigation strategies, spent fuel pool instrumentation and severe-accident-capable hardened containment vents, and completing the mitigation of beyond-design-basis events rulemaking. Resources will also support reviews associated with seismic and flooding hazard reevaluations.

The NRC has made great strides in enhancing U.S. nuclear power plants' already robust safety measures in the five years since the Fukushima Daiichi accident. We took swift action after the accident, ordering a variety of upgrades to plant safety. A key lesson from the accident was that plants must be prepared for events not contemplated when they were designed and constructed. Just as important, strategies to address events must be flexible to deal with variety of circumstances.

About half of U.S. commercial reactors have completed integrating portable pumps, generators and other resources and procedures to maintain key safety functions. We expect every U.S. plant to have these physical resources in place by the end of the year. The industry also has two fully operational national rapid response centers in Phoenix and Memphis with portable equipment that can be dispatched if needed.

Significant progress has been made on the NRC's requests for U.S. plants to re-examine earthquakes and flooding hazards. Every plant has updated its understanding of potential earthquakes at its site. A quarter of the plants have completed all their earthquake-related work. The remainder are assessing whether their new quake hazard affects the plant's ability to safely shut down. While improving flooding hazard information has proven more complex, more than half

of the plants have updated their understanding of flooding sources. All the plants will continue examining any risk changes due to revised flooding estimates.

Our next step is inspecting the work that's been done and ensuring the plants maintain their progress. We're adapting our inspections and other processes to cover these enhancements. We're also updating our assessment process to cover potential inspection findings related to the post-Fukushima upgrades. We're now to the point of incorporating the Fukushima-related work into our ongoing inspection and oversight processes. We strongly believe U.S. plants are better prepared for extreme events now than they were in 2011.

On a related note, the NRC recently issued letters to the nation's commercial operating nuclear plants about their 2015 performance. These assessment letters ensure all stakeholders clearly understand the basis for our assessments of plant safety and security performance and the actions we are taking to address any identified performance deficiencies.

All but three plants were in the two highest performance categories. Three reactors at two sites were deemed to be in the fourth, or lowest, performance category. One site, the Pilgrim nuclear power plant, is in that category due to long-standing issues of low-to-moderate safety significance. The plant will receive substantial additional inspection to confirm performance issues are being addressed. An additional Resident Inspector has been placed onsite to support more inspections in targeted areas, as well as more in-depth inspections.

Arkansas Nuclear One 1 and 2 are also under increased oversight because of two safety findings of substantial significance identified as a result of an industrial accident that occurred in March 2013. One worker was killed and eight were injured as a result of the accident, which was not radiological in nature.

The NRC has conducted several supplemental inspections as a result of its additional oversight at Arkansas Nuclear One. A public meeting to discuss the preliminary results of the inspection is being held today. A final report documenting the NRC inspectors' findings will be issued in June.

Also in June, the Commission will hold a briefing to hear the results of the Agency Action Review Meeting related to the performance at these two sites. The Commission will hear from NRC staff and officials from Entergy, which owns both sites, on how performance deficiencies are being addressed.

In FY 2017, the NRC's research program will continue to support the NRC's regulatory activities by evaluating and resolving generic safety issues for NRC-regulated nuclear power plants, other nuclear facilities and materials users that the agency regulates. The NRC will further enhance its regulatory programs through coordination and cooperation with other Federal agencies, States, Tribes, and international organizations and foreign governments. The NRC will continue to support international conventions on safety and treaty compliance, and support a wide range of activities to help foreign regulatory counterparts develop or enhance their programs and their controls over radioactive sources.

New Reactors

The FY 2017 budget request for new reactors is \$169.9 million, which represents a funding decrease of \$1.4 million when compared with the FY 2016 enacted budget. The decrease is a result of delays in application submittals, and project slowdowns or suspensions. The New Reactors Business Line is responsible for the regulatory activities associated with siting, licensing, and overseeing construction of new nuclear power reactors.

During FY 2017, the NRC expects to continue reviewing three new reactor combined license applications. These applications are for new plants at North Anna, Turkey Point and Bell Bend. Additionally, the NRC will continue to conduct inspections of four new reactor unit under construction – Vogtle Electric Generating Plant, Units 3 and 4, and Virgil C. Summer Nuclear Station, Units 2 and 3 – and will continue to carry out its vendor inspection program for both new and operating reactors. The NRC also expects to receive and begin review of one small modular reactor design certification application from NuScale.

The FY 2017 budget request includes \$5 million in non-fee-recoverable activities to implement a strategy for developing the regulatory infrastructure for advanced, non-light water nuclear reactor technologies. This funding would prepare the NRC to undertake effective and efficient licensing reviews of advanced reactor technologies consistent with the maturity and development pace of the technologies.

The strategy and associated activities to be initiated in FY 2017 would fall into three primary areas: licensing infrastructure, technical preparation, and outreach.

Under the licensing infrastructure activities, we would use the funding to conduct a gap analysis of regulations and guidance to determine areas where revisions are needed, and begin developing revised regulations and guidance for advanced reactors. We would also complete development of advanced reactor design criteria, evaluate new approaches to review conceptual designs on an incremental basis, and evaluate unique policy issues.

As for our technical preparation activities, staff intends to observe international design reviews as opportunities become available, to increase our expertise in advanced reactor technology and to

obtain lessons learned from advanced reactor technology licensing. For example, the Canadian Nuclear Safety Commission will be performing a design review for an advanced molten salt reactor designed by Terrestrial Energy.

Additionally, we would develop proposed revisions to industry codes and standards to address certain advanced reactor designs and develop related requirements. Further, we would conduct a hazard analysis to better understand the potential hazards and safety requirements to prevent or mitigate these hazards.

Important outreach activities would include the continuation of periodic engagements with designers of advanced reactors, participation in standards development for advanced reactors and information sharing with various national and international groups, including the Department of Energy, the Organisation for Economic Co-operation and Development's Nuclear Energy Agency and the International Atomic Energy Agency.

Being prepared to evaluate potential applications for light water-based small modular reactors and non-light water reactor technologies presents some challenges for the NRC, but the NRC is ready to receive and review any such applications under its existing framework.

Further, the FY 2017 budget request supports NRC plans to review three applications for medical isotope production facilities, including reviewing an operating license for one facility and conducting environmental and safety reviews of construction permits at two others.

NUCLEAR MATERIALS AND WASTE SAFETY

Fuel Facilities

The FY 2017 budget request for fuel facilities is \$41.5 million, which represents an overall funding decrease of \$2.9 million when compared with the FY 2016 enacted budget. The Fuel Facilities Business Line supports licensing, oversight, rulemaking, international activities, research, generic homeland security, and event response associated with the safe and secure operation of various operating and new fuel facilities such as conversion, enrichment, and fuel fabrication facilities, and nuclear fuel research and pilot facilities.

Nuclear Materials Users

The FY 2017 budget request for nuclear material users is \$92.5 million, which represents a funding increase of \$0.9 million when compared with the FY 2016 enacted budget.

The Nuclear Materials Users Business Line supports the safe and secure possession, processing, and handling of nuclear materials in many diverse applications, along with associated activities related to licensing, oversight, rulemaking, international engagements, research, generic homeland security, event response, and State, Tribal, and Federal Program interfaces. This increase is due to the resumption of a security rulemaking to address an industry petition and to conduct a rulemaking for cyber security at fuel cycle facilities. These were delayed in FY 2016.

The FY 2017 budget request ensures the NRC can continue to license and oversee the safe and secure use of radioactive materials used for medical, academic, industrial and research purposes. The NRC and Agreement states oversee approximately 21,000 specific materials licensees. In FY 2017, the NRC will complete approximately 2,000 materials licensing actions and approximately 900 routine health and safety inspections, as well as reactive and follow-up inspections.

Spent Fuel Storage and Transportation

The FY 2017 budget request for spent fuel storage and transportation is \$37.2 million, which represents an overall funding increase of \$1.1 million when compared with the FY 2016 enacted budget. The Spent Fuel Storage and Transportation Business Line supports licensing, oversight, rulemaking, international activities, research, and generic homeland security associated with the safe and secure storage and transportation of spent nuclear fuel and other radioactive materials. This increase is due to safety and environmental reviews of an interim consolidated storage facility and related safety analysis.

In FY 2017, the NRC will continue its oversight over nuclear waste and spent fuel storage facilities, certify storage and transportation containers, and respond to events involving our licensees. The NRC expects to receive and review one application for an interim consolidated storage facility.

Decommissioning and Low-Level Waste

The FY 2017 budget request for decommissioning and low-level waste is \$41.6 million, which represents an overall funding decrease of \$1 million when compared with the FY 2016 enacted budget. The Decommissioning and Low-Level Waste Business Line supports licensing, oversight, rulemaking, international activities, and research associated with the safe and secure operation of uranium recovery facilities, removal of nuclear facilities from service and reduction of residual radioactivity to a level that permits termination of the NRC license, and disposition of low-level radioactive waste from all civilian sources.

The FY 2017 budget request provides funding for licensing reviews and oversight activities at power reactors undergoing decommissioning, including Kewaunee Power Station, San Onofre Nuclear Generating Station Units 2 and 3, Crystal River 3 Nuclear Power Plant and Vermont Yankee Nuclear Power Plant. At least one additional plant, Entergy's James A. FitzPatrick Nuclear Power Plant near Oswego, New York, has announced plans to shut down on January 27, 2017.

The NRC has initiated a rulemaking on reactor decommissioning in accordance with direction from the Commission, with a goal of completion in 2019. NRC published an advanced notice of proposed rulemaking to solicit stakeholder input in November 2015, with a public comment period that recently closed in March. The staff is currently evaluating these public comments and developing the regulatory basis for the decommissioning rulemaking. To augment its outreach activities on this rulemaking, the Commission held a public meeting with a wide selection of stakeholders to hear their perspectives.

Public comment was sought on a variety of topics relevant to the rulemaking, such as achieving efficiencies in the decommissioning process, reducing the need for exemptions from existing regulations for operating plants, and addressing the timeliness of decommissioning and the role of state and local government, and other organizations. The NRC will continue processing current and pending applications for decommissioning amendments and exemptions until that regulatory work is complete.

CLOSING

This budget request represents a substantial reduction from the 2016 enacted budget. The President's Budget takes advantage of the Project Aim-identified efficiencies, and, as we continue

our work, we anticipate additional savings and efficiencies to come.

Chairman Inhofe, Ranking Member Boxer, Chairwoman Capito, Ranking Member Carper, and distinguished Members of the Committee, this concludes my formal testimony. On behalf of the Commission, I thank you for the opportunity to appear before you. I know you share our dedication to the vital mission of the NRC.

I would be pleased to respond to your questions. Thank you.

The Honorable James InhofeQUESTION 1.

In 1998, the Commission conducted a stakeholder engagement process that identified several areas for improvement, including the timeliness and fiscally responsible review of licensing actions; stricter application of the backfit rule; the systematic application of a clear standard of safety significance in regulatory decision-making rather than vague terms such as enhanced defense-in-depth; more disciplined use of Requests for additional Information, or RAIs; and the need for an objective, quantitative assessment of safety performance. During the April 6th hearing, you committed to hold a similar stakeholder meeting within three months.

a. Please describe steps taken since April 6th pursuant to this commitment [to hold a stakeholder meeting] and the Commission's Plans for the stakeholder engagement meeting(s) including the scope of the process, the timeframe for conducting the meeting(s) and completing the process, and plans for identifying participating stakeholders.

b. Following the 1998 stakeholder engagement meeting, then-Chairman Shirley Jackson tasked the NRC's Executive Director for Operations (EDO) with action on a set of high-priority tasks identified in the stakeholder meeting. The Executive Director responded in less than a month with a plan to address issues that had been raised both in the meeting and by Congress. During the April 6th hearing, you committed to task the current EDO with a similar responsibility and to report progress to this Committee every

couple of months. Please describe the plans for you and your fellow Commissioners to work with the EDO to ensure proper implementation of key outcomes and recommendations from this stakeholder process.

c. Please confirm that the stakeholder meeting will be conducted by July 6, 2016.

d. Please confirm that the first progress report to this committee will be provided by September 6, 2016.

ANSWER.

a. Following the oversight hearing on April 6, 2016, the Office of the Secretary identified records from the previous meetings with stakeholders beginning July 17, 1998, for Commission and staff review. Discussions have been held internally and externally on potential ways to structure a stakeholder meeting, and participants who could represent the wide range of interest in NRC work. The Commission is in the planning process for the meeting. Stakeholders are being invited to share their perspectives on the NRC's regulatory programs, provide examples to illustrate their concerns, and offer recommendations and solutions. Specific areas of focus may be identified but would not limit topics for discussion.

The Commission considered the timeframe for conducting the meeting with a focus on conducting a thoughtful and productive meeting and giving stakeholders sufficient notice to participate. We are planning to hold this meeting on July 26, 2016.

b. Consistent with its normal practice, the Commission plans to issue a staff requirements memorandum (SRM) following the stakeholder meeting providing direction on any actions the Commission expects to be taken based on input received during the meeting.

- c. The Commission considered the timeframe for conducting the meeting with a focus on planning a productive meeting and giving stakeholders sufficient notice to participate. We plan to hold this meeting on July 26, 2016.
- d. The first progress report to the Committee will be provided within 2 months of the date of the meeting.

QUESTION 2.

In SECY 14-0087, the Commission gave direction to the staff regarding the use of qualitative factors, stating:

“The appropriate degree of weight of application of qualitative factors in regulatory decision making ultimately lies with the Commission.”

However in response to questions following the October 7, 2016, hearing, the NRC responded that the Commission’s direction was limited to regulatory and backfit analyses.

a. Does that mean the Commission’s purview with regard to the application of qualitative factors is limited to regulatory and backfit analyses and that the NRC staff is otherwise free to utilize qualitative factors elsewhere, as with the Reactor Oversight Process?

b. The FY2017 budget indicates the NRC missed its timeliness metric for the Significance Determination Process by only one day in 2014, and because of a complicated issue at one plant in 2015. Please describe why it is necessary to inject additional subjectivity into the process when the NRC has only narrowly missed its timeliness metric.

ANSWER.

a. No. While the Commission paper SECY-14-0087, "Qualitative Consideration of Factors in the Development of Regulatory Analyses and Backfit Analyses," described the staff's plans for updating guidance regarding the use of qualitative factors in these analyses, the Commission direction as a result of that paper provided several high-level principles. Those principles stated that the staff's use of qualitative factors should continue to be disciplined, transparently documented, and used to inform Commission decisionmaking in limited cases when quantitative analyses are not possible or practical (i.e., due to lack of methodologies or data). The Commission also reinforced that the determinations on the appropriate degree or weight of application of qualitative factors in regulatory decisionmaking are—and must remain—the province of the Commission. As such, any substantive change in the weight given to qualitative factors elsewhere, such as within the Reactor Oversight Process requires Commission approval.

b. The Commission provided direction to the staff in the SRM to COMSECY-14-0030, "Proposed Suspension of the Reactor Oversight Process Self –Assessment for Calendar Year 2014," which states that the "staff should work to streamline the Significance Determination Process and establish appropriate timeliness metrics for finalizing inspection findings." The staff is developing process enhancements designed to reduce overall time required from discovery of an issue to a final regulatory decision without introducing additional subjectivity into the process. In addition, the staff is considering revisions to the current timeliness metric because it only measures the time from completion of inspection activities until completion of the significance determination, and it does not consider other steps in the inspection process, such as conduct of the inspection itself. The Commission will continue to closely monitor the staff's activities in this regard, and recently issued direction to the staff that any proposed significant changes to the Significant Determination Process should be provided to the Commission.

QUESTION 3.

During the hearing, the Commission testified that it has been actively engaging with the staff regarding the development of proposals to modify the reactor oversight process, and that the staff was soliciting stakeholder input on proposed modifications. The Commission noted that, while some modest adjustments may be within the staff's authority to make, any proposal that would have a significant impact to the program would require prior Commission approval.

- a. What is the status of the proposals to modify the reactor oversight process?
- b. When does the Commission expect to receive the staff's paper on the proposed changes, including those that require Commission endorsement or approval?

ANSWER.

a. The staff has two efforts underway to explore enhancements to the Significance Determination Process (SDP), which is used to evaluate inspection findings under the reactor oversight process. The first is the streamlining activity referenced in the response to Question 2b. This activity is focused largely on management oversight using existing program principles and will be tested internally over the next 6 to 12 months to assess its effectiveness before full implementation. The staff has conducted public meetings with industry and other stakeholders to discuss these potential changes and to seek feedback, and it has incorporated that feedback into documents associated with the process to be tested.

The second effort is to reduce the subjectivity of Inspection Manual Chapter 0609, "Significance Determination Process," Appendix M, "Significance Determination Process Using Qualitative

Criteria.” Appendix M is used when quantitative SDP tools are unavailable or have limitations that prevent their appropriate use, which historically has been only 13 percent of inspection findings with “greater-than-green” significance. The SRM to SECY-13-0137, “Recommendations for Risk-Informing the Reactor Oversight Process for New Reactors,” directed the staff to evaluate the need to provide additional clarity on the use of qualitative factors for operating reactors to provide more transparency and predictability to the process. Since the use of Appendix M has drawn significant interest from internal and external stakeholders, staff has developed a project plan that seeks active participation of industry and other stakeholders to develop an enhanced Appendix M document for SDP decisionmaking. The goal is to make Appendix M more objective, structured, repeatable, predictable, and transparent than the current Appendix M process.

b. The Commission has recently directed the staff to provide all proposed significant changes or pilot programs related to the Reactor Oversight Process to the Commission, accompanied by thorough, data-driven analysis that clearly identify the program performance issues that need to be addressed. In addition, the staff is developing criteria to define when Commission approval is needed for changes to the Reactor Oversight Process, and those criteria will be provided for Commission approval.

If proposed changes described in the response to item “a” meet these criteria and require a Commission vote, a paper would likely be developed in early 2017. Otherwise, the status of updates to the Reactor Oversight Process are communicated to the Commission in the staff’s annual Reactor Oversight Process Self-Assessment paper.

QUESTION 4. **If a plant receives a “white” finding in the Reactor Oversight Process, that finding is reported for a full year. If the plant fixes the**

problem and the NRC inspects and verified that fix within three months, the NRC continues to show the white finding for a year even though the problem has been resolved.

a. Please describe the justification for apparently misleading the public by indicating a plant is deficient even after the problem is corrected and has returned to normal.

ANSWER.

The concept of inspection findings counting towards plant assessment for a minimum of 1 year has been part of the Reactor Oversight Process since its inception in 2000. Inspection Manual Chapter 0308, "Reactor Oversight Process Basis Document," Attachment 4, "Technical Basis for Assessment," provides the basis for this concept:

An inspection finding is normally carried forward in the assessment program for a total of four calendar quarters. This is done to account for the fact that some inspections are only conducted once per year, and carrying inspection findings forward for 12 months allows an inspection result to have influence on the assessment program until the next inspection is conducted. Further, holding inspection findings open for 12 months allows them to accumulate with subsequent inspection findings (similar to PIs [performance indicators]) to indicate more pervasive and significant performance problems that require an increased level of interaction per the action matrix. Inspection findings would not be able to accumulate in this manner if they were not held open for 12 months. However, an inspection finding will not be removed from consideration of future agency actions (per the action matrix) until the identified weaknesses in the root cause evaluation associated with the inspection finding have been corrected.

The staff is determining if removing this requirement would encourage more timely licensee corrective actions and issue resolution. All stakeholders will be engaged as part of evaluating this proposal. A change of this nature would require a Commission vote for approval.

QUESTION 5.

Do you agree that the NRC should be able to establish, and its licensees and applicants rely on, schedules that assume NRC will live up to its commitment to process licensing amendment requests efficiently?

a. Do you agree that the NRC staff should adhere to its internal procedures to ensure timely and disciplined review of license amendment requests?

b. Does NRC have the right mix of knowledgeable experts to support sets necessary to manage its licensing workload?

c. What is NRC's long-term strategy for ensuring the capability to provide predictable, reliable, and timely processing of license amendment requests?

d. Considering the NRC's performance metric of completing 95% of license amendment reviews in one year, what percentage could be done in 6 months? How much might the NRC save by implementing that stretch goal?

ANSWER.

Yes, licensees and applicants should be able to rely on schedules that assume the NRC is processing licensing amendment requests efficiently. This is consistent with the NRC's

"Principles of Good Regulation," which include the attributes of efficiency and reliability. The NRC's goal is to process most licensing actions within 1 year. In certain instances involving complex issues, the review could exceed 1 year. In these instances, the project manager will communicate with the licensee to ensure the licensee is aware of the established schedule.

a. Yes, the NRC staff should adhere to its internal procedures to facilitate timely and disciplined reviews of licensing actions. As part of ongoing process improvement activities, interim guidance was issued to the NRC staff in January 2015 and updated interim guidance in April 2016 which provides expectations to reinforce consistency of the licensing review process, sound decisionmaking, and adherence to the review schedule.

b. Yes, the NRC has the right mix of knowledgeable experts to support the licensing workload. Because of the redirection of agency resources to process Fukushima-related actions, the NRC saw a decrease in the completion of licensing actions within 1 year. This was, in part, because the Fukushima actions competed for the same critical skill sets as the licensing actions. With the Fukushima workload expected to level off and decrease approaching 2017, NRC resources currently dedicated to Fukushima actions will return to support other mission-related activities (e.g., licensing action workload). As the timelines for licensing actions return to normal, the NRC management team has been refocusing technical and project management capacity to support other mission-critical work.

c. NRC management is estimating the resource needs for the next 5 years. In January 2016, NRC staff issued a generic communication, "Planned Licensing Action Submittals for All Power Reactor Licensees," seeking voluntary feedback from reactor licensees regarding projected licensing actions that may be submitted over the next 2 years and extended power uprates over the next 5 years. The data from the responses are being analyzed to assist with resource planning in critical skill set areas, as well as with the prioritization of licensing activities.

As mentioned previously, NRC management issued updated guidance in April 2016, which provides expectations to reinforce consistency of the licensing review process, sound decisionmaking, and adherence to the review schedule. This guidance includes expectations regarding:

- Managing complex actions.
- Reviewing actions for acceptability.
- Adhering to the licensing processes.
- Increasing management attention during various steps in the licensing review.
- Increasing attention on the request for additional information (RAI) process (see Question 22 for additional information on the RAI process).

This interim guidance will be incorporated into the appropriate NRC office procedures by the end of the year.

NRC management holds periodic meetings to discuss open licensing actions, develop alignment on the best approaches to completing those actions, and monitor licensing metrics.

These meetings are focused on:

- Stabilizing and recovering from the licensing backlog.
- Ensuring consistency in the processing of similar license amendments.
- Obtaining additional resources, in the form of staff and contract support, to ensure timely reviews.

d. Although there are some instances when licensing reviews can be completed in 6 months, the goal is to complete the reviews for most licensing actions within 1 year. This is primarily because of the many necessary steps of the public licensing process, some of which are not

under NRC control and some of which cannot be performed in parallel. These steps include the following:

- Reviewing the application for acceptability.
- Notifying the public of its opportunity to request a hearing.
- Drafting a safety evaluation.
- Determining and drafting any RAIs.
- Providing the licensee with an opportunity to review the draft RAIs and request a clarification phone call.
- Scheduling and holding any needed clarification phone call.
- Reviewing the RAI responses after they are submitted by the licensee.
- Completing and issuing the safety evaluation, if appropriate.

Applying a stretch goal of 6 months to licensing action reviews would likely not save any resources because the various steps of the licensing process must still be performed for each licensing action.

The NRC targets a subset of license amendments for approval within 6 months—those that adopt pre-approved technical specification changes submitted by the technical specification task force, as part of the Consolidated Line Item Improvement Process (CLIIP). In these cases, efficiencies have been gained through the pre-approval of the generic changes and, when adopted verbatim by a licensee, require minimal plant-specific information or justification for their use.

Finally, the NRC staff will allocate the resources to support a licensee needing a relief request related to the startup of the plant. Because of the potential impact to plant operations, this takes precedence over non-urgent relief requests and the reviews are performed in an expedited

manner. The NRC regulations allow for a licensee to request a license amendment and for the NRC staff to approve a license amendment in an expedited fashion. These types of amendment requests, submitted under exigent or emergency circumstances, are reserved for unforeseen scenarios in which the licensee cannot use the normal process for submitting a license amendment request. In these cases, the NRC staff will prioritize exigent or emergency amendments above other amendments to meet the licensee's requested target issuance date.

QUESTION 6. **Please provide the trends for the last ten years, including year-by-year percentage changes, with regard to timeliness and efficiency performance metrics for the following: license amendments for reactor and materials licensees, power uprates, license renewals, COLS, early site permits, design certifications.**

ANSWER.

Routine Licensing Actions for Reactor Licensees

The licensing performance metrics, as provided in the Congressional Budget Justification (CBJ), for the last 10 years are shown below. The data indicate there has been a decrease in the timeliness of licensing action completions. This was in part due to the Fukushima actions competing for the same critical skill sets as the licensing actions. The NRC has made a concerted effort to reduce the backlog and move licensing action timeliness back within the standard. The NRC efforts have reduced the licensing backlog and improved timeliness. The current FY 2016 average for completing routine licensing actions in less than 1 year is now approximately 94 percent, an increase of approximately 6 percent from FY 2015.

Table 1: Reactor Licensing Action Timeliness Since 2006

	1 Year Timeliness	1 Year Metric	2 Year Timeliness	2 Year Metric
2006	97.6%	96.0%	99.9%	100.0%
2007	96.9%	96.0%	100.0%	100.0%
2008	94.6%	96.0%	100.0%	100.0%
2009	94.0%	93.0%	100.0%	100.0%
2010	93.0%	90.0%	100.0%	100.0%
2011	90.3%	95.0%	99.9%	100.0%
2012	95.8%	95.0%	100.0%	100.0%
2013	95.0%	95.0%	100.0%	100.0%
2014	87.0%	95.0%	99.0%	100.0%
2015	88.3%	95.0%	96.9%	100.0%
2016*	94.3%	95.0%	100.0%	100.0%

*Through April 2016

Licensing Actions for Materials Licensees¹

The NRC tracks the reviews of new licenses and amendments against a 90-day metric and a 2-year metric (the metric was 1 year, prior to FY 08). The agency tracks reviews of license renewals and sealed source device design (SSD) applications against a 180-day metric and a 2-year metric. The number of all of these licensing actions and the associated metrics for the last 10 years are shown below.

Table 2: Materials Licensing Action Timeliness Since 2006

Fiscal Year		'06	'07	'08	'09	'10	'11	'12	'13	'14	'15
Number of Licensing Actions	Metrics	3030	2700	2926	2900	2460	2335	2166	2021	1994	2075
New and Amendments	90-day	98%	98%	98%	97%	95%	97%	97%	96%	94%	95%
	2-year (1-year for FY 06 and FY 07)	99.8%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Renewals and SSD	180 day	94%	98%	94%	91%	95%	97%	98%	97%	93%	94%
	2 year	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ Materials Licensees are limited to those applicable to the Nuclear Materials Users business line. The trending information for the three other Materials and Waste major program business lines (that is, Fuel Facilities; Spent Fuel Storage and Transportation; and Decommissioning and Low Level Waste) are summarized after Table 8. *License Amendment Application Performance Results*.

Power Uprates

The NRC performs reviews of three different kinds of power uprates: measurement uncertainty recaptures (MURs), stretch power uprates, and extended power uprates (EPUs). For applications received before June 2012, the timeliness review goals for MURs was 6 months; for stretch power uprates, 9 months; and for EPUs, 12 months.² Based on experience, and to reflect a more appropriate performance goal, the agency revised its timeliness review goals in 2012 to 9, 12, and 18 months, respectively.¹ A number of technical issues have resulted in reviews exceeding the NRC's timeliness goals (e.g., issues related to steam dryer analysis, containment accident pressure analysis, and licensing and design-basis analyses). In addition to these complex technical issues, some delays occurred because of competing staff priorities. Further information regarding some of the specific issues that impact power uprate reviews is provided in SECY-12-0084 and SECY-13-007.

The NRC does not review a significant number of each type of power uprate to provide a meaningful timeliness percentage for each. Instead, the agency has provided the number of each type of power uprates issued and the number that have met the timeliness goals for the past 10 years.

² These goals do not include the duration of the staff's acceptance review, which the staff conducts upon receipt of the initial application.

Table 3: Summary of Power Uprate Timeliness Since 2006

	Measurement Uncertainty Uprates			Stretch Uprates			Extended Power Uprates		
	Quantity Issued	Timeliness Goal (months)	Quantity Meeting Timeliness Goal	Quantity Issued	Timeliness Goal (months)	Quantity Meeting Timeliness Goal	Quantity Issued	Timeliness Goal (months)	Quantity Meeting Timeliness Goal
2006	1	6	1	N/A	9	N/A	4	12	3
2007	1	6	1	1	9	1	N/A	12	N/A
2008	4	6	3	3	9	2	3	12	2
2009	4	6	2	N/A	9	N/A	N/A	12	N/A
2010	6	6	6	N/A	9	N/A	N/A	12	N/A
2011	2	6	0	N/A	9	N/A	3	12	0
2012	1	6	0	N/A	9	N/A	5**	12	0
2013	2	6*	0	N/A	12	N/A	1	12*	0
2014	5	6*	0	N/A	12	N/A	2	18	2
2015	N/A	9	N/A	N/A	12	N/A	N/A	18	N/A
2016	2	9	0	N/A	12	N/A	N/A	18	N/A

* The timeliness metric was changed for applications received after June 2012. The approvals issued in 2013 and 2014 were for applications received prior to June 2012; therefore, the previous timeliness goal applies.

**There were four EPLs approvals in 2012 (Turkey Point 3/4 and St. Lucie 1/2) which authorized a combined EPU and MUR. Only the EPU is referenced in this table.

License Renewals

License renewal timeliness for the last 10 years, is shown in Table 4. NRC staff has set goals of 22 months for an uncontested application without significant technical issues and 30 months for a complex and/or contested application. A goal of 27 months was set for the Byron and Braidwood application to account for the fact that it was a single application addressing four units at two sites. In some cases, there are mitigating circumstances that contributed to the goal not being met. Generally speaking, the goals were not met due to the development and approval of the Continued Storage rule, adjudicatory issues, and technical issues raised during the review requiring resolution.

Table 4: License Renewal Performance Results

License Renewal Timeliness Since 2006

<u>Year*</u>	<u>Applicant</u>	<u>Goal (months)</u>	<u>Actual (months)</u>
2006	Vermont Yankee	30	60
2006	Pilgrim 1	30	74
2006	FitzPatrick	22	27
2006	Susquehanna 1 & 2	30	37
2006	Wolf Creek 1	22	25
2006	Harris 1	22	25
2007	Vogtle 1 & 2	22	22
2007	Beaver Valley 1 & 2	22	25
2007	Indian Point 2 & 3	30	Currently under review
2008	Three Mile Island 1	22	19
2008	Prairie Island 1 & 2	30	36
2008	Cooper	22	23
2008	Duane Arnold	22	22
2008	Kewaunee	22	29
2008	Palo Verde 1, 2 & 3	22	23
2009	Salem 1 & 2	22	20
2009	Diablo Canyon 1 & 2	30	Application Suspended****
2009	Hope Creek 1	22	21
2010	Columbia 2	22	26
2010	Davis Besse 1	30	62
2010	Seabrook 1	30	Currently under review
2010	South Texas Project 1 & 2	22	Currently under review
2011	Limerick 1 & 2	30	38
2011	Callaway 1	30	37
2011	Grand Gulf 1	22	Currently under review
2013	Sequoyah 1 & 2	30	31

2013	Byron 1 & 2	27	28
2013	Braidwood 1 & 2	27	30
2014	Fermi Unit 2	22	Currently under review
2014	LaSalle 1 & 2	22	Currently under review
2016	Waterford 3	22	Currently under review

New Reactor Licensing

Before 2013, the timeliness and efficiency performance metrics for early site permits (ESP) and design certifications (DC) were captured and reported in narrative form in the annual CBJ.

These narratives included descriptions of specific ESP and DC targets, and the annual results.

From 2007 through 2012, all targets were met for ESPs and DCs. Beginning with FY 2013, performance has been measured in terms of meeting a percentage of milestones within the NRC's control. Since these metrics were established, the NRC has consistently met its annual performance targets.

Table 5. Early Site Permit Application Performance Results

Performance Results for ESP Applications through FY 2016 (Q2)		
Fiscal Year	Target	Results
<u>2007</u>	Complete milestones for Vogtle ESP application.	Completed (100%)
<u>2008</u>	Complete North Anna ESP Review.	Completed (100%)
<u>2009</u>	Complete 1 ESP review for Vogtle.	Completed (100%)
<u>2010</u>	No ESPs planned for 2010.	Completed milestones for 2 ESP reviews (Vogtle & PSEG) (100%)
<u>2011</u>	No ESPs planned for 2011.	N/A
<u>2012</u>	Review Victoria and PSEG applications.	Continued PSEG; Victoria withdrawn (100%)
<u>2013</u>	Meet 85% of published interim milestones.	(100%)
<u>2014</u>	Meet 85% of published interim milestones.	(100%)
<u>2015</u>	Meet 85% of published interim milestones.	(100%)
<u>2016</u>	Meet 85% of published interim milestones.	Q1: 85%, Q2: 100%

Table 6. Design Certification Application Performance Results

Performance Results for DCs through FY 2016 (Q2)		
Fiscal Year	Target	Results
<u>2007</u>	Complete milestones for ESBWR DC. Issue draft SER for ESBWR.	Completed (100%)
<u>2008</u>	Complete milestones for ESBWR & AP1000. Begin EPR & U.S.-APWR review.	Completed (100%)
<u>2009</u>	Complete milestones for ESBWR, U.S. EPR & U.S.-APWR; Completed AP1000 DC review.	Completed (100%)
<u>2010</u>	Complete review of ESBWR DC and (amended) AP1000 application. Continue review of U.S. EPR & U.S.-APWR applications.	Completed (100%)
<u>2011</u>	Complete review of ESBWR application and AP 1000 amended application; continue review of EPR and APWR DC applications.	Completed (100%)
<u>2012</u>	Complete rulemaking activities for AP1000 amendment, and U.S.-ESBWR and U.S.-APWR aircraft impact assessment amendments. Complete review of EPR design. Begin rulemaking for the EPR and the US-APWR.	Completed (100%)
<u>2013</u>	Meet 85% of published interim milestones.	(100%)
<u>2014</u>	Meet 85% of published interim milestones.	(100%)
<u>2015</u>	Meet 85% of published interim milestones.	(100%)
<u>2016</u>	Meet 85% of published interim milestones.	Q1: 85%, Q2: 100%

As with ESPs and DCs, COL timeliness and efficiency performance metrics from FY 2007–2012 were captured and reported in narrative form through the annual CBJ process. The COL narratives included targets to complete milestones associated with a set number of COL applications each year with the exception of FY 2007, in which only pre-COL application interactions were planned. In FY 2008, the NRC established targets to complete all milestones for COL applications. Unlike ESPs and DCs, the targets to complete COLs did not factor in delays or suspensions at the request of applicants. It became evident that a more reasonable target needed to be established with consideration given to milestones affected by circumstances beyond the NRC's control. For example, in 2011 there were five COLs suspended by the applicants, which caused the NRC to miss its annual target. Beginning with FY 2013, the NRC adjusted what had been a metric of 100 percent to a more appropriate

85 percent, which is now tracked and reported on a quarterly basis and reflected in the CBJ.

The metric does not penalize the NRC for missing milestones outside of its control.

Table 7. Combined License Application Performance Results

The performance results for COLs through FY 2016 (Q2)			
Fiscal Year	Target	Actual	Results
2007	N/A	N/A	N/A
2008	14	14	100%
2009	20	18	90%
2010	20	13	65%
2011	17	12	71% (5 COL applications suspended by applicants)
2012	20	10	50%
2013	Meet 85% of published interim milestones.		(100%)
2014	Meet 85% of published interim milestones.		(100%)
2015	Meet 85% of published interim milestones.		(100%)
2016	Meet 85% of published interim milestones.		Q1 & Q2 (100%)

License amendments for new reactors (Vogtle and V.C. Summer) are currently measured against schedules agreed upon with the licensees, with a target of 85 percent completion on schedule. The NRC began measuring timeliness of license amendments in FY 2013 as one of several licensing activities. In FY 2016, the NRC began measuring the timeliness of license amendments as a separate metric using the same target of 85 percent.

Table 8. License Amendment Application Performance Results

Performance Results for License Amendment Applications through FY 2016 (Q2)		
Fiscal Year	Target	Results
<u>2013</u>	Meet 85% of published interim milestones.	(100%)
<u>2014</u>	Meet 85% of published interim milestones.	(100%)
<u>2015</u>	Meet 85% of published interim milestones.	(100%)
<u>2016</u>	Meet 85% of published interim milestones.	Q1 & Q2 (100%)

Licensing Actions for Spent Fuel Storage and Transportation

This business line has been reporting the timeliness of two different types of licenses: (1) storage container and installation design reviews; and (2) transportation design reviews. With the exception of two fiscal years, the reviews have typically been completed within the targeted time periods. The tables below provide results for the last 10 years.

Table 9. Number of Storage Container Install and Design Reviews

Fiscal Year	Completed each fiscal year	Timeliness to complete reviews ≤ xx months (Target)	Results	Timeliness to complete reviews ≤ 2 years (Target)	Results
<u>2006</u>	26	≤ 13.3 months (80%)	85%	≤ 2 years (100%)	100%
<u>2007</u>	10	≤ 12.6 months (80%)	100%	≤ 2 years (100%)	100%
<u>2008</u>	11	≤ 12.6 months (80%)	90%	≤ 2 years (100%)	100%
<u>2009</u>	18	≤ 12.6 months (80%)	82%	≤ 2 years (100%)	100%

<u>2010</u>	18	≤ 12.6 months (80%)	92%	≤2 years (100%)	100%
<u>2011</u>	11	≤ 12.6 months (80%)	100%	≤2 years (100%)	100%
<u>2012</u>	20	≤ 12.6 months (80%)	71%*	≤2 years (100%)	100%
<u>2013</u>	23	≤ 12.6 months (80%)	46%**	≤2 years (100%)	100%
<u>2014</u>	24	≤ 12.6 months (80%)	94%	≤2 years (100%)	100%
<u>2015</u>	29	≤ 12.6 months (80%)	84%	≤2 years (100%)	100%

Table 10. Transportation Design Reviews

Fiscal Year	Completed each fiscal year	Timeliness to complete reviews ≤ xx months (Target)	Results	Timeliness to complete reviews ≤ 2 years (Target)	Results
<u>2006</u>	81	≤ 7.7 months (80%)	96%	≤2 years (100%)	100%
<u>2007</u>	57	≤ 7.4 months (80%)	92%	≤2 years (100%)	100%
<u>2008</u>	78	≤ 7.4 months (80%)	86%	≤2 years (100%)	100%
<u>2009</u>	93	≤ 7.4 months (80%)	86%	≤2 years (100%)	100%

<u>2010</u>	59	≤ 7.4 months (80%)	87%	≤ 2 years (100%)	100%
<u>2011</u>	57	≤ 7.4 months (80%)	100%	≤ 2 years (100%)	100%
<u>2012</u>	51	≤ 7.4 months (80%)	96%	≤ 2 years (100%)	100%
<u>2013</u>	41	≤ 7.4 months (80%)	89%	≤ 2 years (100%)	100%
<u>2014</u>	74	≤ 7.4 months (80%)	96%	≤ 2 years (100%)	100%
<u>2015</u>	58	≤ 7.4 months (80%)	90%	≤ 2 years (100%)	100%

Licensing Actions for Fuel Facilities

This business line has been reporting the timeliness on licensing actions for amendments. License renewal and major license application reviews were not included as part of these metrics. During the ten-year review of these indicators, the targets and indicators were modified several times, including splitting the type of action into "complex" and "non-complex" for five fiscal years. These indicator changes make it difficult to provide a continuous trend analysis. All the data below was obtained from the Congressional Budget Justification reports. No results were posted or available for fiscal years 2008 and 2009. Table 11, below, provides a summary of the results for the last 10 years.

Table 11. Fuel Facilities Licensing Actions

Fiscal Year	Completed each fiscal year*	Timeliness to complete licensing actions ≤ xx days (Target)	Results	Timeliness to complete licensing actions ≤ xx years (Target)	Results	Timeliness to complete Complex licensing actions ≤ 1.5 years (Target)	Results
<u>2006</u>	64	≤ 180 days (80%)	95%	≤2 years (100%)	100%		
<u>2007</u>	92	≤ 180 days (85%)	81% ¹	≤2 years (100%)	89% ¹		
<u>2008</u>	85	≤ 150 days (85%)	Not Reported ²	≤1.5 years (100%)	Not Reported ²		
<u>2009</u>	115	≤ 150 days (85%)	Not Reported ²	≤1.5 years (100%)	Not Reported ²		
<u>2010</u>	109	Non-complex ≤ 150 days (85%)	92%	Non-complex ≤1 year (100%)	100%	Complex ≤1.5 years (100%)	100%
<u>2011</u>	128	Non-complex ≤ 150 days (85%)	92%	Non-complex ≤1 year (100%)	100%	Complex ≤1.5 years (100%)	98% ³
<u>2012</u>	111	Non-complex ≤ 150 days (85%)	93%	Non-complex ≤1 year (100%)	100%	Complex ≤1.5 years (100%)	96% ⁴
<u>2013</u>	149	Non-complex ≤ 150 days (85%)	91%	Non-complex ≤1 year (100%)	100%	Complex ≤1.5 years (100%)	93% ⁵
<u>2014</u>	107	Non-complex ≤ 150 days (85%)	98%	Non-complex ≤1 year (100%)	100%	Complex ≤1.5 years (100%)	100%
<u>2015</u>	63	≤ 150 days (80%)	77% ⁶	≤2 years (100%)	98% ⁷		

Licensing Actions for Decommissioning and Low Level Waste (DLLW)

The DLLW business line reports the timeliness of licensing actions against interim milestones.

The existing metric does not penalize the staff for issues arising outside of the staff's control. In

addition, the scheduled milestones are set based on the specifics of each application. The

indicator measures the timeliness of two types of licensing actions: (1) decommissioning of facilities for materials, research & test reactors, and power reactors; and (2) uranium recovery licensing actions. The number of each by fiscal year and percent completed in accordance with established schedules has been summarized in Table 12 below.

Beginning fiscal year 2016, the business line established a new metric specific for uranium recovery to measure the percentage of interim milestones completed on or before the scheduled due date with the agency's control. The goal is 85%. Sufficient data is not available yet to report results.

Table 12. Decommissioning and Uranium Recovery Licensing Actions

Fiscal Year	Uranium recovery licensing actions completed each fiscal year	Number of sites decommissioned each fiscal year	Percent completed on schedule
<u>2006</u>	1	8	100%
<u>2007</u>	7	11	100%
<u>2008</u>	11	8	100%
<u>2009</u>	5	1	100%
<u>2010</u>	11	0	100%
<u>2011</u>	12	0	100%
<u>2012</u>	8	2	100%
<u>2013</u>	12	5	100%
<u>2014</u>	12	0	100%
<u>2015</u>	10	3	100%

QUESTION 7. The current goal for NRC review of a license renewal application is 22 months (uncontested) or 30 months (contested).

- a. Of the 20 most recent license renewal reviews, how many were completed within 22 months of an application being docketed?
- b. What actions is the agency taking to restore the efficiency and predictability to these reviews?
- c. How will the agency ensure efficient reviews of applications for subsequent license renewal?
- d. Please describe any unique or emerging issues that may affect reviews for subsequent license renewal applications that may not be encompassed by existing aging management programs.

ANSWER.

a. The table below shows the review time for the 20 most recent completed license renewal application reviews. Five of the 20 most recent reviews were completed within 22 months of the date the application was docketed. The delays in completing the review of recent license renewal applications were caused by a number of factors, including the approval of the Continued Storage Rule, complex adjudicatory issues, and safety concerns identified by the NRC staff.

Recent License Renewal Applications (LRA) Review Time				
Plant Name	LRA Received	Acceptance Review Letter Issuance	Renewed License Issued	Review Time (Months)
Vogtle Electric Generating Plant, Units 1 & 2	06/29/2007	08/15/2007	06/03/2009	22
Three Mile Island Nuclear Station, Unit 1	01/08/2008	03/10/2008	10/22/2009	19

Recent License Renewal Applications (LRA) Review Time				
Plant Name	LRA Received	Acceptance Review Letter Issuance	Renewed License Issued	Review Time (Months)
Beaver Valley Power Station, Units 1 & 2	08/28/2007	10/22/2007	11/05/2009	25
Susquehanna Steam Electric Station, Units 1&2	09/13/2006	10/26/2006	11/24/2009	37****
Cooper Nuclear Station	09/30/2008	12/19/2008	11/29/2010	23
Duane Arnold Energy Center	10/01/2008	02/17/2009	12/16/2010	22
Kewaunee*	08/14/2008	09/25/2008	02/24/2011	29
Vermont Yankee**	01/27/2006	03/21/2006	03/21/2011	60****
Palo Verde Nuclear Generating Station, Units 1, 2 & 3	12/15/2008	05/11/2009	04/21/2011	23
Prairie Island Nuclear Generating Plant, Units 1 & 2	04/15/2008	06/10/2008	06/27/2011	36****
Salem Nuclear Generating Station, Units 1 & 2	08/18/2009	10/15/2009	06/30/2011	20
Hope Creek Generating Station, Unit 1	08/18/2009	10/15/2009	07/20/2011	21
Columbia Generating Station, Unit 2	01/20/2010	03/04/2010	05/22/2012	26
Pilgrim Nuclear Power Station	01/27/2006	03/21/2006	05/29/2012	74****
Limerick Generating Station, Units 1 & 2	06/22/2011	08/12/2011	10/20/2014	38***
Callaway Plant	12/19/2011	02/14/2012	03/06/2015	37****
Sequoyah Nuclear Plant, Units 1 & 2	01/15/2013	02/26/2013	09/24/2015	31****
Byron Station, Units 1 & 2	05/29/2013	07/16/2013	11/19/2015	28
Davis-Besse Nuclear Power Station, Unit 1	08/30/2010	10/18/2010	12/08/2015	62****
Braidwood Station, Units 1 & 2	05/29/2013	07/16/2013	01/27/2016	30

* Kewaunee Power Station was permanently shut down on May 7, 2013.

** Vermont Yankee Nuclear Power Station was permanently shut down on December 29, 2014.

*** Time includes the delay caused by development and approval of the Continued Storage Rule resulting from the decision in *New York v. NRC*, 681 F.3d 471 (DC Cir 2012). Limerick Generating Station was also a contested application.

**** Contested application. Time includes the delay caused by NRC adjudicatory proceedings resulting from intervention by members of the public.

b. Over the past few years, the NRC has faced challenges in the licensing program. On June 30, 2014, the Commission directed the staff to consider, in the context of Project Aim, ways to improve the timeliness of licensing actions. In response to the SRM, staff launched several initiatives to focus on how the agency can leverage or revise its existing licensing processes to enhance its efficiency, effectiveness, and predictability while maintaining its

continued strong safety focus. NRC management issued interim guidance to the staff that provides expectations to help ensure consistency of the licensing review process, sound decisionmaking, and discipline of schedule. In addition to the guidance, NRC management is holding periodic meetings to discuss open licensing actions, establish and monitor licensing metrics, and develop alignment on the best approaches to completing those actions.

With respect to license renewal, the NRC staff identification of complex technical issues (e.g., alkali-silica reaction in concrete, selective leaching in aluminum-bronze components, and unapproved core neutron fluence calculations) during recent application reviews resulted in RAIs, which delayed the reviews. In addition to delays caused by complex adjudicatory and technical issues, license renewal decisions after 2011 were delayed because of the NRC's August 2012 order suspending final licensing actions pending completion of the continued storage rulemaking (CLI-12-16). The Continued Storage Rule was approved, and the affected license renewal application reviews were resumed on August 26, 2014. As the reviews continued, the multi-year delay resulted in additional RAIs to address changes described in annual license renewal application updates (e.g., equipment upgrades, operating experience). All schedule changes are documented in publicly available letters on the NRC's Web site under Reactor License Renewal:

(<http://www.nrc.gov/reactors/operating/licensing/renewal.html>.)

c. The staff is evaluating the current license renewal application review process for use on subsequent license renewal applications.

To optimize staff performance and product quality, the staff is developing a framework for the safety and environmental review of a subsequent license renewal application. Following the development of the framework, the staff will determine the timeline required to support the review in accordance with the available resources.

To date, the staff has evaluated: the expanded use of electronic communications portals that allow remote access to applicant documents, and in-office audit and review activities; focused onsite audit activities; the use of electronic documentation for RAIs; the role of the regional license renewal inspections; and the consideration of additional operating experience developed during the initial period of extended operation. The staff expects to complete the bulk of the framework development in FY 2016 and then focus on developing a regulatory issue summary to inform stakeholders of relevant modifications from the existing license renewal application review process.

d. In response to an NRC staff paper, SECY-14-0016, "Ongoing Staff Activities To Assess Regulatory Considerations for Power Reactor Subsequent License Renewal," the Commission stated the license renewal rule has provided an effective basis for ensuring safe operation during the license renewal period and will continue to be an effective basis for subsequent license renewal.

Consistent with the license renewal rule, the focus of subsequent license renewal is on the adequacy of additional aging management activities to ensure safe plant operations during the subsequent period of extended operation (60 to 80 years). In the past several years, there has been a consensus that the top four technical issues needing further evaluation to provide assurance of safe operation of nuclear power plants for operation from 60 to 80 years are:

- neutron embrittlement of the reactor pressure vessel
- stress corrosion cracking and other types of degradation of reactor pressure vessel internals
- concrete and containment degradation
- electrical cable qualification and condition monitoring

The nuclear industry is responsible for developing the technical basis for long-term operation.

Most likely, all of these issues will not be resolved on a generic basis by the time the first

application for subsequent license renewal is submitted. Exelon recently submitted a letter of intent to submit a subsequent license renewal application for Peach Bottom in the third quarter of 2018. Lacking resolution of these issues on a generic basis, the first subsequent license renewal applications will need to address each of these issues on a plant-specific basis. The NRC staff is working with industry on the technical resolutions of these issues to support the subsequent license renewal process. The NRC staff is also collaborating on research activities with both domestic industry organizations (i.e., Electric Power Research Institute and the U.S. Department of Energy Light Water Reactor Sustainability Program), as well as international partners.

The NRC issued on December 15, 2015, the draft "Generic Aging Lessons Learned for Subsequent License Renewal (GALL-SLR) Report," (NUREG-2191), Volume 1, and Volume 2. It also released the draft "Standard Review Plan for Review of Subsequent License Renewal Applications for Nuclear Power Plants," (NUREG-2192), for public comment. The public comment period ended on February 29, 2016, and the staff is dispositioning the comments. The final guidance documents are expected to be issued in July 2017. The guidance documents can be used by applicants as one acceptable method to demonstrate adequate management of aging during the subsequent license renewal period.

- QUESTION 8.** **Please summarize the outcomes and directives of the April 1st SRM concerning ITAAC hearing procedures.**
- a. Please identify the methods and metrics used by the NRC to track ITAAC Closure Notification (ICN) processing timeframes, along with resources requested by the Commission for ITAAC activities as part of its FY2017 budget submittal.**

b. Please describe how the Commission currently plans to process the “wave” of ICN’s anticipated to occur as construction at the reactors in Georgia and South Carolina nears completion.

ANSWER.

In the April 1, 2016, SRM for SECY-15-0010, “Final Procedures for Hearings on Conformance with the Acceptance Criteria in Combined Licenses,” the Commission provided direction regarding the detailed procedures created to prepare for conducting of future inspections, tests, analysis, and acceptance criteria (ITAAC) hearings. These procedures were developed by a working group with stakeholder input from public meetings and public comments.

The Commission has approved publishing the final procedures, subject to specific revisions to clarify the procedures, the responses to public comments, and the proposed templates for implementing the procedures in individual ITAAC proceedings. The final procedures will be published this summer, and the Commission anticipates that related internal processes to implement these procedures will be developed by the end of 2016. The Commission also provided direction to ensure potential parties are aware of the hearing procedures in advance and to make it easier for interested members of the public to identify and access important ITAAC-related documents. Lastly, the Commission directed the NRC staff to identify lessons learned after the first ITAAC hearings; to propose changes to the procedures, if appropriate; and to inform the agency’s Knowledge Management Program.

a. The agency has established a New Reactor business line performance indicator to track the percentage of ITAAC closure notifications (ICNs) with staff reviews completed within 2 months of submittal. The metric is evaluated quarterly, using data from the information technology (IT) platform established to track and process ICNs. Resources for agency ITAAC activities, including ICN processing, are part of the FY 2017 Commission request for \$28.2 million and

151.3 full-time equivalents (FTE) in the Oversight product line of the New Reactor business line of the 2017 Congressional Budget Justification.

b. The NRC staff has developed comprehensive processes and an IT infrastructure to handle the wave of ICNs expected as construction nears completion. The NRC staff routinely assesses the expected increase in ITAAC closure work as construction continues, and the requested resources account for the increased amount and complexity of work. To account for potential staff turnover, internal ITAAC training programs have been developed to ensure that future staff members are properly prepared to complete ITAAC closure work.

QUESTION 9.

In your opening statement, you referred to a paper recently submitted to the Commission outlining additional areas for longer-term efficiencies and projected workload changes. Please describe the purpose, scope, and status of that paper. As a result of that paper, what longer-term actions does the NRC anticipate taking to achieve additional savings and efficiencies in addition to those listed in your testimony?

a. When would those changes be implemented and what is the estimate individually and in total, of those savings?

ANSWER.

On March 18, 2016, NRC staff submitted an information paper, SECY-16-0035, "Additional Re-baselining Products," to the Commission. The paper provided the Commission with candidate activities to pursue longer-term efficiencies and improvement projects, as well as a projection of significant changes in workload through FY 2020. The NRC staff is pursuing the actions

identified in Enclosure 1 of SECY-16-0035 that are within the staff's authority to address without additional Commission approval.

a. The target start and completion dates for each activity are provided in Enclosure 1 of SECY-16-0035. All activities are in progress. The first activity slated for completion, review of corporate offices' FTE utilization and workload, was completed on May 3, 2016.

The potential savings from longer-term efficiencies cannot be quantified at this time, as they involve cross-cutting areas that affect multiple offices and regions. However, the projected significant changes in workload through FY 2020 are quantified in FTE and total contract dollars provided in Enclosure 2 of SECY-16-0035.

QUESTION 10. In your testimony, you cite a reduction in NRC resources of \$74 million and 280 FTE since 2014. Please provide the reduction in spending and FTE from FY 2013 to the present.

ANSWER.

The reduction cited in the testimony was from the FY 2017 President's budget as compared to the FY 2014 implemented budget. The following table shows the decline in NRC resources since FY 2013.

	Total Budget (dollars in millions)	FTE
FY 2013 Enacted (Sequestration)	\$975.3	3,872
FY 2014 Implemented	\$1043.9	3,742
FY 2015 Implemented	\$1003.2	3,716
FY 2016 Implemented	\$990.0	3,532

FY 2017 President's Budget	\$970.2	3,462
FY 2017 Senate appropriations bill	\$939.9	3,342

Resources decrease by \$35.4 million and 530 FTE between the FY 2013 Enacted (Sequestration) Budget and the FY 2017 Senate Energy and Water appropriations bill, which reflects the Commission-approved savings identified in the Project Aim re-baselining effort.

QUESTION 11. Please describe, with as much detail as possible, the Commission's current plans and expectations concerning the use of FY 2015 carryover funds in FY 2016 and the amount of carryover funds anticipated in FY 2016 and the NRC plans for use of those funds.

ANSWER.

As of the end of April, the agency had \$23 million in unobligated carryover funding (\$18 million in fee-based; \$5 million in non-fee-based). The staff anticipates that the agency will carry over no more than \$25 million of fee-based unobligated carryover funds into FY 2017. The agency's total carryover projections will be updated at the end of July based on analysis of the NRC's Midyear Resource Review.

For FY 2016, the NRC does not expect to request use of any fee-based unobligated carryover funds from FY 2015, and expects to obligate all of its FY 2016 fee-based appropriations.

- QUESTION 12.** The EY Overhead Assessment Report found that “with the exceptions of FY 2015 and FY 2016, the NRC mission support costs as a percentage of total outlays have increased year-over-year for the last decade.” To roll back this decade-long increase in corporate support costs, the NRC must do far more than simply reclassify some office and Corporate Support resources into other budget categories.
- a. What specific actions is the NRC proposing to take in FY 2017 to reduce the NRC’s rate of corporate support spending and bring it in line with peer agencies (which EY found only spend between 20 percent and 32 percent of their total budgets on mission support)?

ANSWER.

a. The NRC’s definition of “overhead” has changed over time, based on changing perceptions of the concept of support activities. Starting with the FY 2011 budget, the NRC began characterizing “overhead” as Corporate Support and Office Support. Corporate Support included acquisitions, administrative services, financial management, human resources management, information management, information technology international activities, outreach, policy support and associated training and travel. Office Support included top-level management, administrative assistants and other office support staff who work in the program mission areas. To align overhead and support functions with best practices of the peer agencies identified, EY recommended that the NRC eliminate Office Support, eliminate the International Activities product line from the Corporate Support business line, and evaluate other selected budget activities for removal from the Corporate Support business line. Acting on EY’s recommendations, as well as additional reductions to the Corporate Support business line

brings the NRC back to corporate resources equal to 31 percent of the agency's FY 2016 budget. This figure is in line with the 32 percent identified for "Peer Agency C" in the EY report, as well as the agency average for the NRC since FY 1995.

In addition to the realignment of support function resources in the NRC budget with best practices of other similarly situated Federal agencies, significant reductions to corporate support resources—both FTEs and contract dollars—will be realized in FY 2017 and beyond. Major areas of expected savings are outlined below.

Project Aim

- Ongoing Project Aim efficiency initiatives will further reduce corporate costs in FY 2017 and beyond. In a March 24, 2016, memorandum, "Resources Allocated to the Corporate Support Business Line", the Executive Director for Operations and Chief Financial Officer instructed the directors of certain corporate offices to work as a group to perform the following:
 - (1) Analyze corporate support workload and resources in light of the recent agency re-baselining and declining programmatic workloads and staffing levels.
 - (2) Recommend further reductions to corporate FTE in FY 2018 and beyond.
- The working group presented recommendations for efficiencies which would provide an overall reduction of approximately 14 percent decrease from FY 2017 in corporate support resources. These reductions, if approved by the Commission, will be reflected in the agency's FY 2018 and FY 2019 budget requests.

Real Property

Over the next several fiscal years, the agency plans to reduce its real estate footprint and associated fixed costs in both the regions and at headquarters.

- Reduce Office Space at Headquarters. Reducing office space in Three White Flint North (3WFN) will achieve significant rent savings each year. The agency will accomplish this by relinquishing two floors in 3WFN: one floor by the end of FY 2018 and one floor by the end of FY 2019. This activity would involve moving approximately 300 staff members into the two original headquarters buildings and paying upfront costs for furniture (in FY 2018 and FY 2019), as well as moving and related costs. Progress in this area is contingent upon the availability of funding to renovate headquarters space so as to achieve higher density within the existing footprint, creating sufficient office space to absorb the staff moving from 3WFN. Initial savings would be realized starting in FY 2019 and are contingent on the U.S. General Services Administration (GSA) securing another Federal tenant to backfill the 3WFN space.
- Reduce Office Space in the Regions. The agency will achieve significant rent savings each year through the end of the agency's leases on Region II and Region III current office spaces. When seeking new leases for these regions, the NRC will be pursuing smaller office spaces for these two regions based on reductions planned for FY 2018 through FY 2020. Progress in this area is contingent upon the availability of funding for any needed construction, security, clean up, and staff move costs. Initial savings would be realized starting in FY 2018 for Region III and FY 2019 for Region II. The savings are contingent on GSA timely securing another Federal tenant to backfill the Region II office space.

Information Technology

In FY 2016 and FY 2017, the agency plans to adopt new acquisition strategies for corporate support services to reduce costs for ongoing support. Examples include new acquisition strategies for major IT cost categories:

- IT Infrastructure Support. The NRC is re-competing the agency's enterprise IT infrastructure support contract. Over the long term, the agency expects to realize a 10 to 15 percent drop in its contract expenses resulting from this new acquisition strategy.
- Multi-Functional Devices and Managed Print Services. The NRC is moving to a new acquisition approach that will reduce the total cost for the agency's existing printers, scanners and copiers.

QUESTION 13.

The Commission testimony states:

"the NRC has taken a hard look at the proposed budget, and is proposing reductions in both full-time equivalents (FTE) and contract support dollars that represent real savings. As we continue our work through the Project Aim initiative, we anticipate additional savings and efficiencies to come."

- a. Given that some of the cost savings should be achieved in 2016 – particularly given the FTE reductions from early out/buy out authority exercised early in FY 2016 – please provide an updated estimate of any carry-over funds that NRC anticipates at the end of FY 2016.
- b. Considering that the 2016 fee recovery rule is not yet final, please describe the feasibility of adjusting the fee recovery amount to prevent over-collection.
- c. If some of the 2016 cost savings will be obligated for other purposes, please provide a detailed description of what the funds

will be obligated to and the fiscal year in which the obligated funds are expected to be expended, including specific amounts.

d. The NRC FY 2017 budget request is for 3,537 FTE yet Commissioner Baran testified that the NRC expects to drop to 3,344 FTE by the end of 2017. That indicates there will be savings that are not reflected in the FY 2017 budget. Please provide an estimate of the anticipated additional savings and efficiencies resulting from the Project Aim recommendations and workforce planning including stringent hiring controls.

e. I understand the NRC is pursuing additional early out/buy out authority in its efforts to right-size the agency. Please provide the number of FTE reduction, the estimated cost savings, any hiring restrictions applicable to the vacated positions, and the timeframe for employees that qualify and accept an early out/buy out to conclude their NRC service.

f. Congress should account for these savings and approve a smaller NRC budget, or the NRC will be forced to collect more fees than necessary and end the year with unspent "carry-over" funds, correct?

ANSWER:

a. The NRC does not anticipate savings to the FY 2016 budget as a result of the early out/buyout offers. Early out/buyouts do not typically achieve savings in the current year due to payouts of incentives and payment of lump sum benefits for annual leave balances. The last carryover estimate, developed at the beginning of the fiscal year and based on historical

estimates, was \$25 million for all carryover funds. As of the end of April, the agency had \$23 million in carryover funding (\$18 million of fee-based funding). The NRC is finalizing its FY 2016 midyear resource review of our financial status. Currently, the agency is able to absorb early out/buy out costs in FY 2016. The agency doesn't expect to exceed \$25 million in fee-based unobligated carryover funds; however, this amount can be better estimated around the end of July 2016.

b. In accordance with the Independent Offices Appropriation Act of 1952 (IOAA) and Omnibus Budget Reconciliation Act of 1990 (OBRA-90), the NRC is required to collect approximately 90 percent of its budget authority (less certain excluded items) through fees. To develop the final fee rule, the NRC computes the estimated 10 CFR Part 170 (fee for service) collection by adding three quarters of actual billing receipts for the current year and an estimate of the collection activity for the last quarter. The NRC then adjusts the total 10 CFR Part 171 (annual fee) collection so that total projected Part 170 and 171 collections equal approximately 90 percent of the NRC's budget authority, less non-fee-based amounts such as waste incidental to reprocessing and generic homeland security. If the NRC collects fees that exceed 90 percent (due to unanticipated collections after the final rule was developed), the NRC would reduce the following fiscal year's fee recovery by an equivalent amount via a credit applied to all licensees, relative to budgetary resources attributed to each fee class.

c. At this time, the NRC does not anticipate savings to the FY 2016 budget as a result of the early out/buyout offers. If there are overall salaries and benefits (S&B) cost savings in FY 2016 as a result of the early out/buyout, any excess S&B funds would be used in FY 2016 to fund priority contract support needs, within the existing control points, if approved by the Commission. However, currently, there is no specific plan for reallocating excess S&B funding. Any unanticipated FY 2016 contract support savings realized as a result of Project Aim efficiencies would be reallocated within existing control points.

d. At the time of the issuance of the FY 2017 CBJ, partial savings were included in the FY 2017 budget totaling \$9.9 million and 28 FTE. Since the CBJ was submitted, the Commission approved nearly all of the Project Aim recommendations, and an additional \$29.4 million and 120 FTE will be achieved in the FY 2017 budget. To achieve these FTE reductions, the NRC implemented austere hiring measures in FY 2016, used early out/buyout authority to accelerate attrition and, when possible, used reassignments and internal training to address workforce needs.

e. The NRC's early out/buy out authority identified 168 positions that could be shed, representing approximately \$162,000 in annual savings per FTE. The early out/buy out authority does not expire until June 30, 2018, which allows the agency to offer more than one opportunity to apply. In the initial window, employees who qualify and accept an early out/buyout will separate from the NRC no later than September 30, 2016. Additional windows to apply have yet to be determined. The agency has limited its external hiring to critical positions only, and will continue to do so.

f. The agency's FY 2016 budget reflects FTE and contract support reductions taken to recognize Project Aim efficiencies already implemented. The NRC does not anticipate additional savings to the FY 2016 budget as a result of the early out/buyout offers as indicated in 13a above. Early outs and buyouts implemented by the end of the fiscal year will require the agency to pay out incentive awards to the separating employees. Depending on the date of separation, the agency may also have to use some FY 2016 funding to make lump sum payments for annual leave owed to those employees. The agency expects any potential FY 2016 salaries and benefits savings from lower FTE utilization to be offset by these costs.

FY 2017 savings from Project Aim efficiencies that were approved by the Commission are reflected in the Senate-passed FY 2017 Energy and Water Appropriations bill.

QUESTION 14. Please provide the NRC's current number of FTEs.

ANSWER.

As of June 1, 2016, the NRC has 3,442 FTEs, not including the Office of the Inspector General.

QUESTION 15. In light of the continuing FTE reductions, what actions is the NRC taking to right-size its office space footprint? Please provide dates when the actions will be completed and an estimate of the savings that will be achieved.

ANSWER.

Since 2012, the NRC has been reducing its office space and corresponding costs at its headquarters location in Rockville, MD. To date, the NRC has consolidated its headquarters to three buildings and released approximately 365,000 square feet of usable office space, reducing headquarters from approximately 1,074,000 to 709,000 usable square feet. This included the release of four satellite offices throughout the Rockville/Bethesda area.

As we continue to reduce staffing levels, the NRC plans to continue to work with GSA to release additional floors in the 3WFN headquarters building. The NRC's 15-year occupancy agreement with GSA is "non-cancelable." Therefore, the NRC will be responsible for the full lease costs for the building until such time as the space is backfilled. The NRC intends to release one floor by the end of FY 2018 and an additional floor by the end of FY 2019. This would potentially save approximately \$1 million per floor annually, assuming GSA can backfill the space with another Federal tenant.

QUESTION 16. As part of Project Aim, has the agency considered the feasibility of reducing the number of regional offices from four to three? If not, why not? If so, please indicate the estimate of the savings that could be achieved and the time frame for realizing those savings.

ANSWER.

Under Project Aim, the NRC considered the structure of the regions, both in terms of the housing footprint and workload balance. The agency did not estimate a cost savings specifically focused on reducing the number of regional offices from four to three. At this time, the agency believes the current number and locations of the regional offices is appropriate to accomplish the NRC's mission.

QUESTION 17. Agency staff provided the Commission with recommended actions to close out the remaining Fukushima Tier 2 and 3 issues by the end of 2016.

- a. Does the agency remain on target to meet this schedule?
- b. If so, what impact will the close out of the Tier 2 and 3 issues have on the FY 2017 Budget Request?

ANSWER.

a. Yes. The staff recently submitted SECY-16-0041, "Closure of Fukushima Tier 3 Recommendations Related to Containment Vents, Hydrogen Control, and Enhanced Instrumentation," to the Commission closing out several recommendations as part of the schedule and plans laid out in SECY-15-0137, "Proposed Plans for Resolving Open Fukushima

Tier 2 and 3 Recommendations." Furthermore, the staff remains on track to complete its evaluation of the remaining three Tier 2 and 3 recommendations by the end of 2016.

b. The agency is currently developing an estimate of the potential impact.

QUESTION 18. For each of the last five years, please list the amount of resources the NRC has spent of its post-Fukushima effort. Please provide a breakdown of how fees were recovered from individual licensees/applicants/certificate holders through 10 CFR Part 170 fees, or from categories of licenses through 10 CFR Part 171 fees.

ANSWER.

The following is a breakdown for Fukushima-related budget and costs recovered under 10 CFR Part 170 versus those recovered under 10 CFR Part 171. The majority of the activities from the Fukushima lessons-learned project were associated with improving the safety of the reactor fleet; therefore, the budgeted costs were recovered under annual fees:

Fukushima Related Resources (Dollars in Thousands)					
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Budgeted Resources*:	15,260	37,558	48,650	54,410	52,102
Recovered through:					
10 CFR Part 170 fees	113	13,553	18,786	22,302	13,824
10 CFR Part 171 fees	15,147	24,005	29,864	32,108	38,278

*Budgeted resources were calculated using a full costed rate for fee recovery purposes per the fee rule.

- Question 19.** **Following the March 22 terrorist bombings in Brussels, Belgium, there were reports that the suspects had also considered attacking nuclear facilities.**
- a. Has the NRC reviewed the incident?**
 - b. Does the NRC's current security program, including its insider threat mitigation requirements, adequately cover the potential threats inherent in the incident?**

ANSWER.

- a. Yes, the NRC staff reviewed information available on the incident. Additionally, the NRC has contacted intelligence agencies and reviewed available documents regarding this event and the ensuing investigation.
- b. Yes, the current security program adequately covers those potential threats.

- QUESTION 20.** **You testified about the Commission's review of a proposal to establish a single unified approach to track NRC rulemaking activities so the public and stakeholders have real-time access to current information. Please describe the scope and status of that process, and the anticipated timeframe for completion.**

ANSWER.

In a memorandum dated February 11, 2016, the NRC Chairman directed the staff to provide a notation vote paper to the Commission recommending improvements in the NRC's tracking and

communication of its rulemaking activities. The staff submitted its recommendations on April 4, 2016 (SECY-16-0042, "Recommended Improvements for Rulemaking Tracking and Reporting"). In a May 19, 2016 Staff Requirements Memorandum, the Commission directed the staff to:

- Develop a centralized rulemaking activity-tracking tool.
- Issue an annual rulemaking report to replace four long-standing reports without affecting those reports required by law or Executive order.
- Redesign the rulemaking pages on the NRC's public Web site to provide information that is closer to "real time."
- Issue a glossary for rulemaking terminology.
- Implement conforming changes to the office procedures and management directives.

The staff plans to fully implement the Commission's direction by April 2017.

QUESTION 21. **When will the NRC staff implement the Commission's decision on early Commission involvement in the rulemaking process?**

ANSWER.

The NRC staff is implementing the Commission's decision on early Commission involvement in the rulemaking process. The agency issued interim guidance on March 31, 2016, and by September 2016, staff will complete an update to Management Directive 6.3, "The Rulemaking Process," that will reflect the Commission's decision and staff implementation. The Commission approved institution of a requirement for a streamlined rulemaking plan in the form of a notation vote paper that would request Commission approval to initiate all rulemakings not already

explicitly delegated to the staff as a staff-delegated rulemaking. The staff has already begun submitting these rulemaking plans to the Commission

QUESTION 22. Please describe the Commission's current efforts to instill more regulatory discipline into the RAI process, including but not limited to any business process improvements, establishment of metrics to measure internal performance consistent with established procedural requirements, and increased management oversight of the RAI process.

ANSWER.

The Commission has recently taken action to instill more regulatory discipline and efficiency into the RAI process to help ensure that timeliness performance metrics are met.

On June 30, 2014, the Commission issued an SRM directing the staff to consider, in the context of Project Aim, ways to reduce the licensing action backlog and increase timeliness. In response to the SRM, NRC staff launched several initiatives and took other actions to focus on how it can leverage or revise existing licensing processes to enhance efficiency, effectiveness, and predictability as a regulator, while maintaining its strong safety focus. Through these initiatives, staff analyzed what caused the backlog, and provided recommendations to NRC management regarding enhancements to the licensing review process. In part as a result of these recommendations, NRC management issued interim guidance to the staff in January 2015 and updated interim guidance in April 2016 that provides expectations to help ensure consistency of the licensing review process, sound decisionmaking, and adherence to

scheduling guidelines. Some of the key items in the interim guidance that will add discipline to the RAI process include the following:

- NRC staff review of an application will be limited to the scope of the licensing action and RAIs shall have a clear nexus to information required to make a safety determination regarding the licensing action.
- At the point when RAIs are transmitted from the technical staff to the project manager, the technical staff are expected to have developed a draft safety evaluation (SE). In addition to ensuring that the RAIs contain both a sound technical and regulatory basis, the technical staff should be able to correlate each RAI to a “hole” in the draft SE that the licensee response is intended to fill.
- NRC management will maintain a focus on RAIs. Before sending a second (and any subsequent) round of RAIs in a specific technical area, NRC management will discuss the need for a second round of RAIs and whether alternative methods for gathering the necessary information, such as a public meeting or audit, may be more effective and efficient.
- NRC project managers will track licensee timeliness and adherence to RAI response schedules. Any delays in licensee responses will be brought to NRC management attention. Trends in RAI response times will be evaluated based on the average timeliness to assess the agency’s processes and metrics.

In addition to the guidance, NRC management is holding periodic meetings to discuss open licensing actions, as well as to develop alignment on the best approaches to completing those actions and monitor licensing metrics. Other actions taken include obtaining additional resources, in the form of staff and contract support, to focus on stabilizing and recovering the licensing backlog.

QUESTION 23. The Commission has recently revised its Internal Commission Procedures (dated March 24, 2016). Please provide a "redline/strike-out" version showing all tracked changes made relative to the previous version.

ANSWER.

This document was provided to the Committee on May 6, 2016.

The Honorable David Vitter

QUESTION 24. **How does the NRC's standard hourly charge for service compare to other engineering firms?**

ANSWER.

The NRC must comply with the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) and the Independent Offices Appropriation Act of 1952 (IOAA) when setting user fees and annual fees, while private engineering firms do not. NRC, as a regulatory agency, has a very different role with respect to licensees than engineering firms have with their clients. Under OBRA-90 and the IOAA, the NRC must recover its costs of providing specific regulatory benefits to identifiable applicants and licensees. In so doing, the NRC establishes an hourly rate for its regulatory work. Consistent with the IOAA, the NRC determines its hourly rate by dividing the sum of recoverable budgeted resources (i.e., total budget authority less non-fee items) by mission-direct FTE hours for the following:

- 1) mission-direct program salaries and benefits;
- 2) mission-indirect program support; and
- 3) agency support—which includes corporate support, office support (in fiscal year FY) 2015, but not future fiscal years), and the Inspector General.

QUESTION 25. **What are the estimated savings of consolidating NRC headquarters to 3 buildings?**

ANSWER.

In fiscal year (FY) 2015, the NRC completed the consolidation of its headquarters to three buildings in Rockville, MD that began in 2012. While the consolidation resulted in annual

decreases, including \$800,000 for shuttle services, \$2.1 million for guard services, and \$1.2 million for the rent and utilities associated with the interim buildings, the reductions were essentially offset with higher rent costs in Three White Flint North (3WFN). Due to contractual obligations, the NRC spent an additional \$1.9 million to subsidize the rent and utilities for the space occupied by the U.S. Food and Drug Administration in 3WFN, and the agency experienced an increase in FY 2014 for guard services as a result of the U.S. Department of Homeland Security, Federal Protective Service rescinding the delegated authority for the NRC to contract its own guard services. Additional information regarding the cost for providing guard services is provided in response to question 50.

While the consolidation has not yet yielded any net savings, as staffing levels continue to decline, the NRC will continue to work with GSA to release additional floors in the 3WFN headquarters building. The NRC's 15-year occupancy agreement with GSA is "non-cancelable" and the NRC is responsible for the full lease costs for the building until the space is backfilled. The NRC plans to release one floor by the end of FY 2018 and an additional floor by the end of FY 2019, resulting in a potential annual savings of \$1 million per floor, provided that GSA can backfill the space with another tenant.

QUESTION 26. **What is the current projected carryover balance from FY 2016, and where did it come from?**

ANSWER.

As of the end of April, the NRC had \$23 million in carryover funding (\$18 million of fee-based funding) from the FY 2015 budget. The staff will have an updated estimate of projected carryover around the end of July once the agency's midyear resource review is finalized. The projected carryover balance will come from estimates of de-obligations of prior year fee-based

appropriations during this fiscal year, as well as delayed use of or over-estimated contractual support estimates for current year appropriated funds.

QUESTION 27. Chairman Burns stated in a previous hearing that Project Aim identified \$41.1 million in potential savings for FY 2017 budget. However, the Commission's FY 2017 request is a reduction of only \$19.8 million from FY 2016, \$15 million of which is from elimination of the integrated university program. Why does the 2017 request not incorporate additional aspects of Project AIM's identified improvements?

ANSWER.

Project AIM identified \$41.1 million in potential savings for FY 2017, of which \$9.9 million were included in the FY 2017 budget request. The remaining items identified via Project Aim were not included in the budget request since they had not been approved by the Commission.

Now that nearly all of the efficiencies were approved by the Commission on April 13, 2016, additional savings of \$29.4 million can be achieved. With these reductions, the NRC could operate at a level of \$939.9 million and 3,342 FTE in FY 2017, excluding the Office of the Inspector General and reimbursable FTE.

QUESTION 28. What actions are currently being taken to develop licensing for non-light water reactors?

ANSWER.

The NRC is developing a vision and strategy document that outlines the agency's plans to achieve readiness for effective and efficient review of future non light-water (non LWR) reactor applications. It contains three key strategic objectives: enhance technical readiness, optimize regulatory readiness, and optimize communication. The document addresses activities that need to be undertaken in three timeframes: near term (0–5 years), mid-term (5–10 years), and long-term (beyond 10 years). The NRC will develop specific implementation action plans by early calendar year (CY) 2017. The vision and strategy document has been shared with U.S. Department of Energy (DOE) staff for its comment, and we expect to seek broader stakeholder comment soon.

Key near-term strategies include the following:

- Acquiring or developing sufficient knowledge, technical skills, and capacity to perform non-LWR regulatory reviews.
- Acquiring or developing sufficient computer codes and tools to perform non-LWR regulatory reviews.
- Establishing a more flexible, risk-informed, performance-based non-LWR regulatory review process within the bounds of existing regulations.

The goal is for the staff's review efforts to be commensurate with the safety performance of the non-LWR design being considered. Of particular interest to some stakeholders is the development of both a conceptual design assessment process and a staged review process. Outreach activities will particularly focus on vetting the proposal for these processes over the next few months.

Within the limited resources in the current budget, the NRC has worked with DOE in developing design criteria specific to non-LWR technologies. The document providing the criteria was

made available for informal public comment in April 2016, with comments requested by June 2016. These informal comments will provide input to the NRC as it prepares a draft regulatory guide to be published for formal comment. The agency currently expects to issue this draft regulatory guide by the end of CY 2016.

QUESTION 29. **How much funding is currently being spent on non-light water reactors and SMRs, respectively?**

ANSWER.

In FY 2016, the NRC budgeted approximately \$0.3 million for non-light-water reactors and approximately \$6.5 million for small modular reactors. These resources do not include an allocation of agency overhead.

QUESTION 30. **How will the \$5 million request for advanced reactors licensing be distributed among NRC programs?**

ANSWER.

In addition to the activities outlined in Question 28, the NRC is developing a vision and strategy for addressing non-light-water reactors (non-LWRs), leading to the development of specific implementation actions plans that will include schedule and budgetary needs for each plan. The agency will develop those plans by early CY 2017, with the near-term plans developed by the end of September 2016. The \$5 million request, if enacted, will be allocated to several offices, consistent with the schedule and budget needs for the near-term actions

QUESTION 31. **What is the estimated total cost and necessary person-hours to develop an efficient non-light water reactor licensing process?**

ANSWER.

The NRC has emphasized it can license new non-LWR designs using the existing regulatory framework. Nevertheless, the Commission has also taken a number of steps to ensure its readiness for effective and efficient review of future non-LWR applications. To date, the NRC resources devoted to these efforts have been paced to be consistent with the industry's stated development, licensing, and deployment plans. The NRC has also been actively seeking public feedback to further inform the appropriate focus and timing of these initiatives. Accordingly, the NRC does not currently have a complete estimated total cost, including the necessary person-hours to develop the anticipated non-light-water reactor (non-LWR) licensing process. Those cost estimates and schedules are being developed as part of the vision and strategy implementation action plans. However, initial estimates suggest that \$5 to \$10 million will be necessary annually between now and 2025 to enhance the regulatory framework to support the effective and efficient review of the various non-LWR technologies.

QUESTION 32. **What activities is the NRC currently taking to examine interim consolidated waste storage?**

ANSWER.

The U.S. Nuclear Regulatory Commission's (NRC's) responsibility is to ensure that spent nuclear fuel is managed and stored safely and securely in either wet or dry storage located at reactor sites or away from reactor sites (e.g., interim consolidated waste storage). The NRC

recently completed an acceptance review of an application for an interim consolidated storage facility. This is not the first time a private entity has applied for a license to store nuclear waste. Under existing NRC regulations, the Commission issued a license to Private Fuel Storage in February 2006. The purpose of the acceptance review is to determine whether an application is acceptable for docketing under 10 CFR Part 72. In the case of the application mentioned above, the NRC informed the applicant that the application did not contain sufficient technical information and identified the information necessary for the NRC staff to continue the acceptance review. If this application is ultimately docketed, subsequently approved and a license is issued, the NRC will provide oversight and perform the appropriate inspections during the facility's construction and operation.

QUESTION 33. Is the NRC currently continuing any activities to develop a permanent spent fuel storage solution?

ANSWER.

Congress and the President set national policy for disposal of spent nuclear fuel. It is the NRC's responsibility, as an independent regulator, to review applications submitted for spent fuel storage, transportation, or disposal and determine whether the proposed operations meet the NRC's safety, security, and environmental protection requirements.

The Honorable John Barrasso

Question 34. In the hearing, you committed to consider increasing the license duration for uranium recovery. Please describe the steps that will be taken in this process, including milestones for each step, and the timeframe for completing the process.

ANSWER.

The staff anticipates the following steps and timelines in the process to consider increasing the license duration for uranium recovery (UR) licenses:

Current – Analyze the history of UR licensing duration history, as well as the durations of other, non-UR NRC licenses. Analyze applicable legal and policy considerations, Develop a list of pros and cons for changing the UR licensing duration, and develop options for changing the length of the licensing duration.

- December 2016 – Begin drafting notation vote SECY paper to present staff's analyses and recommendations for changing the UR licensing duration.
- March to July 2017 – Conduct internal staff review of and receive concurrence on draft notation vote SECY paper.
- September 2017 – Submit notation vote SECY paper to the Commission for review and vote.

If a change of policy is approved by the Commission, a *Federal Register* notice describing the policy change would be issued 60 days after receiving the Commission's decision.

The Honorable Michael Rounds

- QUESTION 35.** Your testimony states that the FY 2017 budget represents a decrease of \$19.8 million from FY 2016, \$15 million of which is from elimination of the integrated university program. That leaves a decrease of \$4.8 million and 90 FTE in the NRC's offices. NRC staff have indicated to Committee staff that each FTE reduction presents an average savings of \$165,000. Hence, a reduction of 90 FTE should result in \$14.8 million in savings.
- a. Please provide a detailed explanation of why the \$14.8 million is not reflected in the NRC's budget request including a detailed list of how the money was spent.

ANSWER.

- a. The cost savings achieved by the 90 FTE reduction were offset by a modest increase in contract support and travel and a Government-wide pay raise in FY 2017, resulting in a net decrease of \$4.8 million.

- QUESTION 35(2).** Your written testimony states that Project Aim savings resulted in a reduction of \$9.9 million in the FY 2017 budget. Given that the budget for the NRC program offices only decreased by \$4.8 million, please describe the reason for this disparity including a detailed explanation of how the money was spent.

ANSWER.

The cost savings were offset by an increase of \$5 million for activities related to the development of regulatory infrastructure for advanced nuclear reactor technologies and a Government-wide pay raise in FY 2017. This resulted in a net reduction of \$4.8 million.

QUESTION 36. **You testified that the NRC has identified an additional \$30 million in savings. Please indicate when we will see those savings achieved.**

ANSWER.

These Commission-approved savings have been provided to the House and Senate Appropriations Committees' Energy and Water Subcommittees, and are currently reflected in the Senate-passed FY 2017 Energy and Water Appropriations bill.

QUESTION 37. **Please provide a current estimate of the carry-over funds NRC anticipates having at the end of FY 2016.**

ANSWER.

As of the end of April, the agency had \$23 million in carryover funding (\$18 million of fee-based funding). The NRC does not expect to exceed \$25 million in fee-based unobligated carryover funds; however, the agency should have a better estimate of the total amount around the end of July 2016.

QUESTION 38. Please describe the actions being taken to reduce the NRC's backlog in licensing action reviews and prevent its reoccurrence including any process improvements.

ANSWER.

The NRC has made a concerted effort to reduce the backlog. This includes reallocating resources from lower priority work across the nuclear reactor safety program, expanding the use of contract support, and maintaining an aggressive focus on completing actions in the backlog. It also includes an enhanced focus on actions approaching 1 year in progress to ensure they are completed within established timeframes. In addition, the NRC undertook a number of initiatives to identify efficiencies within the operating reactor program that will enhance the licensing process and improve the timelines of reviews. As a result, NRC management issued interim guidance to the staff in January 2015 and updated interim guidance in April 2016 that provides expectations to help ensure consistency of the licensing review process, sound decisionmaking, and discipline of schedule. This guidance includes expectations regarding:

- Managing complex actions.
- Reviewing actions for acceptability.
- Adhering to the licensing processes.
- Increasing management attention during various steps in the licensing review.
- Increasing attention on the RAI process (see the response to Question 22 for additional information on the RAI process).

Lastly, with the Fukushima workload expected to level off and decrease heading into FY 2017, skill sets currently dedicated to Fukushima will be available to support other mission-related activities, as needed.

The backlog of licensing actions older than 12 months reached a peak of 112 in November 2014. The backlog has dropped to 20 as of April 2016. In addition, the current FY 2016 average for completing licensing actions in less than 1 year is now approximately 94 percent (i.e., an increase of approximately 6 percent from FY 2015)³.

To prevent reoccurrence of a backlog, NRC management is continuously evaluating its processes to identify areas for improvement. In addition, as the timelines for licensing actions begin to return to normal, the NRC management team has been refocusing technical and project management capacity to support other mission-critical. Lastly, NRC management is looking to anticipate the resource needs in the upcoming years. Specifically, reactor licensees responded to a January 2016 generic communication seeking voluntary feedback regarding projected routine licensing actions and extended power uprates. The NRC management team is analyzing the data to assist with resource planning in critical skill-set areas, as well as with the prioritization of licensing activities.

³ For most licensing actions, the NRR goal is to complete 95 percent of the reviews within 1 year and 100 percent in less than 2 years (some complex and routine reviews have longer and shorter goals, respectively).

The Honorable Bernard Sanders

QUESTION 39. **What is the process for reviewing and processing public comments in the current decommissioning rulemaking proceeding (docket NRC-2015-0070)? How are public comments weighed by the Commission against comments from the industry?**

ANSWER.

The NRC issued an advance notice of proposed rulemaking (ANPR) in docket NRC-2015-0070 on November 19, 2015. The public comment period ended on March 18, 2016. The NRC received 161 comment submissions from a wide variety of stakeholders. Consistent with the NRC process and as stated in the ANPR, the staff is not developing formal responses to the comments. However, the staff is reviewing and considering them in the development of its regulatory basis for the power reactor decommissioning rule. The regulatory basis will include a summary of the comments received on the ANPR. Subsequent stages of the NRC's rulemaking process provide opportunity for public comment and the development of formal response by the NRC.

The NRC treats all public comments equally, using the same comment assessment process for each submission. The staff reviews each public comment in a systematic way and evaluates the information provided against technical, legal, and policy information to determine an appropriate action and response.

QUESTION 40. **How does the NRC intend to educate the public about the existence and meaning of the ongoing decommissioning rulemaking process? What is the NRC's plan for community outreach for the remainder of this decommissioning rulemaking process?**

ANSWER.

The NRC staff will hold a public meeting for each rulemaking milestone. In addition, the staff will consider holding additional public meetings on technical topics for which there is significant stakeholder interest during the development of the proposed rule. Based on the feedback received on the proposed rule and draft regulatory guidance, the staff will also evaluate the need for additional public meetings during development of the final rule.

The NRC issued an ANPR regarding the decommissioning of nuclear power plants to engage formally with the public at a very early stage in the rulemaking process. While the ANPR is not a mandatory step in the agency's rulemaking process, the NRC determined that early interaction with stakeholders related to the power reactor decommissioning rulemaking would inform subsequent phases of the process (i.e., regulatory basis development, proposed rule development, and final rule development). In addition, the ANPR provided stakeholders with more detailed information regarding the scope and purpose of the rule early in the rulemaking process.

The staff intends to publish the draft regulatory basis for public comment in late CY 2016. After completion of the final regulatory basis, the staff will develop a proposed rule and draft regulatory guidance and issue them for public comment.

Although not required, the NRC staff intends to hold a public meeting for each of the potential decommissioning rulemaking milestones. In addition, the staff will consider holding a public meeting on technical topics for which there is significant stakeholder interest.

QUESTION 41. Has the NRC planned any public field meetings to gather comments or testimony from communities where nuclear plants are decommissioning now, or will be soon? If not, why?

ANSWER.

Given the opportunities for public comment during the decommissioning rulemaking process (see response to Question 40), the NRC does not plan to conduct public field meetings at this time. However, as the NRC continues the rulemaking process, the agency may consider conducting such meetings during the development of the proposed rule.

The NRC staff does conduct public outreach in the vicinity of decommissioning nuclear power plants to explain and field questions about the decommissioning process. When a power reactor licensee submits a post-shutdown decommissioning activities report (PSDAR), and subsequently when a licensee submits a license termination plan (LTP), NRC holds public meetings near the facility after each submittal. The public is also provided an opportunity to comment on both the PSDAR and the LTP. In addition, whenever a nuclear power plant licensee requests a license amendment, the public has the opportunity to comment and/or request a hearing on the amendment.

QUESTION 42. Why has the NRC continued to waive its own regulations, especially those pertaining to the decommissioning trust fund, even though it is working to create new decommissioning rules?

ANSWER.

The NRC may waive or grant exemptions from regulations related to the decommissioning trust fund if the exemption request meets the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) 50.12, "Specific Exemptions." That regulation allows the NRC to grant exemptions from the requirements of its regulations in 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," (including nuclear reactor decommissioning trust fund regulations). When deciding whether to grant an exemption request, the NRC must consider if the exemption meets the following criteria:

- Is authorized by law.
- Will not present an undue risk to the public health and safety.
- Is consistent with the common defense and security.
- Involves special circumstances such that the application of the regulation or compliance with the regulation is not necessary to achieve the underlying purpose of the regulation or that compliance with the regulation will result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted.

When considering an exemption to allow use of the decommissioning trust funds for purposes other than radiological decommissioning (e.g., spent fuel management), the NRC must determine that sufficient funds are (or will be) available for radiological decommissioning activities required by NRC regulation. If there is reasonable assurance that additional funds are available beyond what is necessary to support radiological decommissioning, the Commission may then grant an exemption.

The NRC recognizes that the current regulatory framework can be improved, and the current rulemaking process will consider how licensees can maintain safety and security at sites transitioning to decommissioning without having to rely on exemptions from NRC requirements.

QUESTION 43. In light of the fact that spent nuclear fuel is kept on the Vermont Yankee site in Vernon in SAFSTOR, what justification is there for requiring less insurance, specifically at odds with the current NRC regulations?

ANSWER.

Under Title 10 of the *Code of Federal Regulations* (10 CFR) § 140.11(a)(4), the level of nuclear liability insurance that is required for operating commercial nuclear reactors applies only to nuclear reactors that have a rated capacity of 100,000 electrical kilowatts or more. Because Vermont Yankee is permanently shut down and defueled, this plant does not have a rated capacity. Therefore, the level of insurance specified in NRC's current regulations at 10 CFR § 140.11(a)(4) is no longer required for Vermont Yankee.

The NRC determined that a reduction in offsite insurance from the levels specified in the current regulation is appropriate because there is no longer any possibility of a reactor accident due to Vermont Yankee being permanently shut down and defueled. In addition, the accident risks that do exist there as a result of the spent fuel being kept on site are much lower than those of an operating power reactor. The decay heat levels of the irradiated fuel, stored in the spent fuel pool (SFP), are sufficiently low that the only significant postulated event, a spent fuel zirconium fire, is very unlikely. Because the probability of a zirconium fire is related to the decay heat of the irradiated fuel stored in the SFP, this risk continues to decrease as a function of the time that Vermont Yankee has been permanently shut down. The licensee has evaluated the zirconium fire risk based on the decay heat as of April 15, 2016. That review determined that

the licensee would have more than 10 hours to mitigate the heat up of the spent fuel, if all modes of heat removal at the SFP (air or water) were lost. The NRC staff has determined that the licensee has sufficient capability and equipment positioned on site that can be quickly deployed and used to mitigate conceivable loss of spent fuel cooling conditions. Therefore, the need for offsite insurance at Vermont Yankee is lower than what is needed at an operating reactor. The same factors that support reduction of offsite insurance also support a reduction in onsite insurance.

The licensee for Vermont Yankee requested exemptions from both the offsite and onsite insurance limits because these regulations do not take into account the permanently shut down and defueled status of the plant. The exemption from onsite property damage insurance reduced insurance levels from \$1.06 billion to \$50 million, effective April 15, 2016. The exemption from offsite liability insurance reduced the required level of primary financial protection from \$375 million to \$100 million and permitted the licensee to withdraw from participation in the secondary financial protection pool after April 15, 2016.

The NRC granted the request for both exemptions on April 15, 2016, because there is no longer a credible risk of a large radiological release at the site. The NRC staff found that the licensee's request also met the regulatory criteria for granting exemptions because they are authorized by law, will not present an undue risk to public health or safety, and are consistent with the common defense and security. In the case of onsite property damage insurance, there also are special circumstances present, as listed in 10 CFR 50.12(a)(2). The NRC staff concluded that if the licensee was required to continue to maintain an onsite insurance level of \$1.06 billion, the associated insurance premiums would be in excess of those necessary and commensurate with the radiological contamination risks posed by the site. .

QUESTION 44. **What justification is there for the NRC to approve withdrawals from Vermont Yankee's Decommissioning Trust Fund for spent fuel management when NRC's regulations expressly prohibit such use? (10 C.F.R. 50.75 at FN 1).**

ANSWER.

Under NRC regulations, some licensees choose to place funds in their decommissioning trusts to pay for costs associated with spent fuel management and site restoration. Vermont Yankee Nuclear Power Station sought regulatory exemptions to use decommissioning trust funds for spent fuel management expenditures when the amount of money in the trust is more than is needed for radiological decommissioning. Thus, the NRC has approved licensee exemption requests, consistent with the criteria set forth in Title 10 of the *Code of Federal Regulations* (10 CFR) 50.12, from decommissioning funding requirements in 10 CFR 50.75, "Reporting and Recordkeeping for Decommissioning Planning," and 10 CFR 50.82, "Termination of License," when a licensee has demonstrated that sufficient funds are (or will be) available beyond what is necessary to pay for radiological decommissioning.

In each instance in which the staff approved exemptions allowing withdrawals from decommissioning trust funds for spent fuel management, it acted under the authority delegated to it by the Commission. The staff found the exemptions were authorized by law, and the staff concluded the exemptions presented no undue risk to public health and safety and were consistent with the common defense and security.

The NRC is committed to ensuring radiological decommissioning of any site is completed within the time period and in a manner consistent with the NRC's regulations. Compliance with decommissioning funding assurance regulations for reactors that have permanently ceased operations is verified through a review of annual licensee-prepared decommissioning funding status reports. If, through this monitoring, the NRC staff determines there is no longer

reasonable assurance of sufficient funding to complete radiological decommissioning, the previously granted exemption may be revoked.

The Honorable Deb Fischer

- QUESTION 45.** If a modification is necessary to bring a facility into compliance with existing NRC regulations, then it is exempt from analysis under the backfit rule according to the compliance exception. In the 1990's, industry raised concerns about the "...misuse of the compliance exception ..." In a recent letter to the NRC, the Nuclear Energy Institute raised similar concerns: "...allowing the staff to apply the compliance exception to impose new or different interpretations of unchanged regulatory requirements would defeat the fundamental purpose of the backfit rule."
- a. How does the Commission oversee the staff's use of the compliance exception?
 - b. Wouldn't a new interpretation of an existing regulation constitute a policy matter for the Commission?
 - c. What incentive does the staff have to notify the Commission is [sic] such a matter exists?

ANSWER.

- a. The Commission oversees the staff's use of the compliance exception in generic matters that involve new policy, interpretive rules not delegated to the staff, and for other activities that require Commission review and approval before issuance. In addition to the backfit regulations found in the NRC regulations, the NRC staff must also follow Commission direction provided in various Statements of Considerations and Staff Requirements Memoranda that contain further clarification of the Commission's expectations with regard to the compliance exception and

backfit issues in general. The staff, on a case-by-case basis, may refer compliance backfit issues to the Commission for consultation even where the substantive matter is delegated to the staff for resolution. For many actions, like enforcement, the staff has delegated authority to resolve compliance backfit matters. The staff may inform the Commission of compliance backfit issues in staff-delegated actions through information briefing

b. Yes, unless the staff's new interpretation falls within the Commission-delegated licensing and regulatory oversight actions such as inspection and audits.

c. The staff is required by NRC's internal procedures to keep the Commission fully and currently informed. For specific matters described in "a", the staff is required to submit its recommendations to the Commission on compliance backfit or any other backfit issue for the Commission's review and approval. For other matters that are delegated to the staff for decisionmaking but are significant, the staff nonetheless provides advance notice to the Commission about the staff's intended resolution of backfit issues to ensure effective Commission oversight.

QUESTION 46. For the last five years, please provide a list of instances where the NRC staff has exercised the compliance exception in the Backfit Rule. Please describe the issue under consideration, the justification for utilizing the exception, and the level of management responsible for making the decision.

ANSWER.

During the last 5 years, there have been 5 instances in which the NRC staff has exercised the compliance exception in the Backfit Rule.

1. Byron Station, Units 1 and 2

"Byron Station, Units 1 and 2, Follow Up Inspection of an Unresolved Item;

05000454/2011010; 05000455/2011010," dated January 19, 2011,

a. The issue under consideration: In several correspondence with the NRC staff, the licensee stated that the worst single active failure assumed in its steam generator tube rupture event analysis involved a mechanical failure of a single steam generator power operated relief valve. This single failure was not the worst single failure but the licensee's assumption was not challenged and was subsequently approved by the agency.

b. The justification for using the exception: The NRC staff determined the assumption of a single steam generator power operated relief valve failure is not the most limiting single failure, in that a failure of electrical components would result in a failure of two steam generator power operated relief valves. The NRC staff concluded failures of electrical components should have been postulated to comply with 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," Appendix A, "General Design Criteria for Nuclear Power Plants."

c. The level of management responsible for making the decision: NRC Region III's Division Director for Reactor Safety.

2. Braidwood Station, Unit 2

"Braidwood Station, Units 1 and 2, Verification Inspection Related to Analysis of Steam Generator Tube Rupture Event Margin to Overfill; 05000456/2011009; 05000457/2011009," dated February 1, 2011,

a. The issue under consideration: The issue discussed for Byron Station also existed at Braidwood Station regarding the worst single active failure assumed in the steam generator tube rupture event analysis.

b. The justification for using the exception: The justification for using the exception is the same as discussed for Byron Station.

c. The level of management responsible for making the decision: NRC Region III's Division Director for Reactor Safety.

3. Edwin I. Hatch Nuclear Plant

"Edwin I. Hatch Nuclear Plant—NRC Component Design Bases Inspection—Inspection Report 05000321/2011009 and 05000366/2011009," dated May 25, 2011,

a. The issue under consideration: The degraded voltage protection system configuration for Hatch, Units 1 and 2, initially approved by the NRC in a 1995 safety evaluation report, is inadequate in that the degraded voltage relay settings do not automatically protect the Class 1E equipment (safety-related) during a degraded voltage condition.

b. The justification for using the exception: The NRC reassessed the degraded voltage protection system involving administrative controls to ensure adequate voltage to safety-related equipment during certain design-basis events. This system's configuration was recognized as a deviation from the guidance on degraded voltage protection provided in an NRC letter dated June 2, 1977, but was accepted by the NRC in a safety evaluation report dated February 23, 1995. After further review, the staff concluded the NRC was in error in accepting this approach. The staff's change in position on the acceptability of relying on manual operator action to demonstrate compliance with the applicable provisions of 10 CFR Part 50, Appendix A, General Design Criterion 17, "Electric Power Systems," and 10 CFR 50.55a(h)(2) constitutes backfitting as defined in 10 CFR 50.109(a)(1). The backfitting action was necessary for compliance with GDC-17 and was consistent with applicable guidance and practices in

effect at the time that the NRC staff erroneously approved the use of manual actions for controlling voltages at the Hatch plant.

c. The level of management responsible for making the decision: NRC Region II's Division Director for Reactor Safety.

4. Joseph M. Farley Nuclear Plant

"Joseph M. Farley Nuclear Plant—NRC Integrated Inspection Report 05000348/2012005 and 05000364/2012005," dated January 31, 2013,

a. The issue under consideration: The issue discussed for the Edwin I. Hatch Nuclear Plant regarding the degraded voltage protection system configuration also existed at Joseph M. Farley Nuclear Plant.

b. The justification for using the exception: The justification for using the exception is the same as discussed for the Edwin I. Hatch Nuclear Plant.

c. The level of management responsible for making the decision: NRC Region II's Branch Chief within the Division of Reactor Projects.

5. Byron Station, Units 1 and 2 and Braidwood Station, Units 1 and 2

"Braidwood Station, Units 1 and 2, and Byron Station, Unit Nos. 1 and 2—Backfit Imposition Regarding Compliance with 10 CFR 50.34(b), GDC 15, GDC 21, GDC 29, and Licensing Basis," dated October 9, 2015 The issue under consideration: Byron and Braidwood are not in compliance with the following:

- 10 CFR Part 50, Appendix A, GDC 15, "Reactor Coolant System Design;" GDC 21, "Protection System Reliability and Testability;" and GDC 29, "Protection against Anticipated Operational Occurrences"
- 10 CFR 50.34(b), "Final Safety Analysis Report"

- plant-specific design bases showing there will be no progression of Category II events into Category III events ("prohibition of progression of Condition II events")

Based on the NRC staff's review of the analyses contained in the Byron and Braidwood updated final safety analysis report (UFSAR), Chapters 15.5.1, "Inadvertent Operation of Emergency Core Cooling System during Power Operation (IOECCS)," 15.5.2, "Chemical and Volume Control System (CVCS) Malfunction that Increases Reactor Coolant Inventory (CVCS) Malfunction," and 15.6.1, "Inadvertent Opening of a Pressurizer Safety or Relief Valve (IOPORV)," the NRC staff determined that the UFSAR predicts water relief through a valve that is not qualified for water relief.

- The justification for using the exception: The NRC staff's conclusions with respect to noncompliance with GDCs 15, 21, and 29, 10 CFR 50.34(b), and UFSAR provisions with respect to prohibition of progression of Condition II events differ from a previous NRC position on the acceptability of the Byron and Braidwood design bases. The NRC staff's earlier position was documented in the safety evaluation for an increase in reactor power enclosed with a letter dated May 4, 2001. Therefore, the staff has determined that the current conclusion and position constitutes backfitting under 10 CFR 50.109(a)(1).
- The level of management responsible for making the decision: Division Director for Operating Reactor Licensing in the Office of Nuclear Reactor Regulation.

QUESTION 47. **The NRC's Committee to Review Generic Requirements, or "CRGR"**
"... ensures any generic backfits that are proposed for NRC-licensed power reactors, new reactors, and nuclear materials facilities...are

appropriately justified on the bases of the backfit provisions...and the Commission's backfit policy." In questions following the October 7th hearing, I asked if the CRGR had reviewed a list of issues including several that members of the Committee had written about. The NRC responded: *"These rules and documents were not reviewed by the CRGR because the proposing offices did not request CRGR review...."*

a. How can the CRGR perform a checks-and-balance role to ensure disciplined adherence to the backfit rule if the staff can simply decide not to ask for their review?

ANSWER.

a. In SECY-015-0129, "Commission Involvement in Early Stage of Rulemaking," dated October 19, 2015, the CRGR stated its plans to strengthen the existing expectation for Committee involvement in ensuring disciplined adherence to the Backfit Rule. In this effort, the CRGR developed criteria and implementing guidance to clarify at what stage and under what conditions the NRC staff is expected to request a CRGR review of proposed rulemaking packages. The NRC's Executive Director for Operations (EDO) has approved this guidance, which was provided to the Commission for information. Under this guidance the staff must consult with the CRGR on the need for formal Committee review of a rulemaking package when any one of the following conditions is met:

1. The staff indicated, in the rulemaking plan, that the rulemaking would not constitute backfitting. However, in developing the proposed rule, the staff identifies that a backfit is possible.

2. Qualitative factors were used to justify the rulemaking and the staff's subsequent regulatory analysis identifies significant costs incurred as a result of the proposed rulemaking.
3. There is substantial statistical uncertainty (in the statistical sense) in the quantitative benefit determinations in the backfit analysis.
4. The backfitting is justified or issue finality provisions in 10 CFR Part 52, "Licensing, Certifications, and Approvals for Nuclear Power Plants," are avoided based on reliance on the compliance exception.
5. As directed by the Executive Director for Operations (EDO) or when substantive concerns have been raised by stakeholders or NRC staff regarding the backfit or regulatory analysis.

The criteria and associated implementing guidance will be used by the CRGR, the agency's Office Directors, and the EDO, as appropriate, to decide whether to request CRGR review of a rulemaking package. The criteria and guidance has been provided to the CRGR and the program offices for immediate use, and will be included in a September 2016 update to Management Directive 6.3, "The Rulemaking Process". After a 1-year pilot period, each office involved in rulemaking will provide the CRGR with its assessment and lessons learned from applying the new criteria and guidance.

The CRGR will assess the lessons learned and feedback from the staff on use of the new guidance and criteria and inform the Commission regarding its determination if further process enhancements would be beneficial in its 2017 annual periodic assessment. Any changes to the scope of CRGR review and the associated staff responsibilities will be incorporated into the subsequent revision of the CRGR charter and the appropriate agency and office implementing procedures.

QUESTION 48. In response to questions following the October 7th hearing, the NRC provided a copy of a previous Rulemaking Activity Plan indicating that it was marked “Official Use Only” and should not be released publicly. Correspondence from the Nuclear Energy Institute notes that it obtained a copy by filing a Freedom of Information Request. Given that rulemaking is such a fundamental activity, did the Commission decide to return to its previous practice of making rulemaking plans publicly available as part of its deliberation on “COMMISSION INVOLVEMENT IN EARLY STAGES OF RULEMAKING”?

ANSWER.

Each rulemaking plan and the Commission’s decision on each plan will be publicly available. However, consistent with budget practices under OMB Circular A11, resource information such as pre-decisional budget information will not be provided to the public.

The NRC staff compiles an annual, internal report for the Commission on all agency rulemaking activities. This report, called the “Rulemaking Activity Plan” (RAP), contains detailed schedule information on every planned rulemaking, a list of completed actions, and the status of petitions for rulemaking. The RAP also contains pre-decisional budget information and normally has not been made available to the public. In the response to the FOIA request by NEI, the pre-decisional budget information was redacted.

The Commission recently approved staff recommendations that will greatly improve the NRC’s rulemaking tracking and reporting. The staff will make the information contained in the internal RAP - with the exception of pre-decisional resource data- available to the public on the NRC’s Web site in 2017.

The Honorable Michael Crapo

- QUESTION 49.** Please provide the total amount of fees collected under Part 171 for each of the last 10 years, adjusted for inflation.
- Please indicate whether the amount of annual fees collected in these years was adequate or inadequate to support the NRC's safety and security mission.
 - Please also include the estimate of 10 CFR Part 171 fees the NRC anticipates collecting under its FY 2017 budget.
 - Please describe the difference between the amount of 10 CFR Part 171 fees the NRC anticipates collecting in its FY 2017 budget and the 10 CFR Part 171 fees the NRC collected in 2015.

ANSWER.

The following is the breakdown of 10 CFR Part 171 fees collected over the last 10 years.

Fiscal Year	Total Collected Amount under Part 171	Adjusted for Inflation *	Cumulative Inflation Rate	Annual Inflation
2006	\$436,229,388.53	\$517,721,625.64	18.7%	2.5%
2007	\$465,569,258.93	\$537,240,725.28	15.4%	4.1%
2008	\$470,520,056.77	\$522,877,522.85	11.1%	0.1%
2009	\$522,935,468.75	\$583,200,395.22	11.5%	2.7%
2010	\$545,596,423.58	\$598,653,308.79	9.7%	1.5%
2011	\$551,419,715.00	\$586,528,936.43	6.4%	3.0%
2012	\$559,262,445.00	\$582,810,055.37	4.2%	1.7%
2013	\$518,912,454.10	\$532,954,634.03	2.7%	1.5%
2014	\$590,541,343.30	\$596,839,991.97	1.1%	0.8%
2015	\$572,093,920.20	\$577,510,319.69	.9%	0.7%
2016	\$426,506,061.60**			1.1%

* US Inflation Calculator <http://www.usinflationcalculator.com/inflation/current-inflation-rates/>

** Total FY 2016 estimated collections under Part 171 is projected to be \$550.7 million.

- a. The amounts collected during the past 10 years under 10 CFR Part 171 and 10 CFR 170 were adequate to support the NRC's safety and security mission when combined with our net appropriation.
- b. Based upon the FY 2017 Senate-proposed \$939.9 million appropriation, the 10 CFR Part 171 estimated fees to be collected total \$520.7 million.
- c. The difference between the actual FY 2015 10 CFR Part 171 fees collected, \$567.5 million, and the budget of \$939.9 million proposed by the Senate for FY 2017 10 CFR Part 171 fees, \$520.7 million, is a decrease of \$46.8 million. The following chart (in millions) explains the calculation.

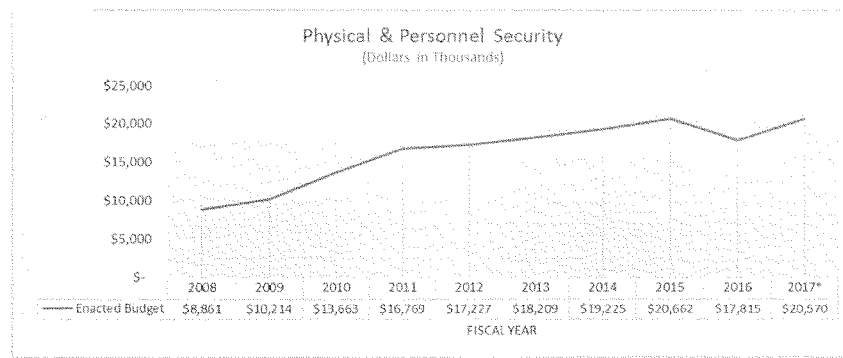
	Fiscal Year 2015 Final Fee Rule	Fiscal Year 2017 Senate proposed Budget	Change
Appropriation	\$ 1,015.3	\$ 939.9	\$ (75.4)
Less: Non fee items	(20.3)	(25.4)	(5.1)
Fee base budget	995.0	914.5	(80.5)
Recovery percentage - 90%	895.5	823.0	(72.5)
Less: Part 171 billing adjustments	(6.8)	(6.8)	-
Total fee recovery	\$ 888.7	\$ 816.2	\$ (72.5)
Part 170 fees***	\$ 317.8	\$ 295.5	\$ (22.3)
Part 171 fees***	\$ 567.5	\$ 520.7	\$ (46.8)

*** This row includes actual collections for FY 2015, which does not total 100% of the amount billed, and anticipated collections for FY 2017.

QUESTION 50.

Please provide the amounts spent on physical and personnel security for each of the last ten years.

- a. Please explain any annual increases for the amount spent on physical and personnel security over the past ten years in detail.
- b. Please provide an estimate of the decrease in these costs as the NRC continues to reduce its office space in White Flint Building 3 and White Flint Building 2.

ANSWER.

* FY 2017 reflects the re-baselined budget.

- a. Over the 10-year span—from FY 2008 to FY 2017—there have been several changes that have impacted physical security costs. As a result of the significant growth in personnel and contractors within the agency, NRC incurred additional costs to provide security guard services to multiple interim agency buildings at headquarters. By July 2015, the NRC no longer occupied any interim buildings at headquarters and thus incurred the related additional costs for security guard services. In addition, there were

office moves at Region 1, Region 2, and Region 4 that incurred costs to both establish and decommission security systems, update or replace security systems equipment, and provide increased guard services. In FY 2014, the U.S. Department of Homeland Security (DHS) Federal Protective Service rescinded the delegated authority for the NRC to contract its own security guard force and, as a result, the cost for security guard services increased. The agency is also required to pay an additional an 8 percent service fee to DHS. From FY 2008 to FY 2014, the following government-wide policy changes resulted in the increase of physical security costs:

- Federal Information Processing Standard 201-2, "Personal Identity Verification (PIV) of Federal Employees and Contractors" (2008, 2013)
- Interagency Security Committee Standards, "The Risk Management Process for Federal Facilities: An Interagency Security Committee Standard" (2010, 2013)
- Intelligence Community Standard Number 705-1 (ICD-705-1), "Physical and Technical Security Standards for Sensitive Compartmented Information Facilities" (2010)
- Title 32 of the *Code of Federal Regulations* Part 2001, Classified National Security Information (2010)

Increases in the budget for personnel security are largely attributed to the increase in the number of the agency personnel, as well as an increase in the number of contractors supporting agency activities. This resulted in an increase in investigations and case work for personnel security staff to determine employees' and contractors' initial eligibility and ongoing eligibility for security clearances and access authorizations. This also resulted in an increase in contracted services for administrative and processing support to keep up with the increased investigation workload. Over the last 10 years, the agency has also experienced an increase in the number of due process hearings as

a result of access authorizations and security clearances being denied. Additionally, the NRC has experienced increased costs associated with the drug testing program, as all NRC employees are currently required to be in the drug testing pool, as well as a number of contractors.

Lastly, Federal personnel security programs were going through the Security Reform Process. These reforms required agencies to follow the Suitability and Security Clearance Performance Accountability Council (PAC); have an end-to-end case management system; and, align security and suitability and fitness for duty processes and investigations. The following government-wide policy changes resulted in the increase of personnel security costs:

- Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information" (2008)
 - Executive Order 13488, "Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust" (2009)
 - Executive Order 13526, "Classified National Security Information" (2009)
 - Executive Order 13549, "Classified National Security Information Programs for State, Local, Tribal, and Private Sector Entities" (2010)
 - Performance Accountability Council Memorandum, "Assignment of Functions Relating to Coverage of Contractor Employee Fitness in the Federal Investigative Standards" (2012)
 - Federal Investigative Standards (2012)
- b. In line with the NRC's continuing efforts to reduce the size of its housing footprint and decrease associated costs, the FY 2016 Enacted Budget reflects a reduction of

\$370,000 in guard services for the Three White Flint North (3WFN) building, as the agency released four floors in May of 2015 to the Food and Drug Administration. As staffing levels continue to decline, the NRC will work with the U.S. General Services Administration to release additional floors in the 3WFN headquarters building and reduce guard services, as appropriate. The NRC's current plan is to release one floor by the end of FY 2018 and an additional floor by the end of FY 2019. At this time, there is no plan to reduce the housing footprint in the Two White Flint North building.

QUESTION 51. Please describe why the NRC believes the costs of the NRC's international cooperation and assistance should be recovered from domestic licensees.

ANSWER.

The NRC's international cooperation and assistance activities are a subset of its international activities, which include treaty implementation, nuclear nonproliferation, export-import licensing for nuclear materials and equipment, international safeguards support and assistance, international safety and security cooperation and assistance, and cooperative safety research. These activities are integral to the NRC's domestic public health and safety and common defense and security mission. These activities also support U.S. foreign policy objectives, as well as broader U.S. domestic and international safety and security initiatives.

The NRC does not charge licensees fees for costs associated with the agency's international assistance program. The international assistance program and activities help foreign regulatory counterparts develop or enhance their national regulatory infrastructures and programs, and strengthen their controls over radioactive sources. These resources are expended without

expecting the assistance will provide immediate benefits to an NRC research or regulatory program area. However, such assistance is viewed by the Commission, the U.S. Government, and the international community as invaluable for establishing multilateral coalitions, enhancing global nuclear safety and security, and strengthening regulatory programs for nuclear power plants, research reactors, and radioactive materials.

The resources that support international cooperation activities that benefit domestic licensees are recovered under annual fees. These activities include regulatory information exchanges, and policy and priority formulation activities providing direct input to the NRC regulation and oversight of its licensees and other benefits to NRC's licensees. The NRC does not charge licensees annual fees for costs associated with the agency's conventions and treaties program.

QUESTION 52. Please provide a list of the NRC's current performance metrics.

- a.** Please describe in detail any differences the NRC believes exist between the provisions in S. 2795 and the NRC's existing metrics.
- b.** Please also explain in detail how reporting requirements would limit the NRC's flexibility in managing schedule performance.
- c.** Please also explain whether the NRC believes that reporting requirements would prompt NRC staff to sacrifice safety in order to meet schedules.

ANSWER.

Attached are copies of the six 2016 NRC business line performance plans. These business line performance plans include official use only, sensitive internal information that is not publicly available. We respectfully ask that you honor these markings.

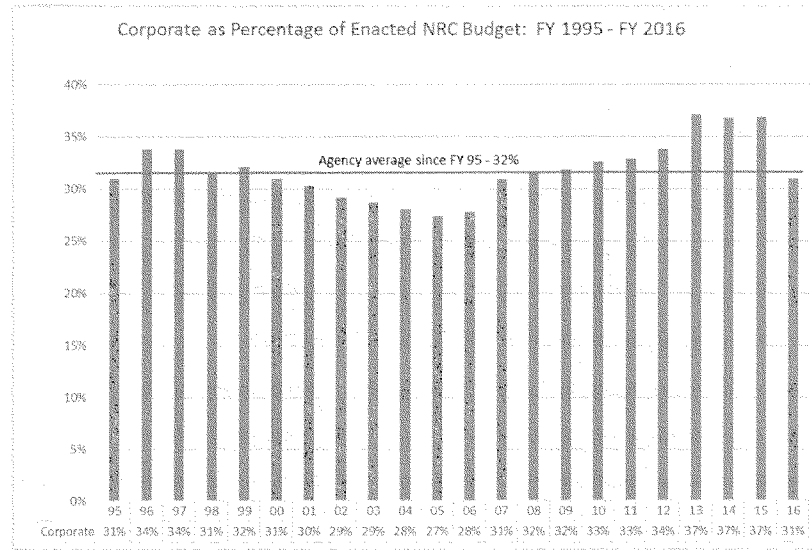
a. The NRC has performance metrics for the "requested activities of the Commission" as defined in S. 2795, except for "any other activity requested by a licensee or applicant" (Section 4(9)(B)).

b. Schedules can be affected by applicant or licensee performance or by the actions of the NRC. In addition, emerging safety or security issues, changes in licensee plans, and other unplanned events can affect schedules. S.2795 could reduce flexibility by requiring set performance metrics and milestone schedules, and requiring reporting for certain delays, instead of allowing the metrics and schedules to be revised if there are emerging safety or security issues, changes in licensee plans, or other unplanned events.

Because schedules can change frequently regular reporting on such changes is of uncertain value. The reporting requirements would add to the agency's management burden and workload and, ultimately, could affect the NRC's flexibility to effectively and efficiently manage a dynamic process.

c. The NRC does not sacrifice safety to meet schedules, regardless of any reporting requirements.

QUESTION 53. **Considering that a corporate support spending rate of 28 percent was adequate in 2006, please explain in detail why returning to a 28 percent corporate spending rate within the next several years is not achievable.**

ANSWER.

As the chart above indicates, the 28 percent corporate spending rate in FY 2006 was lower than the average level required to adequately support the agency, and was an artifact of unequal growth in corporate and program resources during a period of budget increases in the early part of the decade. Over this period, information technology (IT) became more important to all aspects of the NRC's work, driving increased costs. In FY 1995, corporate costs were equal to approximately 31 percent of the agency's budget. Five years later, in FY 2000, the agency's total budget had decreased by 10 percent, but the corporate percentage was the same (31 percent). Beginning in FY 2001 and continuing through FY 2006, as the agency's overall budget began to increase, program resources grew at twice the rate of corporate. As a result, corporate dropped as a percentage of the budget, reaching a low of 27 percent in FY 2005.

This was followed by two years of large corporate budget increases to provide the organizational infrastructure required to hire an additional 500 FTEs through FY 2009. The added resources allowed the agency to acquire and configure additional office space; manage increased personnel, facility, and cyber security requirements; cover growing telecommunication and IT seat management costs; and replace obsolete equipment and software. The corporate percentage rose to 28 percent in FY 2006, the first year that corporate growth outpaced program, and reached 31 percent in FY 2007, close to the agency's historical average of 32 percent over the past twenty years.

The period from FY 2008 to FY 2010 saw corporate increases outpace program budget growth by 10 percent. By FY 2010, corporate accounted for 33 percent of the overall agency budget, with the increase still largely driven by increased infrastructure costs related to rapid growth in agency staffing levels. Over the next three years—FY 2010 through FY 2013—the corporate percentage rose to 37 percent as the agency expanded the definition of corporate support to encompass a range of costs previously included in program budgets. The expanded definition of corporate support included \$15 million for nuclear education grants first added to the agency's budget in FY 2008 (authorized as the Integrated University Program in FY 2009), as well as resources for international activities and the Regulatory Information Conference, both of which had previously been included in program budgets. The percentage held at 37 percent until FY 2016, when the corporate portion of the budget returned to the historical average of 32 percent. This was achieved in part by acting on EY's recommendations to realign resources in accordance with the more standard definition of corporate support used before FY 2011, and by instituting corporate budget reductions to reflect declining program staffing levels. The FY 2016 figure is in line with the 32 percent identified for "Peer Agency C" in the EY report, as well as the historical average for the NRC.

Historically, corporate resources equal to approximately 31 to 32 percent of the budget have been adequate to cover the agency's fixed infrastructure costs, fund normal service levels, and make selected strategic investments—e.g., increasing work space density and modernizing IT systems—necessary to achieve future corporate efficiencies. When the agency briefly operated with lower levels of corporate resources for a few years in the mid-2000s, service gaps and outmoded systems and facilities placed noticeable burdens on the programs, prompting a reinvestment in corporate support.

QUESTION 54. **On March 24, 2016, Mr. Victor McCree and Ms. Maureen Wylie wrote a tasking memo to staff citing SECY 16-0035 which recommended additional areas for future cost reductions including efficiencies in corporate support, and comparing to 2006. The memo stated: "The goal is to identify further efficiencies in light of future work load reductions." If returning the NRC to corporate support spending level comparable to 2006 might impair the NRC's safety and security mission, why was that year selected for comparison with regard to setting goals to find further efficiencies and workload reductions?**

ANSWER.

Although the initial concept for the effort included in SECY-16-0035 ("Additional Re-baselining Products"), identified FY 2006 as a comparison point, the tasking memorandum asked for a comparison to FY 2005 because the Executive Director for Operations and the Chief Financial Officer determined that FY 2005 was when significant growth actually began in the relevant corporate support offices. Starting with FY 2005 or FY 2006 ensured that the analysis covered

at least 10 years of budget data and a period of agency expansion that led to significant corporate support increases.

FY 2006 was the year in which the Energy Policy Act of 2005 was implemented. The Energy Policy Act had a significant effect on agency programs and resources and was a principal driver of budget increases over the ensuing years. Benchmarking to FY 2005, as requested in the tasking memo, allowed the agency to correlate corporate FTE increases with program expansion and associated growth in corporate support requirements, and thereby identify areas for reduction now that program staffing levels are declining. The intent of the tasking memorandum was not to direct a return to FY 2005 or FY 2006 levels, but rather the goal was to understand where changes (increases or decreases) were justified.

QUESTION 55. Please provided a detailed description of all the ways the NRC captures overhead costs in its budget. Does “corporate support” leave out overhead costs that are captured in “office support” costs?

ANSWER.

The NRC captures the following when calculating overhead costs:

- centrally managed overhead activities (e.g. budget formulation, execution of travel funds, and developmental training)
- agencywide infrastructure included in the five categories recognized by the Governmentwide CxO Council: 1) acquisition, 2) financial management, 3) information technology, 4) human capital, and 5) real property; and

- other general administrative costs under the Corporate Support business line (e.g., policy direction and executive leadership)

The FY 2017 Congressional Budget Justification (CBJ) identifies the following product lines under the Corporate Support business line: Acquisitions, Administrative Services (including real property), Financial Management, Human Resource Management, Information Management, Information Technology, Outreach, Policy Support (including the Commission budget), and Training.

Starting with the FY 2011 budget cycle and ending with the execution of the FY 2015 budget, the NRC used the Office Support business line to identify mission-specific support resources and activities. This included staff resources such as supervisors, administrative assistants, technical assistants, and other people within the office who assisted in the running and coordination of office activities. These office support costs were allocated across all business lines through an algorithm. As part of the EY Overhead Assessment performed in April 2015, EY recommended that the NRC adjust its budget structure to align overhead and office support functions with best practices of other similarly situated Federal agencies and general Federal practices. As such, the NRC eliminated the Office Support allocations by aligning the associated resources back to the specific business lines supported, without which the business lines would be unable to do their work. This is consistent with how the NRC budgeted these resources prior to the FY 2011 budget cycle. The Corporate Support business line now includes only resources specific to the product lines described in the FY17 CBJ. As a result of the direct assignment of these resources, there was a small net reduction to the Corporate Support business line and a small net increase in the programmatic business lines as these resources were realigned.

QUESTION 56. Please provide a detailed accounting of the redefinition of corporate support costs.

ANSWER.

The NRC's corporate support is comprised of centrally managed overhead activities and agencywide infrastructure included in standard definitions of general administrative overhead.

This includes the following:

- corporate-level financial management;
- acquisitions;
- human resources;
- administrative services (including real property, personnel, and facility security);
- training infrastructure; information technology, and information management; outreach; and
- policy support (including the Commission budget).

Over time, resources had been added to the Corporate Support business line inconsistent with this definition of corporate support. As part of the EY Overhead Assessment performed in April 2015, EY recommended the NRC identify such costs within Corporate Support and align them to the program business lines. This realignment would ensure the Corporate Support category contained true corporate overhead (i.e., the 5 categories recognized by the Governmentwide CxO Council: acquisition, financial management, information technology, human capital, and real property), as well as other general administrative costs. In addition to the realignment, based on a more accurate accounting of corporate salaries and benefit (S&B) versus programmatic S&B, a split rate, which reflects that corporate staff is, on average, at

somewhat lower grade levels than technical staff, was applied to agency FTEs to more accurately estimate corporate S&B costs.

Informed by the EY assessment, as part of the FY 2017 budget cycle, the NRC realigned its budget structure to more appropriately categorize corporate support resources in the agency's budget. A total of \$26.3 million was realigned in the FY 2016 enacted budget and the FY 2017 President's Budget. Of that amount, \$24.6 million was moved out of Corporate Support, and realigned to program business lines. This realignment returned programmatic support resources back to where they were originally budgeted—i.e., to the business line supported—before the gradual expansion of the definition of corporate support. The current structure and the resources contained within the Corporate Support business line are now more consistent with standard definitions of agencywide overhead.

QUESTION 57. **Please provide precise, detailed information regarding all resources shifted from corporate support back into business lines since Fiscal Year 2011.**

- a. Please explain what was moved back into the business units.**
- b. Please explain when each move occurred.**
- c. Please explain the cost associated with each move.**

ANSWER.

On May 27, 2016, the NRC provided a table entitled, *Realignment Detail* (attached) that described the amount of resources moved from Corporate Support to the programmatic business lines as part of the budget realignment process for the FY 2017 budget cycle. The

information below contains details on the resources (FTE or contract support) that were included in this shift. FY 2016 appropriated resources are being executed per the realignment.

International Activities FTE (Total \$9.6 million, including 23 FTE)

In response to the EY Overhead Assessment Report recommending that the International Activities product line be allocated directly to the appropriate program business lines, resources that were previously allocated to the International Activities product line under the Corporate Support business line were reallocated to the International Activities product lines in each of the appropriate program business lines. In addition, a small portion of the resources were reallocated to the Policy Support product line under the Corporate Support business line. These Policy Support resources support the NRC Chairman and Commissioners, as well as various activities that provide agencywide benefits, including processing passports and visas, arranging for foreign language interpreters and translation services, and funding an overseas position at the U.S. Mission to the International Atomic Energy Agency (IAEA) in Vienna, Austria.

The NRC is responsible for satisfying international treaty obligations, as well as statutory mandates, including export and import licensing. Each of the business lines benefits from bilateral and multilateral cooperation, sharing regulatory and operational experience, and supporting collaborative research relevant to NRC regulatory programs and those of its international counterparts. The NRC continuously assesses and, where relevant, incorporates international operating experience and research insights into the agency's domestic regulatory program. The NRC also provides assistance to regulatory authorities outside the United States bilaterally or through multilateral organizations, such as IAEA, to help establish or strengthen regulatory controls for the safe and secure use of nuclear energy and radioactive materials.

Below are detailed descriptions of the work associated with the resources reallocated to the programmatic business lines:

Licensing Exports and Imports (2 FTE—including in the \$9.6 million total for International)

Staff support activities that involve developing, coordinating, and implementing policies related to export or import of radioactive materials and sources that fall under the NRC's jurisdiction (see Title 10 of the Code of Federal Regulations (10 CFR), Part 110, "Export and Import of Nuclear Equipment and Material," Appendix P, "Category 1 and 2 Radioactive Material").

International Technical Cooperation (11 FTE— included in the \$9.6 million total for International)

Staff support the sharing of information, knowledge, and technical expertise with established international regulatory counterparts or technical support organizations for enhancing both the NRC's and its international counterparts' regulatory programs. These resources are expended with the expectation that the exchange will provide benefits to the Operating Reactors, New Reactors, Nuclear Materials Users, Spent Fuel Storage and Transportation, Fuel Facilities, and Decommissioning and Low-Level Waste program areas. .

International Assistance Program (\$5.5 million and 7 FTE— included in the \$9.6 million total for International)

Staff support the provision of information, knowledge, and technical training to international regulatory counterparts or technical support organizations to assist them as they develop or enhance their national regulatory infrastructure and research programs. These resources are expended without the expectation that the exchange will provide immediate benefits to an NRC research or regulatory program area. This includes activities conducted both bilaterally and multilaterally (e.g., through IAEA or NEA) and could include support for hosting some foreign assignees if such support is not expected to provide immediate benefits to an NRC research or regulatory program area.

International Cooperation reallocated to the Policy Support product line under the Corporate Support business line (\$0.3 million and 3 FTE — included in the \$9.6 million total for International)

Staff directly support Commissioner involvement or interest in sharing of information, knowledge, and technical expertise with established international regulatory counterparts for enhancing both the NRC's and international counterparts' regulatory programs. This includes supporting involvement in activities conducted both bilaterally and multilaterally (e.g., through IAEA or the NEA) and providing infrastructure and administrative support to the NRC's regulatory programs and international activities

The International Cooperation work associated with the resources reallocated to the Policy Support product line under the Corporate Support business line is described in detail in the following paragraph:

Policy Support (\$1.6 million, including 10 FTE)

Includes the following (primarily by attorneys and one paralegal):

- advice to the Commission, including advice involving the Commission's internal procedures;
- advice to the Commission on significant adjudicatory decisions;
- advice to the Commission and staff, and coordination with other agencies, on matters involving legislation, proposed legislation, executive orders, and congressional oversight related to licensing;
- advice on issues involving licensing under the Atomic Energy Act, the Energy Reorganization Act, the Price-Anderson Act, and other federal statutes;

- advice on issues related to licensing under statutes that are generally applicable to Federal agencies, such as the Freedom of Information Act, the Privacy Act, the Paperwork Reduction Act, and the Congressional Review Act;
- advice on licensing issues related to preemption, discovery requests, Touhy requests, litigation holds, NRC investigations, records-retention policies, sensitive information, patent law, and copyright law; and
- advice to the Office of the Chief Financial Officer on fee issues related to licensing.

Outreach (\$0.8 million, including 2 FTE)

This category includes resources associated with the Regulatory Information Conference, which is an NRC-led conference with approximately 3,000 international and domestic participants and representation from over 30 countries. It also has approximately 38 technical sessions and over 150 speakers. The conference is a forum for discussion on the regulation of nuclear power plants, nuclear safety research, and emerging safety and security issues that affect the domestic and international nuclear community. Two FTE are associated with planning and managing a conference of this scale. Contract resources are also used for the rental of space at a facility that can host a conference of this size and to provide logistical support.

**Administrative Services, Information Management, and Information Technology
(\$2.7 million, including 2 FTE)**

Includes resources associated with systems that directly support the agency's primary mission-essential function, as well as the mission-essential functions of the Reactor program. The 2 FTE are senior employees who work in the Operations Center.

**Human Resource and Information Management realigned back to Corporate Support
from Operating Reactors (\$0.9 million and 6 FTE)**

This represents workload and associated FTE supporting human resources and Freedom of Information Act (FOIA activities) identified in the Operating Reactors business line that were better represented as Corporate Support resources.

In addition to the realigned resources described above, the following shifts also occurred as part of the execution of FY 2016 appropriated resources.

Salaries and Benefits (\$6.6M)

The NRC implemented a split rate for salaries and benefits (S&B) for Corporate Support and programmatic business line FTE on the basis that corporate staff is, on average, at somewhat lower grade levels than technical staff, which results in an S&B differential between the two groups.

Elimination of Office Support (\$1.5 million)

This reflects net S&B reduction from elimination of Office Support and associated allocation methodology. Previously, office support FTE were allocated to programs based on an algorithm. Now, these FTE are budgeted in the specific programs they support.

As part of the FY 2014 budget cycle, with execution in FY 2013, \$155,000 budgeted-for rent that was ultimately not needed was realigned from Corporate Support to Operating Reactors for travel. Additionally, 1.0 FTE from the Policy Support product line under the Corporate Support business line was realigned to the New Reactors business line for a Center of Excellence.

As part of the FY 2013 budget cycle, with execution in FY 2012, no resources were shifted from the Corporate Support business line to programmatic business lines. However, during this cycle, \$6.9 million in resources related to workload for International Activities was realigned from the reactors business lines to the Policy Support product line under the Corporate Support business line.

No resources were shifted from the Corporate Support business line to programmatic business lines for FY 2011, FY 2012, or FY 2015.

QUESTION 58. If corporate support costs have been cut, please provide very detailed descriptions of the resources cut, when the resources were cut, and how much was saved as a result of the reductions.

a. Please clearly distinguish these reductions from the redefinitions of corporate support that amounted to cost-shifting into the business units.

ANSWER.

The table below shows the changes to the FY 2016 budget from the initial budget request contained in the FY 2016 CBJ to the final enacted budget to meet to NRC control points.

**Corporate Support Budget
FY 2016 CBJ Request to Final Implementation**

CORPORATE SUPPORT BY PRODUCT LINE	FY 2016 CBJ Request ²		FY 2016 Final Budget ³		Delta FY 16 (Final - CBJ)	
	Total \$ (M)	FTE	Total \$ (M)	FTE	Total \$ (M)	FTE
Acquisitions	17.2	77.9	15.2	71.1	(2.0)	(6.8)
Administrative Services	113.0	107.9	99.8	104.1	(13.2)	(3.8)
Financial Mgmt.	30.3	110.5	28.4	106.7	(1.9)	(3.8)
Human Resource Mgmt.	20.4	59.8	19.2	57.8	(1.2)	(2.0)
Information Mgmt.	25.3	66.9	22.7	71.1	(2.6)	4.2
Information Technology	101.8	158.2	89.7	166.3	(12.1)	8.1
International Activities	11.1	29.2	-	-	(11.1)	(29.2)
Outreach	6.0	20.1	4.2	17.8	(1.8)	(2.3)
Policy Support	27.9	155.3	21.5	123.2	(6.4)	(32.1)
Training	5.4	16.2	4.3	14.0	(1.1)	(2.2)
Travel ¹	1.6	0.0	-	-	(1.6)	0.0
TOTAL	\$360.0	802.0	\$305.0	732.0	(\$55.0)	(70.0)

Numbers may not add due to rounding.

Notes:

¹ As part of the FY 2017 budget cycle, the Travel product line was allocated to the remaining product lines starting in FY 2016.

² Includes an allocated portion of the Office Support business line.

³ As part of the FY 2017 budget cycle, the Office Support business line was eliminated per EY's recommendation. This is effective in FY 2016.

The table below provides a detailed explanation of reductions and adjustments to the Corporate Support business line, the relevant category (realignment vs. implementation plan), and associated amounts. A decrease in the Corporate Support business line of \$18.1 million was taken by the agency. This amount included \$11.5 million in reductions in corporate activities and a \$6.6 million adjustment in salaries and benefits (S&B) to more accurately estimate corporate S&B costs.

To adhere to the corporate support control points enacted for FY 2016, an additional decrease of \$10.8 million in resources were identified in corporate support, as shown below and detailed in Question 59, and realigned in program business lines. In addition, the realignment resulted in a shift of \$24.6 million out of corporate support and into program business lines, plus an additional \$1.5 million previously allocated Office Support resources was shifted out of the Corporate Support business line and budgeted in the specific programs consistent with the effort to eliminate the Office Support business line.

With the exception of the "Elimination of Office Support" section described below, all resource changes listed come solely from agency corporate offices.

Detail of Changes to the Corporate Support Business Line

Category	Product Line	Amount (\$M)*	Description
Original Implementation Plan**	Acquisitions	(1.1)	Reduction of 1 FTE from the Business Advisory Center.
	Administrative Services	(5.6)	Reduction of 1 FTE for graphics. Reduction of 1 FTE for the supply room. Reduction of 1 FTE for the Space Design Branch. Reduction of \$3.9M in contract dollars for rent, headquarters toner supplies, guard services, general office supplies, interior upkeep, and bulk subscriptions. 1 FTE reduction for Associate Director for Space Consolidation.
	Financial Management	(1.5)	1 FTE support staff reduction.
	Human Resource Management	(0.8)	Reduction of \$0.2M in contract dollars for the reasonable accommodation program and the agency awards ceremony.
	Information Management	(1.5)	Reduction of 1 FTE for the Technical Library. Reduction of \$1.2M in contract dollars for the Document Processing Center, licenses and support agreements for FOIAExpress and RedactExpress, and the Public Document Room and Technical Library.
	Information Technology	(4.0)	Reduction of 1 FTE for support for IT services. Reduction of \$1.5M in contract dollars for local voice/data services and support, as well as wireless communication services. 1 FTE reduction for Director of Integration Strategies.
	International Activities	(0.5)	S&B adjustment.
	Outreach	(0.6)	Reduction of \$0.4M in contract dollars for the Minority Serving Institutions Grant Program.
	Policy Support	(1.9)	Reduction of \$2.0M for the Commission, as directed in the FY 2016 appropriation. Reduction of a total of 1 FTE for Congressional Affairs outreach and Commission Appellate Adjudication; increase of 3 FTE for agency business process improvement activities
	Training	(0.6)	Reduction of \$0.6M in contract dollars for agency leadership and professional development training
Implementation Plan Subtotal		(18.1)	
Additional Adjustments Required to Adhere to Control Points	Acquisitions	(1.2)	Total reduction of 8 FTE includes a reduction of 3 FTE in the number of certified contracting officers available, as well as an additional 5 FTE reduction in the Business Advisory Center.
	Administrative Services	(7.7)	Reduction of 2 FTE for staff involved with space, design work, and construction management, as well as staff involved with the management and oversight of the NRC's property management custodians. Reduction of \$7.4M in contract dollars for <i>Federal Register</i> print charges, paper for printing and copying, printer toner cartridges, Government Printing Office printing, guard services, utilities, and White Flint Complex restack and renovation activities.
	Financial Management	(0.5)	Reduction of 3 FTE for staff involved with performance management and financial reporting biennial reviews.
	Human Resource Management	(0.2)	Reduction of 1.5 FTE for agency recruitment and outreach efforts, as well as engagement programs such as public service recognition week and national engineering week.
	Information Management	(0.3)	Reduction of 2 FTE for librarian services and staff involved with Freedom of Information Act/Privacy Act (FOIA/PA) activities.

Category	Product Line	Amount (\$M)*	Description
	Information Technology	(0.9)	Reduction of 3.5 FTE for the Business Process Re-engineering function. Reduction of \$0.4M for standards development and implementation for cybersecurity policy, compliance, and training.
Additional Adjustments Subtotal		(10.8)	
Corporate Support Realignment		(24.6)	A detailed accounting of the Corporate Support realignment is provided in response to Question 57. \$24.6M is the net amount of resources moved out of Corporate as a result of the realignment. Certain resources were realigned within Corporate, or moved into Corporate from other business lines.
Elimination of Office Support		(1.5)	Net S&B reduction from elimination of Office Support and associated allocation methodology. Previously, office support FTE were allocated to programs based on an algorithm. Now, these FTE are budgeted in the specific programs they support.
NET CHANGE TO CORPORATE SUPPORT		(55.0)	

*All numbers rounded.

** Includes \$6.6M S&B differential distributed among all product line reductions. The NRC implemented a split rate for salaries and benefits (S&B) for Corporate and programmatic business line FTE on the basis that corporate staff is, on average, at somewhat lower grade levels than technical staff which results in an S&B differential between the two groups.

QUESTION 59. If corporate support costs have been cut (as distinct from resource realignment to business units), please provide a detailed accounting of what the savings were spent on.

a. If the savings were reallocated and spent, please describe why this action is nonetheless characterized by the NRC as a “cut” instead of as a reallocation of spending.

ANSWER.

The \$18.1M was reduced from the Corporate Support budget (the “Implementation Plan Subtotal” in the *Detail of Changes to the Corporate Support Business Line* table in the response to Question 58) was cut from the agency’s budget as part of the agency’s implementation of the \$990 million level enacted by Congress for Fiscal Year (FY) 2016.

An additional \$10.8M was moved from the Corporate Support budget to program budgets (the "Additional Adjustments Subtotal" in the *Detail of Changes to the Corporate Support Business Line* table in the response to question number 58) in order to adhere to the corporate support control points enacted for FY 2016. This funding was not cut from the agency's budget. The \$10.8 million reduced from corporate was added to program budgets within the control points to fund early out/buyout costs, programmatic IT, and decommissioning licensing actions, as detailed below.

Early Outs/Buy Outs

The cost of early outs/buyouts recently executed and planned for FY 2016 was not factored into the S&B rate used to formulate the FY 2016 budget. Eight million dollars was allocated to agency S&B for the program business lines to fund early out/buyouts. The first early out/buyout opportunity was focused on corporate staff, with costs incurred in the first and second quarter of the fiscal year, and the FTE reductions realized in the second, third, and fourth quarters. The second round, currently underway, is larger in scope and is weighted toward program staff. The additional funding will increase the S&B rate for program staff and provide funding for unbudgeted early out/buyout costs through the end of FY 2016.

The additional funding was allocated to the program S&B budgets as shown below.

Increases to Program Salaries and Benefits (S&B)	
Control Point / Business Line	\$M
Operating Reactors	4.9
New Reactors	1.4
Reactor Safety Control Point	\$ 6.3
Spent Fuel Storage and Transportation	0.3
Nuclear Materials Users	0.7
Fuel Facilities	0.4
Materials and Waste Safety Control Point	\$ 1.4
Decommissioning and Low Level Waste	0.3
Decommissioning and Low Level Waste Control Point	\$ 0.3

Increases to Program Salaries and Benefits (S&B)	
Control Point / Business Line	\$M
Total Program S&B Increase	\$ 8.0

Mission IT

\$2.1M was allocated to the program business lines to fund high-priority IT projects. The additional funding was allocated to the program budgets to support major IT systems in the Operating Reactors and Nuclear Materials Users Business Lines.

Increases to Program Mission IT	
Business Line / Product Line	\$M
Development of the <i>Replacement Reactor Program System (RRPS)</i> .	1.3
Operating Reactors / Oversight	\$ 1.3
Enhancement of the <i>Integrated Source Management Portfolio (ISMP)</i> .	0.8
Nuclear Materials Users / Generic Homeland Security	\$ 0.8

The *Replacement Reactor Program System (RRPS)* is a multi-year information technology modernization project that supports both the Operating Reactors and New Reactors Business Lines in the Nuclear Reactor Safety Program. RRPS is envisioned to be a major agency-level workload management system with multiple modules that facilitate planning, scheduling, tracking, and reporting of inspection, licensing, and other agency activities for power reactors, non-power reactors, fuel facility sites, vendor sites, and independent spent fuel storage installations. RRPS replaces a legacy system that has obsolete computer code, is costly to maintain, and does not fully meet programmatic requirements. The new system will provide a more secure, robust, and intuitive interface for the user community. The additional funding will support development and deployment of the licensing and inspection modules of RRPS, and start development of the final feature set for the oversight module of RRPS. Functions in the oversight module include reactor status and event monitoring, human factors, and reactor oversight process. Full deployment of RRPS is planned for October 2017.

The *Integrated Source Management Portfolio (ISMP)* consists of three distinct and complementary information systems: the Web Based Licensing (WBL) System; the National Source Tracking System (NSTS); and the License Verification System (LVS). These systems support radioactive materials credential tracking (license and certificate), inspection tracking, item tracking (devices and sources), and license verification. The additional funding will add features to WBL to improve efficiency and accuracy of license amendment processing; allow the system to flexibly interface with external fee management systems; and ready Agreement State configuration for storage of data on license types extending beyond routine nuclear materials licenses.

Decommissioning Licensing Actions

\$0.7M was allocated to the Decommissioning and Low-Level Waste Business Line to support decommission licensing actions in the areas listed below.

Increases to Decommissioning and Low-Level Waste	
Product Line / Product	\$M
Radiological Evaluation Assistance	0.6
Licensing Assistance / Financial Assurance Reviews	0.1
Licensing / Decommissioning Licensing Actions	\$ 0.7

Additional funding supported radiological evaluations and assistance from Oak Ridge National Laboratory, including radium scoping surveys, licensing assistance from the Idaho National Laboratory, and fuel cycle and decommissioning financial assurance reviews.

QUESTION 60. **Please provide a detailed accounting of why corporate support costs are increasing in spite of the corporate support cost shifting into the business units. Please reconcile this increase with the NRC assertions regarding its successes in cutting corporate support.**

ANSWER.

Corporate Support Budget Authority and Full-Time Equivalents by Product Line (Dollars in Millions)						
Product Line	FY 2016 Implementation		FY 2017 Request		Changes from FY 2016	
	\$M	FTE	\$M	FTE	\$M	FTE
Acquisitions	15.2	71.1	16.3	72.9	1.1	1.8
Administrative Services	99.8	104.1	105.3	107.4	5.5	3.3
Financial Mgmt.	28.4	106.7	31.4	109.9	3.0	3.2
Human Resource Mgmt.	19.2	57.8	18.7	57.5	(0.5)	(0.3)
Information Mgmt.	22.7	71.7	27.6	69.0	4.9	(2.7)
Information Technology	89.7	166.3	86.6	161.1	(3.1)	(5.2)
Outreach	4.2	17.8	4.6	17.9	0.4	0.1
Policy Support	21.5	123.2	23.7	120.2	2.2	(3.0)
Training	4.3	14.0	4.9	14.1	0.6	0.1
Total	\$305.0	732.0	\$319.1	730.0	\$14.1	(2.0)

\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

The deltas described in the chart above do not reflect the impacts of the decision by the Commission in SRM-SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities", to accept, with a few exceptions, the staff's recommendations for additional re-baselining cuts to the FY 2017 budget. As part of that decision, an additional \$3.6 million in Corporate Support, including \$1.9 million in contract support and 11.3 FTEs, has been identified for reduction in FY 2017, which would bring the amount for corporate support to \$315.4 million.

Corporate Support business line increases from FY 2016 to FY 2017 include:

- Right-Sizing Corporate Information Technology (IT)
- increase in financial management mission IT to ensure adequate funding for operations and maintenance(O&M) of core financial systems and for investments in the Cost Accountability Program, the time and labor data collection system, and implementation of necessary improvements in fee policy development and fee billing

- increase in acquisitions mission IT for application administration and support for STAQS (the agency's strategic acquisition system)
- Commissioner Offices
 - increase in the Policy Support product line based on the assumption that five Commission offices will be fully staffed in FY.
- Information Management
 - increase to prepare for pending release of controlled unclassified information requirements from the National Archive and Records Administration, additions for ADAMS and SharePoint to meet O&M requirements, and additional resources for information and records management digitization
- Administrative Services
 - increase for personnel security, utilities, and support services
- Training
 - resources increase for additional course delivery and development for the agency's Professional Development Center

Additional cuts in the Corporate Support budget will be reassessed as part of the agency's implementation plan for the enacted FY 2017 budget.

QUESTION 61. **Please describe what steps the NRC will take to reduce corporate support spending. Please do not reference opaque cost-shifts into business units.**

a. Please provide the timelines for projected corporate support reduction.

b. Please list the amounts of future corporate support reductions.

ANSWER.

Significant reductions to the NRC's corporate support resources—both FTEs and contract dollars—will be realized in FY 2017 and beyond. Expected savings and timeframes are outlined below.

Project Aim

- Ongoing Project Aim efficiency initiatives will further reduce corporate costs in FY 2017. In a March 24, 2016, memorandum, "Resources Allocated to the Corporate Support Business Line", the Executive Director for Operations and the Chief Financial Officer instructed the directors of select corporate offices to work as a group to perform the following:
 - (1) Analyze corporate support workload and resources in light of the recent agency re-baselining and declining programmatic workloads and staffing levels.
 - (2) Recommend further reductions to corporate FTE in FY 2018 and beyond.
- The working group presented recommendations for efficiencies that would provide an overall reduction of 14 percent from FY 2017 in corporate support FTE. These potential reductions will be presented to the Commission for review in the staff's FY 2018 and FY 2019 budget proposals.

Real Property

Over the next several fiscal years, the agency plans to continue reducing its real estate footprint and associated fixed costs both at headquarters and in the regions.

- Reduce Office Space at Headquarters. Reducing office space in Three White Flint North (3WFN) will achieve rent savings each year. The agency will accomplish this by relinquishing two floors in 3WFN: one floor by the end of FY 2018 and one floor by the

end of FY 2019. This activity would involve moving approximately 300 staff members to OWFN or TWFN and paying costs for furniture, as well as moving and related costs.

Progress in this area is contingent upon the availability of funding to renovate headquarters space to accommodate additional staff. Initial savings would be realized starting in FY 2019 and are contingent on GSA securing another Federal tenant to backfill the 3WFN space.

Reduce Office Space in the Regions. The agency will achieve significant savings per year paid in rent through the end of the agency's leases on Region II and Region III offices. The NRC will reduce I regional office space based on regional reductions planned for FY 2018 through FY 2020. Additional savings may be realized through reductions to office space in Regions I and IV in later fiscal years. This activity would involve moving approximately 150 staff members in all four regions and backfill costs. Progress in this area is contingent upon the availability of upfront funding for any needed construction, security, clean up, and staff move costs. Initial savings would be realized starting in FY 2018 for Region III and FY 2019 for Region II. The savings are contingent on timely backfill of the Region II space by GSA with another Federal tenant.

Information Technology

In FY 2016 and FY 2017, the agency plans to adopt new acquisition strategies for corporate support services to reduce costs for ongoing support. Examples include new acquisition strategies for major IT cost categories:

- IT Infrastructure Support. The NRC is in the process of re-competing the agency's enterprise IT infrastructure support contract. The agency expects to realize a significant 10- to 15-percent drop in its contract expenses resulting from the new acquisition strategy.

- Multi-Functional Devices and Managed Print Services. The NRC is moving to a new acquisition approach that will reduce the total cost of ownership for the agency's existing fleet of printers, scanners, and copiers.

QUESTION 62. Please provide a detailed explanation of any possible further redefinition of corporate support or overhead costs.

ANSWER.

The NRC has no plans to redefine corporate support or overhead costs.

QUESTION 63. Please provide a detailed explanation of any future overhead cost-shifting that is under consideration, including cost-shifting or realignment associated with corporate support costs.

ANSWER.

The NRC is not planning to realign corporate support resources or shift overhead costs in the future. However, the agency will continue to actively manage agency budgets to make sure that NRC adheres to control points and that resources contained in the Corporate Support business line are consistent with the definition for agencywide overhead activities as described in Question 56 and the needs of the agency.

The Honorable Jeff Sessions

QUESTION 64. Do you agree that the United States already has storage options for commercial spent nuclear fuel; that is, Independent Spent Fuel Storage Installations (ISFSI) located at NRC-licensed facilities across the nation?

ANSWER.

Yes, commercial spent nuclear fuel is stored safely in spent fuel pools and independent spent fuel storage installations at NRC-licensed facilities across the Nation. Spent fuel pools and dry casks both provide for reasonable assurance of adequate protection of the public health and safety and the environment. NRC regulations also provide a framework for licensing new commercial spent fuel storage facilities.

QUESTION 65. Do you agree that the NRC determined, in the Continued Storage Rule, that used nuclear fuel from commercial reactors can be safely managed in reactor fuel storage pools in the short term and in steel and concrete storage containers for longer timeframes?

ANSWER.

Yes. The environmental impact statement supporting the Continued Storage Rule concluded that it was technically feasible to safely store spent fuel for 60 years after the end of a reactor's licensed operating life for storage in a pool, and in 100-year increments thereafter for storage in spent fuel casks based on the agency's existing regulatory structure and licensing and regulating experience.

QUESTION 66: The Obama administration is focusing its efforts on interim storage while continuing to neglect its statutory duty under the Nuclear Waste Policy Act to proceed with the licensing process for permanent storage at Yucca Mountain. I am concerned that the NRC has been a willing participant in the current administration's defiance of permanent nuclear storage mandates established by Congress.

The NRC is an independent commission that must operate in the manner required by law and unimpeded by political concerns. Please explain how the NRC's failure to include funding for the Yucca Mountain license process is consistent with its obligations under the Nuclear Waste Policy Act, which provides that the NRC "shall consider" the Yucca license application and "shall issue a final decision approving or disapproving" the application.

ANSWER.

The NRC budget request is the product of a Commission deliberation and vote. There has not been majority support for requesting funds for continuing and completing the Yucca Mountain licensing process. Thus, the NRC's fiscal year (FY) 2017 budget request did not include new FY 2017 funding for the Yucca Mountain review. .

The Commission's focus has been on how to spend the remaining available Nuclear Waste Funds to continue with the licensing process, as ordered by the U.S. Court of Appeals for the District of Columbia Circuit in the case known as *In re Aiken County*. The Court's mandamus order does not include a requirement for the Commission to request additional funds. The Commission directed the staff to complete its safety evaluation report, develop an

environmental impact statement, and make documents related to the licensing proceeding (Licensing Support Network documents) publicly available. Further, the Commission has previously stated that it will require substantial additional funding and a willing applicant before it can perform all the tasks necessary to make a construction authorization decision on the Yucca Mountain application.

QUESTION 67. **Budget request process:**

- a. Isn't it true that the NRC budget request is prepared and approved by the NRC before it is ultimately sent to the Administration for its review?**
- b. As Chairman of the NRC, did you include funding for Yucca Mountain licensing in your budget proposal?**
- c. Have you informed the White House Office of Management and Budget that the Nuclear Waste Policy Act requires the NRC to consider the Yucca Mountain license application?**

ANSWER.

- a. The NRC budget request is approved following the official Internal Commission Procedures.
- b. The NRC did not include funding for Yucca Mountain licensing in the FY 2017 Congressional Budget Justification. The NRC budget request is the product of a Commission deliberation and vote. There has not been majority support for requesting funds for continuing and completing the Yucca Mountain licensing process.

c. The NRC follows Office of Management and Budget Circular A-11 procedures on the confidentiality of budget deliberations.

QUESTION 68. It is my understanding that the NRC is refusing to request funds for the Yucca Mountain license application, while spending research funds studying “alternative geologic media” [i.e. rock structures other than Yucca Mountain] for purposes of waste disposal.

Please identify all such expenditures by the NRC on research activities related to geologic media since August 2013, when the D.C. Circuit issued a writ of mandamus ordering the NRC to spend available funds on the Yucca Mountain license activities. Further, please identify amounts the NRC anticipates spending in FY 2016 and FY 2017 on research related to “alternative geologic media.”

ANSWER.

Since August 2013, the NRC has spent approximately \$6.5 million and dedicated 10 full-time equivalents (FTE) for these activities, which allow the NRC to maintain staff expertise on geologic disposal of high-level waste, keep current with technical knowledge in the topical areas, and support the safe and secure ultimate disposition of spent nuclear fuel and high-level radioactive waste. The NRC has planned for total resources of approximately \$2.2 million and 4 FTE for these activities budgeted in FY 2016 and 2017 in its re-baselined budget requirements.

QUESTION 69: Please explain why the Commission would submit a budget to Congress that does not request funding for legally-mandated work on the Yucca license, while at the same time, spending funds on

research for other alternative repository options? Why should electricity customers be forced to pay more for research on alternative geologic repositories, when the billions of dollars they have already paid for purposes of the permanent repository at Yucca Mountain are not being properly utilized for those purposes?

ANSWER.

The NRC's rationale for keeping current with waste repository technology is outlined in the response to Question 67. The Commission's focus has been on how to spend the remaining available Nuclear Waste Funds as ordered by the Court related to the Yucca Mountain licensing process.

U. S. Nuclear Regulatory Commission

Realignment Detail

<u>Item</u>	<u>Change (\$M)*</u>	<u>Description</u>
Realigned Out of Corporate Support		
International Activities	-9.6	Realigned programmatic International Activities resources to major programs business lines
Policy Support	-1.6	Realigned programmatic Policy Support activities resources to major programs business lines
Outreach	-0.8	Realigned RIC resources for the regulatory Information Conference (RIC) to Operating Reactors Business Line
Administrative Services, Information Management (IM), and Information Technology (IT)	-2.7	Realigned Administrative Services, IM, and IT resources to Operating Reactors Business Line
Information Technology	-10.7	Realigned programmatic IT resources to major program business lines
Subtotal	-25.4	
Realigned into Corporate Support		
Operating Reactors Business Line	0.9	Realigned FOIA and HR support resources from Operating Reactors to Corporate
Subtotal	0.9	
Net Realignment	-24.5	
Elimination of Office Support	-1.5	Net S&B reduction from elimination of Office Support and associated allocation methodology. Previously, office support FTE were allocated to programs based on an algorithm. Now, these FTE are budgeted in the specific programs they support.
Net Change	-26.0	

* All numbers rounded.

Friday, May 27, 2016



New Reactors Business Line FY 2016 Performance Plan

ML15257A332

Table of Contents

- I. Business Line Priorities
- II. Performance Plan by Budget Structure
- III. Performance Plan by Objectives and Strategies

I. Business Line Priorities

Priority Description	Strategies in Strategic Plan	Indicator ID for Supporting Indicator(s)
1. Construction Oversight - Execute activities to support safe construction and operational readiness at V.C. Summer, and Vogtle, including inspection, enforcement and other oversight activities, processing license amendments, verifying ITAAC closure notifications, and licensing operators for the AP1000 reactors.	Safety 1	NR-NRO-03, NR-NRO-09, NR-SAF-39, NR-OI-01, NR-OI-02, NR-OI-03
2. Vendor Oversight - Implement the agency's Vendor Inspection Program in support of the safety of both new reactor construction and operating reactors.	Safety 1	CBJ-NR-15, NR-NRO-01, NR-NRO-08, NR-NRO-10, NR-NRO-21, NR-OI-01, NR-OI-02, NR-OI-03, NR-OI-13
3. Support for Licensing - Conduct timely and high quality safety, security and environmental reviews for license, design certification, and early site permit applications for large light water reactors. Conduct rulemaking activities to support the issuance of licenses. Participate in mandatory and adjudicatory hearings to support the staff's licensing conclusions.	Safety 1, Security 2	CBJ-NR-02, CBJ-NR-04, CBJ-NR-06, CBJ-NR-14, CBJ-NR-16, NR-NRO-08, NR-NRO-15, NR-NRO-19, NR-NRO-20, NR-NRO-30, NR-RES-05, NR-NSIR-20, NR-NSIR-15
4. SMR Licensing Infrastructure - Establish and maintain the regulatory, technical, and policy infrastructure necessary to support timely and high quality safety and environmental reviews for SMR applications expected in 2016-2017.	Safety 1, Security 2	CBJ-NR-08, CBJ-NR-09, CBJ-NR-11, CBJ-NR-13, NR-NRO-07, NR-NRO-11, NR-NRO-15, NR-NRO-25, NR-RES-05, NR-RES-06, NR-NSIR-15
5. Transition to Operations - Continued planning for the effective transition of regulatory oversight and licensing authority for plants licensed under Part 52 to the operating reactors business line.	Safety 1, Security 2	NR-NRO-03
6. Preparation for Advanced Reactors - Prepare for the licensing of non-light-water reactors at a level commensurate with the industry's pace of developing technologies.	Safety 1, Security 2	NR-NRO-07, NR-RES-05, NR-RES-06

II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, IL PR Only
Show Data Source and Calculation: No

Line ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
AGENCY-LEVEL PERFORMANCE INDICATORS												
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
-g	Number of radiation exposures that exceed regulatory limits.											
	Number of releases of radioactive materials that meet or exceed AO criterion 1.A.1, 1.A.2, or 1.A.3.											
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
	Number of releases of radioactive materials that meet or exceed AO criterion 1.B.											
SAFETY-04	Prevent accidents, exposures, and releases of safety margins at commercial nuclear power plants that exceed regulatory limits.	NRR	APR	Ultimate Outcome	\$3		\$3	\$3	\$3	\$3	\$3	
	Number of malfunctions, deficiencies, events, or conditions at commercial nuclear power plants (operating or under construction) that meet or exceed AO criteria 1.A.1.D.											
SECURITY-01	Prevent sabotage, theft, diversion, or loss of significant quantities of radioactive material.	NWSS	APR	Ultimate Outcome	0		0	0	0	0	0	
	Number of instances of sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material that meet or exceed AO criterion 1.C.1, and the portion of criterion 1.C.2 that represent sabotage or diversion of special nuclear material.											

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II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL, PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Init Type	Priority Annual Target	Priority Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material security, or significant breaches of physical security, cyber security, or material security, or control and accountability that meet or exceed a revised version of AO criterion I.C.2.1 and I.C.2.2 in 2015 that will include breakdowns of cyber security and the portion of AO criterion I.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSR	APR	Ultimate Outcome	\$1		\$1	\$1	\$1	\$1		
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguarded information by licensees as defined by AO criterion I.C.3 or by NRC employees or contractors as defined by analogous internal criteria.	NSR	APR	Ultimate Outcome	0		0	0	0	0		
LICENSING												
CBI-APR-02	Early Site Permit Applications Review.	ARO	CBI	Output	285%		285%	285%	285%	285%		
Business:												
Percentage of early site permit review recommendations completed on time in accordance with the schedules agreed upon with the applicants (within NRC's control).												

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Ind ID	Description	Office	Report Level	Ind Type	Prev Yr Actual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CEA-MR-04	Design Certification (DC) Review. Milestones: - Preparation of design milestones - Preparation of design milestones for design certification review - Milestones that are completed on time in accordance with the schedules agreed upon with the applicants (LLWRs) (within NRC's control).	NRC	CDU	Output	385%		385%	385%	385%	385%		
CEA-NR-06	<u>Combined Operating License Review.</u> Milestones: - Percentage of milestones for combined operating license (COL) application reviews that are completed in accordance with the schedules agreed upon with the applicants (within NRC's control)	NRC	CDU	Output	385% except if <10 cases then >2 unmet		385% except if <10 cases then >2 unmet	385% except if <10 cases then >2 unmet	385% except if <10 cases then >2 unmet	385%		
CEA-MR-08	Small Modular Reactor Design. Milestones: - Completion of design milestones for small modular reactor (SMR) design certification reviews that are completed in accordance with the schedules agreed upon with the applicants (within NRC's control).	NRC	CDU	Output	385%		385%	385%	385%	385%		
CEA-NR-09	Identification and Resolution of SMR Policy and Key Technical Issues. Milestones: - Complete milestones necessary to support the resolution of policy and key technical issues. - In addition, complete milestones necessary to support regulatory support implementation solutions	NRC	CDU	Output	385%		385%	385%	385%	385%		

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Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBU-NR-1.1	Small Modular Reactor Pre-application Review Timeliness: Percentage of SMR pre-application review milestones completed in accordance with the schedules agreed upon with the applicants.	NRC	CBU	Output	285%		285%	285%	285%	285%		
CBU-NR-1.3	Small Modular Reactor Combined License and Construction Permit Application Review Completion: Percentage of milestones for SMR COL and construction permit application reviews completed in accordance with the schedule agreed upon with the licensees.	NRC	CBU	Output	Yes		285%, except if cases closed then unmet	285%, <10 if cases closed then unmet	285%, except if cases closed then unmet	285%, <10 if cases closed then unmet		
CBU-NR-1.4	License Amendment Review Timeliness: Percentage of license amendment reviews completed on the schedules agreed upon with the licensee (within NRC's control).	NRC	CBU	Output			285%	285%	285%	285%		
NR-NRC-03	COL Licensing Activities: Percentage of licensing activities other than license amendment reviews (e.g. code reliefs, exemptions, bulletins, generic letters, and other regulatory activity requiring an NRC response) completed on the schedules agreed upon with the	NRC	BL/R	Output	285%		285%	285%	285%	285%		

II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBU Only, BL PR Only

Show Data Source and Calculation: No

MR-NRO-07	ISG and SRG Sections Completed: Issue 40 sections of the Standard Review Plan and Interim Staff Guidance completed.	NRO	BL PR	Output	40	N/A/D	N/A/D	240
MR-NRO-08	Staff Qualification Percentages: Currently qualified or progressing toward qualification in accordance with NRO-PER-105 and/or IMC-1245	NRO	BL PR	Output	295%	295%	295%	295%
MR-NRO-13	Resolution of Technical Issues for New Reactors: Complete 2 policy papers to resolve key technical issues facing new reactors (Within NRC's Control).	NRO	BL PR	Output	22			2
MR-NRO-19	Errors Cited in ACRS Review of Staff's Safety Evaluations: Number of technical errors identified by ACRS that require a change to the Staff's regulatory position.	NRO	BL PR	Intermediate Outcome	55	55	55	55
MR-NRO-20	ESPs, COLs, CPs, DCs, and DA Acceptance Review Completion: Percentage of acceptance reviews for ESPs, COLs, CPs, DCs, DAs completed within 75 calendar days of receipt of application.	NRO	BL PR	Output	285%	285%	285%	285%
MR-NRO-30	EPA Rating of Draft Environmental Impact Statements: Percentage of draft EISs that receive an EPA rating of EC2 or higher (or no more than 1 if below 5 actions).	NRO	BL PR	Intermediate Outcome	285% except if <10 cases then \$1 Unmet	280% except if <5 cases then \$1 Unmet	280% except if <5 cases then \$1 Unmet	280% except if <5 cases then \$1 Unmet

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II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CEU Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
OVERSIGHT												
CEU-AP-15	Vendor Inspection Completion Quantitative	NRO	CEU	Output	230		24	212	220	230		
Number of domestic and international vendor inspections completed												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture efforts, including assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and inter-industry meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
MBL-OE-05	Alliance Identity Protection. Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
MBL-OE-07	Disputed Enforcement Actions. Withdrawn disputed enforcement actions without technical justification.	OE	BL PR	Intermediate Outcome			54	54	54	54		
MBL-OE-08	ADR Mediation Case Results. All cases that enter into ADR mediation, percentage that result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		
MULTI-NR-12	Cyber Security Incident Response. Number of cyber incidents not completed on schedule.	NSR	BL PR	Output	51		51	51	51	51		

II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Item ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
NR-WRO-02	Technical Allegations Closed: Percentage of technical allegations closed within 150 days	NRO	BL PR	Output	≥90%, except if <10 cases then ≥1 summer		≥50%	≥50%	≥90%	≥50%		
NR-WRO-03	ITAMC Closure Notification (CNIL) Percentage: Percentage of ICNs on which staff completes review within 2 months of submittal (within NRO Control).	NRO	BL PR	Output	≥90%		≥30%	≥50%	≥50%	≥50%		
NR-WRO-10	Vendor Inspection Report Timeliness: Percentage of vendor inspection reports issued within the documented timeliness goals.	NRO	BL PR	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
NR-WRO-21	Nonperformance or Violation contested by stakeholders: Number of NONs or NOV's contested by stakeholder over total number of NONs or NOV's issued by NRO during the accounting period.	NRO	BL PR	Intermediate Outcome	≥20%		≤10%	≤10%	≤10%	≤10%		
NR-CI-02	Investigations Timeliness for Enforcement: New Reactors: Percentage of investigations completed in time to initiate civil enforcement and/or criminal prosecution action.	CI	BL PR	Output	100%		100%	100%	100%	100%		
NR-CI-03	New Reactors: Percentage of investigations which developed sufficient information to reach a conclusion regarding wrongdoing completed in 12 months or less.	CI	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

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II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBU Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	FY16 Actual Target	FY16 Actual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
NR-01-13	Outreach Activities (New Reactors). Number of outreach activities completed. Consists of meetings held with the National Intellectual Property Rights (IPR) Coordination Center dealing with intellectual property theft, counterfeit, and trademark violations regulated by the NRC; and with the Export Enforcement Coordination Center (EECC) supporting investigations regarding the export of nuclear materials regulated by the NRC.	OT	BL PR	Output	28		>2	>4	>6	>8		
NR-01-06	New Reactor Construction Inspections. Number of scheduled construction inspections (NRC IMC's 2503 and 2504) that were not completed, due to lack of NRC inspection resources.	PR	BL PR	Output	51		≤1	≤1	≤1	≤1		
RESEARCH												
CBU-NR-17	Critical Research Program Activities. Percentage of major milestones for critical research programs completed on or before their due date for the New Reactors Business Line.	RES	CBU	Output	250%		≥50%	≥50%	≥50%	≥50%		
CBU-NR-18	Research Products Technical Quality. Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the New Reactors Business Line.	RES	CBU	Output	23.75		≥3.75	≥3.75	≥3.75	≥3.75		
RULEMAKING												

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II. FY 2016 Business Line Performance Plan by Budget Structure - New Reactors

Selection Criteria:

Report Level: APR Only, Other CBU Only, BL PR Only

Show Data Source and Calculation: No

Item ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBU-WR-16	Final Rule Completion Timeliness: Percentage of proposed Final Rules completed in accordance with the schedule approved by the Commission.	WRO	CBU	Output			280%	280%	280%	280%		
NR-WRO-15	Rulemaking Interim Milestones: Number of externally published milestones met (within WRO control).	WRO	BL PR	Output	285%		N/A0	N/A0	N/A0	22		

III. FY 2016 Business Line Performance Plan by Objective and Strategies - New Reactors

Selection Criteria:

Reporting Level: APR Only, Other CBI Only, BL PR Only

Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety.												
Business Line: /Decommissioning and LW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion 1.B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-01-a	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Annual Limit Occurrence (AO) criteria 1A.1, 1A.2, or 1A.3.	NRR	APR	Ultimate Outcome			0	0	0	0	0	

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /New Reactors/Operating Reactors/												
SAFETY-04	Prevent accident precursors and reductions of safety margins at commercial nuclear power plants (operating or under construction) that are of high safety significance. Number of malfunctions, deficiencies, events, or conditions at commercial nuclear power plants (operating or under construction) that meet or exceed AO criteria II-A-1-D	NRR	APR	Ultimate Outcome			\$3	\$3	\$3	\$3		
Strategy: Safety 1: Continue to enhance NRC's regulatory programs as appropriate using lessons learned from domestic and international operating experience and other sources.												
Business Line: /New Reactors/												
CBI-NR-17	Critical Research Program. Executes timeliness. Provides major milestones for critical research programs completed on or before their due date for the New Reactors Business Line.	RES	CBI	Output	>90%		290%	290%	290%	290%		
CBI-NR-18	Research Products. Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the New Reactors Business Line.	RES	CBI	Output	\$3.75		\$3.75	\$3.75	\$3.75	\$3.75		
Strategy: Safety 2: Enhance the risk-informed and performance-based regulatory framework in response to advances in science and technology, policy decisions, and other factors.												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Mid Yr Target	Status
Business Line: /New Reactors/												
NR-NRO-07	ISSG and SRP Sections Completed: Issue 40 Sections of the Standard Review Plan and Interim Staff Guidance completed.	NRO	BL PR	Output	40		N/A0	N/A0	N/A0	≥40		
CBI-NR-17	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the New Reactors Business Line.	RES	CBI	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBI-NR-18	Research Products: Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the New Reactors Business Line.	RES	CBI	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /New Reactors/												
NR-NRO-19	Errors Cited in ACRS: Review of Staff's Safety: Number of technical errors identified by ACRS that require a change to the Staff's regulatory position.	NRO	BL PR	Intermediate Outcome	≤5		≤5	≤5	≤5	≤5		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
NR-NR-02	ESPs, COLs, CFS, DCS, and DA Acceptance Review. Percentage of early site permit reviews completed on time in accordance with the schedules agreed upon with the applicants (within NRC's control).	NRO	BL PR	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBJ-NR-02	Early Site Permit Applications Review. Percentage of early site permit reviews completed on time in accordance with the schedules agreed upon with the applicants (within NRC's control).	NRO	CBJ	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBJ-NR-04	Design Certification (DC) Review Timeliness. Percentage of interim milestones for design certification review that are completed on time in accordance with the schedules agreed upon with the applicants (LLVRS) (within NRC's control).	NRO	CBJ	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBJ-NR-06	Combined Operating License Review Timeliness. Percentage of milestones for combined operating licenses (COL) applications that are completed in accordance with the schedules agreed upon with the applicants (within NRC's control).	NRO	CBJ	Output	≥85%, except if <10 cases then ≤2 unmet		≥85%, except if <10 cases then ≤2 unmet	≥85%, except if <10 cases then ≤2 unmet	≥85%, except if <10 cases then ≤2 unmet	≥85%, except if <10 cases then ≤2 unmet		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-NR-08	Small Modular Reactor Design Certification Review Timeliness: Percentage of interim milestones for small modular reactor (SMR) design certification review completed in accordance with the schedules agreed upon with the applicants (within NRC's control).	NRO	CBI	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBI-NR-09	Identification and Resolution of SMR Policy and Key Technical Issues: Complete milestones necessary to support the resolution of policy and key technical issues. In addition, complete milestones necessary to support implementation of resolutions.	NRO	CBI	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBI-NR-11	Small Modular Reactor Pre-Application Review Timeliness: Percentage of SMR pre-application review milestones completed in accordance with the schedules agreed upon with the applicants.	NRO	CBI	Output	≥85%		≥85%	≥85%	≥85%	≥85%		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CU-NR-13	Small Modular Reactor Combined License and Construction Permit Application Review Completion. Percentage of SMR COL applications for permit and construction permit application review completed in accordance with the schedule agreed upon with the licensees.	NRO	CU	Output	Yes		≥85% except if <10 cases then ≤2 unmet	≥85% except if <10 cases then ≤2 unmet	≥85% except if <10 cases then ≤2 unmet	≥85% except if <10 cases then ≤2 unmet		
Strategy: Safety 4: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection Occurrences of inadvertent alleged identity release	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-07	Disputed Enforcement Actions Withdrawn disputed enforcement actions without technical justification	OE	BL PR	Intermediate Outcome			≤4	≤4	≤4	≤4		
MBL-OE-08	ADR Mediation Case Results: All cases that enter into ADR mediation, percentage that result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /New Reactors/												
NR-NRO-02	Technical Allegations Closed: Percentage of technical allegations closed within 150 days	NRO	BL PR	Output	≥90% except if <10 cases then ≤1 unmet		≥90%	≥90%	≥90%	≥90%		
NR-NRO-10	Vendor Inspection Report Timeliness: Percentage of vendor inspection reports issued within the documented timeliness goals.	NRO	BL PR	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
NR-NRO-21	Nonconformance or Violations Issued by Vendor: Number of NONs or NOVs assessed by stakeholder over total number of NONs or NOVs issued by NRO during the accounting period.	NRO	BL PR	Intermediate Outcome	≤20%		≤10%	≤10%	≤10%	≤10%		
NR-RII-06	New Reactor Construction Inspections Including LWAI: Number of scheduled construction inspections (NRC IAC's 2503 and 2504) that were not completed, due to lack of NRC inspection resources.	RII	BL PR	Output	≤1		≤1	≤1	≤1	≤1		
CBJ-NR-15	Vendor Inspection Completion Quantity: Number of domestic and international vendor inspections completed	NRO	CBJ	Output	≥30		≥4	≥12	≥20	≥30		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CB-NR-16	Final Rule Completion. Percentage of proposed Final Rules completed in accordance with the schedule approved by the Commission.	NRO	CBJ	Output			≥80%	≥80%	≥80%	≥80%		
Strategy: Safety 6: Ensure that nuclear facilities are constructed in accordance with approved designs and that there is an effective transition from oversight of construction to oversight of operation.												
Business Line: / New Reactors/												
NR-NRO-03	CD Licensing Activities. Percentage of licensing activities other than license amendment requests, generic bulletins, generic letters, and other regulatory activity requiring an NRC response) completed on the schedules agreed upon with the licensee (within NRC's control).	NRO	BL PR	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
NR-NRO-09	ITAC Closure Notification (ICNs) Percentage. Percentage of ICNs on which staff completes review within 2 months of submittal (within NRO Control).	NRO	BL PR	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
NR-CH-02	Investigations Timeliness for Enforcement (New Reactors). Percentage of investigations completed in time to initiate civil enforcement and/or criminal prosecution action.	OI	BL PR	Output	100%		100%	100%	100%	100%		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
NR-OI-03	Investigations Quality and Timeliness [New]. Percentage of investigations which developed sufficient information to reach a conclusion regarding whether a violation occurred in 12 months or less.	OI	at PR	Output	280%		280%	280%	280%	280%		
CU-NR-14	License Amendment Review Timeliness. Percentage of license amendment reviews completed on the schedules agreed upon with the licensee (within NRC's control).	NRO	CU	Output			285%	285%	285%	285%		
Strategy: Safety 7: Ensure that the environmental and site safety regulatory infrastructure is adequate to support the issuance of new nuclear licenses												
Business Line: /New Reactors/												
NR-NRO-30	EPA Rating of Draft Environmental Impact Statements. Percentage of draft EISs that receive an EPA rating of EC2 or higher (or no rating) if below 5 actions.	NRO	BU PR	Intermediate Outcome	285% except if <10 cases then 51		280% except if <5 cases then 51	280% except if <5 cases then 51	280% except if <5 cases then 51	280% except if <5 cases then 51		
Objective: Security Objective 1: Ensure protection of nuclear facilities and radioactive material												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet or exceed AO criteria I.C.1, I.C.2, and I.C.3 concerning theft or diversion of special nuclear material.	NWSS	APR	Ultimate Outcome			0	0	0	0		
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion I.C.4 to be developed in 2015 that will include breakdowns of cyber security and the physical security of AO criterion I.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSR	APR	Ultimate Outcome			≤1	≤1	≤1	≤1		
Strategy: Security 2: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC security requirements and license conditions.												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /New Reactors/Operating Reactors/												
MULTI-NSIR-12	Cyber Security Inspection Program: Number of key information disclosures completed on schedule.	NSIR	BL PR	Output	≤1		≤1	≤1	≤1	≤1		
Objective: Security Objective 2: Ensure protection of classified and Safeguards Information												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or Safeguards Information: Number of significant unauthorized disclosures or classified and/or safeguards information by licensees as defined by 10 CFR 171.63 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome			0	0	0	0		
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Business Line: /New Reactors/												
NR-NRO-13	Resolution of Technical Issues for New Reactors: Complete 2 policy papers to resolve key technical issues facing new reactors (Within NRC's Control).	NRO	BL PR	Output	≥2					2		
Strategy: Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risks and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology changes in a timely manner.												
Business Line: /New Reactors/												
NR-NRO-15	Rulemaking Interim Milestones Completion Percentage: Number of externally published milestones met (Within NRO Control).	NRO	BL PR	Output	≥85%		N/A0	N/A0	N/A0	≥2		
Strategy: Reg Eff 3: Integrate safety and security programs to identify and avoid unintended consequences.												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Fuel Facilities/New Reactor/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy, Statement Inclusions: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Objective: Open 3--Coliab: Promote domestic and global nuclear safety and security by creating and taking advantage of opportunities to increase coliab and share best practices with other Feds, with States, local, and Tribal govt, and with the int reg community												
Business Line: /Fuel Facilities/New Reactor/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBI-OE-04	Safety Culture Policy Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in license, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Business Line:												
NR-OI-13	New Reactor/ Outreach Activities (New Reactors): Number of outreach activities completed. Consists of meetings held with the National Intellectual Property Rights (IPR) Coordination Center dealing with intellectual property theft, counterfeit, fraudulent, or suspect items regulated by the NRC, and with the Export Enforcement Coordination Center (E2C2) supporting the export of nuclear materials regulated by the NRC.	OI	BL PR	Output	28		>2	>4	>6	>8		
Objective: Human Capital: Attract, develop, and maintain a high-performing, diverse, engaged, and flexible workforce with the skills needed to carry out the NRC's mission now and in the future												
Strategy: Human Capital 1: Maintain qualified and flexible staff and close skill gaps in mission-critical occupations												

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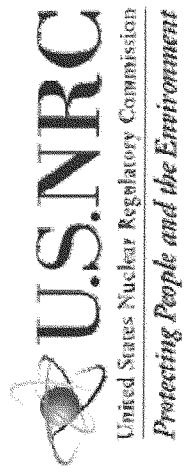
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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: / New Reactors/												
NR-NRO-08	Staff Qualification Percentage of NRO staff currently qualified or progressing toward qualification in accordance with NRO-PER-105 and/or IMC-1245	NRO	BL PR	Output	295%		295%	295%	295%	295%		

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Operating Reactors Business Line FY 2016 Performance Report

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Operating Reactors Business Line
FY 2016 Performance Report

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Contents

- I. Business Line Priorities
- II. Basic Baseline Report
- III. Baseline Report by Objectives and Strategies

Operating Reactors Business Line
FY 2016 Performance Report

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I. Business Line Priorities

Priority Description	Strategies in the Strategic Plan or Corporate Support Plan	Indicator ID for Supporting Indicator(s)
Continue efforts to refine the ROP by implementing ROP Enhancement Project initiatives, completing the ROP Self-Assessment for CY 15; and responding to events and emergencies as needed	Safety 1.4,5,6; Security 1.2,4; Regulatory Effectiveness 1,2; Openness 1,2,3	Safety-01, 02, 03, 04; Security-01, 02, 03; Multi-NSIR-28, CBJ-OR-24
Ensure special focus plants resolve safety, security, and technical issues (e.g. 0350, Column 4)	Safety 4,6; Security 2; Regulatory Effectiveness 1	Safety-01, 02, 03, 04; Security 01, 02, 03
Implement the Tier 1 actions regarding the lessons learned from the Fukushima-Dai-ichi accident	Safety 1,2,3,4,5; Security 1, Regulatory Effectiveness 1,2,3; Openness 1,2,3	OR-NRR-04, 05
Reduce the licensing action backlog and achieve the new CBJ metric to show a 2% improvement in processing licensing actions in less than one year	Safety 3; Regulatory Effectiveness 2; Openness 1,2	CBJ-OR-02, 03, 04, 06, 07, 08, 27, 28
Complete Watts Bar 2 licensing and provide effective oversight of startup activities	Safety 1,2,3,4,6,7; Security 1,2; Regulatory Effectiveness 3; Openness 1,2,3	Safety-04
Ensure safe transition to decommissioning for affected plants	Safety 1,2,3,4,5; Security 1,2; Regulatory Effectiveness 1,2,3; Openness 1,2,3	Safety-01, 02, 03, 04; Security 01, 02
Timely and efficient review Moly-99 license applications	Safety 2,3,6,7; Security 1,3,6; Regulatory Effectiveness 1,2,3; Openness 1,2,3	CBJ-OR-04

Operating Reactors Business Line
FY 2016 Performance Report

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Continue to develop feature sets (groupings of functionality) for the Replacement Reactor Program System project. This project will continue to develop remaining feature sets that will streamline inspection and licensing actions tracking capabilities to replace the corresponding legacy applications. Allocate staff resources to Project AIM efforts per the Commission SRM	Safety 3,4; Information Management and IT 2,3,4	OR-NRR-06
	Human Capital 1,2,3,5 and Space/Facilities 3	

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result				
AGENCY-LEVEL PERFORMANCE INDICATORS										
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrences (AO) criteria I.A.1, I.A.2, or I.A.3	NRR	APR	Ultimate Outcome	0	G=0	0	0	0	0
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion I.B	NRR	APR	Ultimate Outcome	0	G=0	0	0	0	0
SAFETY-03	Prevent the occurrence of any inadvertent criticality events. Number of instances of unintended chain reactions involving NRC-licensed materials.	NMSS	APR	Ultimate Outcome	0	G=0	0	0	0	0
SAFETY-04	Prevent accident precursors and reductions of safety margins at commercial nuclear power plants (operating or under construction) that are of high safety significance. Number of violations, deficiencies, events or conditions at commercial nuclear power plants (operating or under construction) that meet or exceed AO criteria II.A, II.D	NRR	APR	Ultimate Outcome	53	G=0	53	53	53	53

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other (B) Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Offices	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	0	0	0	0	0
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material that meet or exceed AO criteria 1.C.1, 1.C.2, and the portion of criterion 1.C.3 concerning theft or diversion of special nuclear material.	NMSS	APR	Ultimate Outcome	0	G=0	0	0	0	0	0
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion 1.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion 1.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome	≤1	G=0	≤1	≤1	≤1	≤1	≤1
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguards information. Number of significant unauthorized disclosures of classified and/or safeguards information by licensees as defined by AO criterion 1.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome	0	G=0	0	0	0	0	0

EVENT RESPONSE

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II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	100%	100%	100%
CBI-OR-24	Emergency Response Performance Index (ERPI). Percentage assessment of the agency's readiness to respond to a nuclear or terrorist emergency situation or other events of national interest.	NSIR	CBI	Intermediate Outcome			100%	100%	100%
MULTI-NSIR-04	Imminent Attack Notification: Of the senior managers with delegated authority to issue immediately effective orders for threat scenarios, the number that respond to the call.	NSIR	BL PR	Output	23	G-3	23	23	23
MULTI-NSIR-03	NBC Response Readiness Incident Response Team Qualification and Availability: Percentage of staff who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output	280%	G-91.5%	280%	280%	280%
MULTI-NSIR-28	Emergency Response Organization (ERO) Staffing: Percentage of staff, who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output			280%	280%	280%
CBI-OR-25	Information Assurance Team Advisory Assurance Timeliness: Percentage of team advisories issued within 24 hours of notification.	NSIR	CBI	Output			250%	250%	250%

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	23	24	25	26	27
LICENSING											
CBJ-OR-01	Licensing Renewal Application Completion Quantity. Number of licenses renewal applications on which a final decision has been made	NRR	CBJ	Output	29	R=5	23	24	25	26	27
CBJ-OR-02	Licensing Action Completion Quantity. Number of licensing actions completed <i>*As limited by the number of licensing action requests submitted/accepted the previous FY.</i>	NRR	CBJ	Output	2737	G=792	2180	2360	2540	2730	
CBJ-OR-03	Licensing Action Completion. Timeliness < 1 Year. Percentage of licensing actions completed in 1 year or less	NRR	CBJ	Output	295%	R=88%	295%	295%	295%	295%	
CBJ-OR-04	Licensing Action Completion. Timeliness < 2 Year. Percentage of licensing actions completed in 2 years or less	NRR	CBJ	Output	100%	R=99%	100%	100%	100%	100%	
CBJ-OR-06	Other Licensing Task Completion Quantity. Number of other licensing tasks completed <i>*As limited by the number of licensing task requests submitted/accepted the previous FY.</i>	NRR	CBJ	Output	2500	R=461	2125	2250	2375	2500	

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	≥90%	≥90%	≥90%	≥90%	≥90%
CBJ-OR-07	Other Licensing Task Completion. Timeliness ≤ 1 Year. Percentage of other licensing tasks completed in 1 year or less	NRR	CBJ	Output	≥90%	R=87%	≥90%	≥90%	≥90%	≥90%	≥90%
CBJ-OR-08	Other Licensing Task Completion. Timeliness ≤ 2 Year. Percentage of other licensing tasks completed in 2 years or less	NRR	CBJ	Output	100%	R=97%	100%	100%	100%	100%	100%
CBJ-OR-10	Operator Licensing Exams. Administered. Number of initial operator licensing examination sessions	NRR	CBJ	Output	53	R=42	≥10	≥21	≥32	≥46	
CBJ-OR-11	Generic Fundamentals Examinations. Administered. Number of generic fundamentals examination sessions administered	NRR	CBJ	Output	≥4	G=4	≥0	≥1	≥2	≥4	
CBJ-OR-27	Percentage Increase of Licensing Action Completion Timeliness ≤ 1 Year over FY 2015. Percentage increase of licensing actions completed timeliness in 1 year for FY 15 over the average on 9/30/15.	NRR	CBJ	Output	≥2%	R=1%	≥2%	≥2%	≥2%	≥2%	
CBJ-OR-28	Percentage Increase of Other Licensing Task Completion Timeliness ≤ 1 Year over 2015. Percentage increase of other licensing tasks completed in 1 year or less for FY 16 over the average on 9/30/15.	NRR	CBJ	Output	≥2%	R=0%	≥2%	≥2%	≥2%	≥2%	
OR-NRR-03	Topical Report Review Completion. Quantity. Number of Topical Report reviews completed	NRR	BL PR	Output	≥15	G=16	≥2	≥5	≥10	≥15	

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculations No									
Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result			
OR-NRR-04	Number of Units in Compliance with Spent Fuel Pool Instrumentation Order.	NRR	BL PR	Intermediate Outcome	≥47	G=55	N/A	270	N/A
	Number of units in compliance with Order EA-12-051 (Spent Fuel Pool Instrumentation)								≥81
OR-NRR-05	Units in Compliance with Mitigating Strategies Order.	NRR	BL PR	Intermediate Outcome	≥19	G=23	N/A	240	N/A
	Number of units in compliance with Order EA-12-043 (Mitigating Strategies)								≥63
OVERSIGHT									
CBI-OR-12	Baseline Inspection Program. Completion Quantity. On track to complete all required baseline inspection procedures for 100 units.	NRR	CBI	Output	100	G=100			100
CBI-OR-13	Final Significance Determination. Completion Timeliness. Percentage of final significance determinations made within 90 days for all potentially greater than green findings.	NRR	CBI	Output	≥90%	R=86%	≥90%	290%	≥90%
CBI-OR-19	Investigations Quality and Timeliness. (Operating Reactors). Percentage of investigations which developed sufficient information to reach a conclusion regarding wrongdoing completed in 12 months or less.	OI	CBI	Output	≥80%	G=98%	≥80%	280%	≥80%
CBI-OR-20	Investigations Timeliness for Enforcement (Operating Reactors). Percentage of investigations closed in time to initiate civil enforcement and/or criminal prosecution action.	OI	CBI	Output	100%	G=100%	100%	100%	100%

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculations: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual target	Prev FY Annual Result	≥90%	≥90%	≥90%	≥90%
CBI-OR-14	Technical Allegation Review Completion Timeliness ≤ 150 Days. Percentage of technical allegations reviews completed in 150 days or less [OR-14]	OE	CBI	Output	≥90%	G=98%	≥90%	≥90%	≥90%	≥90%
CBI-OR-15	Technical Allegation Reviews Completion Timeliness ≤ 180 Days. Percentage of technical allegations reviews completed in 180 days or less [OR-15]	OE	CBI	Output	≥95%	G=99%	≥95%	≥95%	≥95%	≥95%
CBI-OR-16	Technical Allegation Reviews Completion Timeliness ≤ 360 Days. Percentage of technical allegations reviews completed in 360 days or less [OR-16]	OE	CBI	Output	100%	G=100%	100%	100%	100%	100%
CBI-OR-17	Enforcement Action Completion Timeliness ≤ 160 Days (Non-Investigation). Percentage of enforcement actions where no investigation is involved completed in 160 days or less. [OR-17]	OE	CBI	Output	100%	R=87%	100%	100%	100%	100%
CBI-OR-18	Enforcement Action Completion Timeliness ≤ 330 Days (Investigation). Percentage of enforcement actions in which investigation is involved completed within 330 days [OR-18]	OE	CBI	Output	100%	R=86%	100%	100%	100%	100%
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture-related inspections, assessments and reviews or operating experience/lessons learned.	OE	BL PR	Output						2



III. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

OFFICIAL USE ONLY - SENSITIVE INTERNAL INFORMATION

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculations: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Results				
MBL-OE-04	Safety Culture Policy Statement. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome			2			
MBL-OE-05	Allegation Protection. Occurrences of inadvertent allegation identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	
MBL-OE-07	Discouraged Enforcement Actions. Withhold disputed enforcement actions without technical justification.	OE	BL PR	Intermediate Outcome			\$4	\$4	\$4	
MBL-OE-08	ADR Mediation Case Results. All cases that enter into ADR mediation, percentage that result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	
MULTI-NSIR-06	Force-on-Force Inspections. Percentage of scheduled inspections completed in order to comply with EPAct of 2005 that applicable facilities be inspected once every 3 years.	NSIR	BL PR	Output	≥95%	G=100%	≥95%	≥95%	≥95%	
MULTI-NSIR-12	Cyber Security Inspection Program. Number of key milestones not completed on schedule.	NSIR	BL PR	Output	\$1	G=0	\$1	\$1	\$1	
OR-NRR-06	Develop and Deploy Replacement EPS. Operating Licensing Tracking System deployment	NRR	BL PR	Intermediate Outcome			N/A	N/A	N/A	
RESEARCH										

II. FY 2016 Business Line Performance Plan by Budget Structure - Operating Reactors

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Prev FY Annual Result	Prev FY Annual Result	Prev FY Annual Result
CBI-OR-22	Critical Research Program Activities. Timeliness. Percentage of major milestones for critical research programs completed on or before their due date for the Operating Reactors Business Line.	RES	CBJ	Output	≥90%	G=100%	≥90%	≥90%	≥90%
CBI-OR-23	Research Products Technical Quality. Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Operating Reactors Business Line.	RES	CBJ	Output	≥3.75	G=4.66	≥3.75	≥3.75	≥3.75
RULEMAKING									
CBI-OR-21	Percentage of Proposed Final Rules Consulted. Percentage of proposed final rules consistent in accordance with schedules approved by the Commission	NRR	CBJ	Output			≥80%	≥80%	≥80%

OFFICIAL USE ONLY - SENSITIVE INTERNAL INFORMATION

III. FY 2016 Business Line Performance Plan by Objective and Strategies - Operating Reactors

Selection Criteria:

Reporting Level: APR Only, Other CBI Only, BL PR Only
 Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Result	Prev FY Annual Target	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety.												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion 1.B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-01-a	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria 1.A.1, 1.A.2, or 1.A.3.	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/Operating Reactors/												
SAFETY-03	Prevent the occurrence of any inadvertent criticality events. Number of instances of unintended chain reactions involving NRC-licensed materials	NMSS	APR	Ultimate Outcome			0	0	0	0	0	

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /New Reactors/Operating Reactors/											
SAFETY-04	Prevent accident precursors and reductions of safety margins at commercial nuclear power plants (operating or under construction) that are of high safety significance. Number of malfunctions/deficiencies, events, or conditions at commercial nuclear power plants (operating or under construction) that meet or exceed AO criteria II.A-II.D	NRR	APR	Ultimate Outcome		≤3	≤3	≤3	≤3		
Strategy: Safety 1: Continue to enhance NRC's regulatory programs as appropriate using lessons learned from domestic and international operating experience and other sources.											
Business Line: /Operating Reactors/											
OR-NRR-03	Topical Report Review Completion Quantity: Number of Topical Report reviews completed	NRR	BL PR	Output	≥15	G=16	≥25	≥10	≥15		
CBI-OR-22	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Operating Reactors Business Line.	RES	CBI	Output	≥90%	G=100%	≥90%	≥90%	≥90%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-OR-23	Research Products Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Operating Reactors Business Line	RES	CBI	Output	≥3.75	G=4.66	≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 2: Enhance the risk-informed and performance-based regulatory framework in response to advances in science and technology, policy decisions, and other factors.												
Business Line: /Operating Reactors/												
CBI-OR-22	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Operating Reactors Business Line	RES	CBI	Output	≥90%	G=100%	≥90%	≥90%	≥90%	≥90%		
CBI-OR-23	Research Products Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Operating Reactors Business Line	RES	CBI	Output	≥3.75	G=4.66	≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /Operating Reactors/												
OR-NRR-05	Units in Compliance with Mitigating Strategies Order: Number of units in compliance with Order EA-12-049 (Mitigating Strategies)	NRR	BL PR	Intermediate Outcome	≥19	G=23	N/A	≥40	N/A	≥63		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-OR-01	License Renewal Application Completion Quantity: Number of license renewal applications on which a final decision has been made	NRR	CBJ	Output	≥9	R=5	≥3	≥3	≥4	≥7		
CBJ-OR-02	Licensing Action Completion Quantity: Number of licensing actions completed *As limited by the number of licensing action requests submitted/accepted the previous FY.	NRR	CBJ	Output	≥737	G=792	≥180	≥360	≥540	≥730		
CBJ-OR-03	Licensing Action Completion Timeliness ≤ 1 Year: Percentage of licensing actions completed in 1 year or less	NRR	CBJ	Output	≥95%	R=88%	≥95%	≥95%	≥95%	≥95%		
CBJ-OR-04	Licensing Action Completion Timeliness ≤ 2 Year: Percentage of licensing actions completed in 2 years or less	NRR	CBJ	Output	100%	R=99%	100%	100%	100%	100%		
CBJ-OR-06	Other Licensing Task Completion Quantity: Number of other licensing tasks completed *As limited by the number of licensing task requests submitted/accepted the previous FY.	NRR	CBJ	Output	≥500	R=461	≥125	≥250	≥375	≥500		

Ind ID	Description	Office	Report Level	Indicator Type	PrevFY Annual Target	PrevFY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-OR-07	Other Licensing Task Completion Timeliness ≤ 1 Year. Percentage of other licensing tasks completed in 1 year or less	NRR	CBI	Output	≥90%	R=87%	≥90%	≥90%	≥90%	≥90%		
CBI-OR-08	Other Licensing Task Completion Timeliness ≤ 2 Year. Percentage of other licensing tasks completed in 2 years or less	NRR	CBI	Output	100%	R=97%	100%	100%	100%	100%		
CBI-OR-10	Operator Licensing Exams Administered. Number of initial operator licensing examination sessions	NRR	CBI	Output	53	R=42	≥10	≥21	≥32	≥46		
CBI-OR-11	Generic Fundamentals Examinations Administered. Number of generic fundamentals examination sessions administered	NRR	CBI	Output	≥4	G=4	≥0	≥1	≥2	≥4		
CBI-OR-27	Percentage Increase of Licensing Action Completion Timeliness ≤ 1 Year over FY 2015. Percentage increase of licensing actions completed timeliness in 1 year for FY 16 over the average on 9/30/15.	NRR	CBI	Output	≥2%	R=1%	≥2%	≥2%	≥2%	≥2%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-OR-28	Percentage increase of Other Licensing Task Completion Timeliness ≤ 1 Year over 2015. Percentage increase of other licensing tasks completed in 1 year or less for FY 16 over the average on 9/30/15.	NRR	CBI	Output	22%	0%	22%	22%	22%	22%		
Strategy:	Safety & Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.											
Business Line:	Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/											
MBL-OE-05	Alleged Identity Protection Occurrences of Inadvertent alleged Identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line:	Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/											
MBL-OE-07	Disputed Enforcement Actions: Withdrawn disputed enforcement actions without technical justification	OE	BL PR	Intermediate Outcome			≤ 4	≤ 4	≤ 4	≤ 4		
MBL-OE-08	ADR Mediation Case Results: All cases that enter into ADR mediation, percentage that result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Operating Reactors/												
OR-NRR-04	Number of Units in Compliance with Spent Fuel Pool Instrumentation Order. Number of units in compliance with Order EA-12-051 (Spent Fuel Pool Instrumentation)	NRR	BL PR	Intermediate Outcome	≥47	G=55	N/A	≥70	N/A	≥81		
CBI-OR-12	Baseline Inspection Program Completion Quantity: On track to complete all required baseline inspection procedures for 100 units.	NRR	CBI	Output	100	G=100				100		
CBI-OR-13	Final Significance Determination Completion Timeliness: Percentage of final significance determinations made within 90 days for all potentially greater than green findings.	NRR	CBI	Output	≥90%	R=88%	≥90%	≥90%	≥90%	≥90%		
CBI-OR-19	Investigations Quality and Timeliness (Operating Reactors): Percentage of investigations which developed sufficient information to reach a conclusion regarding wrongdoing completed in 12 months or less.	OI	CBI	Output	≥80%	G=98%	≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-OR-20	Investigations Timeliness for Enforcement (Operating Reactors): Percentage of investigations closed in time to initiate civil enforcement and/or criminal prosecution action.	OI	CBI	Output	100%	G=100%	100%	100%	100%	100%		
CBI-OR-17	Enforcement Action Completion Timeliness ≤ 160 Days (Non-Investigation): Percentage of enforcement actions where no investigation is involved completed in 160 days or less. [OR-17]	OE	CBI	Output	100%	R=87%	100%	100%	100%	100%		
CBI-OR-18	Enforcement Action Completion Timeliness ≤ 330 Days (Investigation): Percentage of enforcement actions in which investigation is involved completed within 330 days [OR-18]	OE	CBI	Output	100%	R=86%	100%	100%	100%	100%		
Strategy:	Safety 5: Ensure the NRC's readiness to respond to incidents and emergencies involving NRC licensed facilities and radioactive materials and other events of domestic and international interest.											

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Fuel Facilities/Nuclear Materials Users/Operating Reactors/												
MULTI-NSIR-03	NRC Response Readiness: Incident Response Team Availability: Percentage of staff, who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output	≥80%	G=91.5%	≥80%	≥80%	≥80%	≥80%		
MULTI-NSIR-28	Emergency Response Organization (ERO) Staffing: Percentage of staff, who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output			≥80%	≥80%	≥80%	≥80%		
Business Line: /Fuel Facilities/Operating Reactors/												
MULTI-NSIR-04	Imminent Attack Notification: Of the senior managers with delegated authority to issue immediately effective orders for threat scenarios, the number that respond to the call.	NSIR	BL PR	Output	≥3	G=3	≥3	≥3	≥3	≥3		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Operating Reactors/												
CBJ-OR-24	Emergency Response Performance Index (ERPI): Percentage assessment of the agency's readiness to respond to a nuclear or terrorist emergency situation or other events of national interest.	NSIR	CBJ	Intermediate Outcome			100%	100%	100%	100%		
Objective: Security Objective 1: Ensure protection of nuclear facilities and radioactive material												
Business Line: /Decommissioning and LWR/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material: Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet or exceed AO criteria I.C.1, I.C.2, and the portion of criterion I.C.3 concerning theft or diversion of special nuclear material.	NM55	APR	Ultimate Outcome			0	0	0	0		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion 1.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion 1.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome			≤1	≤1	≤1	≤1		
Strategy: Security 2: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC security requirements and license conditions.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Allegor Identity Protection: Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Fuel Facilities/Operating Reactors/												
MULT-NSIR-06	Force-on-Force Inspections: Percentage of scheduled inspections completed in order to comply with EPAAct of 2005 that applicable facilities be inspected once every 3 years.	NSIR	BL PR	Output	≥95%	G=100%	≥95%	≥95%	≥95%	≥95%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /New Reactors/Operating Reactors/												
MULT-NSIR-12	Cyber Security Inspection Program: Number of key milestones not completed on schedule.	NSIR	BL PR	Output	≤1	G=0	≤1	≤1	≤1	≤1		
Strategy: Security 6: Ensure timely distribution of security information to stakeholders and international partners.												
Business Line: /Operating Reactors/												
CBI-OR-25	Information Assessment Team Advisory Assurance Timeliness: Percentage of team advisories issued within 24 hours of notification.	NSIR	CBI	Output			≥90%	≥90%	≥90%	≥90%		
CBI-OR-26	Intelligence Products Communication Timeliness: Percentage of key intelligence products that are communicated to the Commission and senior managers within 48 hours of receipt.	NSIR	CBI	Output			100%	100%	100%	100%		
Objective: Security Objective 2: Ensure protection of classified and Safeguards Information												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or <u>Safeguards</u> information. Number of significant unauthorized disclosures or classified and/or safeguards information by licensees as defined by AOC criterion I.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome			0	0	0	0	0	
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alien Identity Protection: Occurrences of inadvertent alien identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBL-OE-04	Safety Culture Policy Statement Inclusion. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Business Line:												
Operating Reactors/												
CBI-OR-14	Technical Allegation Review Completion. Timeliness ≤ 150 Days. Percentage of technical allegations reviews completed in 150 days or less [OR-14]	OE	CBI	Output	≥90%	G=98%	≥90%	≥90%	≥90%	≥90%		
CBI-OR-15	Technical Allegation Reviews Completion. Timeliness ≤ 180 Days. Percentage of technical allegations reviews completed in 180 days or less [OR-15]	OE	CBI	Output	≥95%	G=99%	≥95%	≥95%	≥95%	≥95%		
CBI-OR-16	Technical Allegation Reviews Completion. Timeliness ≤ 360 Days. Percentage of technical allegations reviews completed in 360 days or less [OR-16]	OE	CBI	Output	100%	G=100%	100%	100%	100%	100%		
Strategy:												
Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risks and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology changes in a timely manner.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line:												
CBI-OR-21												
	Operating Reactors/ Percentage of Proposed Final Rules Completed: Percentage of proposed final rules completed in accordance with schedules approved by the Commission	NRR	CBI	Output			≥80%	≥80%	≥80%	≥80%		
Strategy:												
Ref Eff 3: Integrate safety and security programs to identify and avoid unintended consequences.												
Business Line:												
MBL-OE-01												
	Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/ Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04												
	Safety Culture Policy Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Objective:												
Openness												
Strategy:												
Open 3--Collab: Promote domestic and global nuclear safety and security by creating and taking advantage of opportunities to increase collab and share best practices with other Feds, with State, local, and Tribal govts, and with the int reg community												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Objective: Information Management and Information Technology: Make it easier for the NRC staff to perform the mission and obtain the information they need from authoritative sources anytime, anywhere, on any device												
Strategy: IT/IM 3: Improve the business value of the NRC's IT solutions by providing the right products and services when and where needed.												
Business Line: /Operating Reactors/												
OR-NRR-05	Develop and Deploy Replacement RPS: Operating Licensing Tracking System deployment	NRR	BL PR	Intermediate Outcome			N/A	N/A	Yes	Yes		

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Decommissioning and LLW Business Line FY 2016 Performance Plan

Accession Number: ML15155B845

September, 25, 2015

Decommissioning and LLW Business Line
FY 2016 Performance Plan
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- I. Business Line Priorities
- II. Indicators by Budget Structure
- III. Indicators by Objectives and Strategies

Decommissioning and LLW Business Line
FY 2016 Performance Plan

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I. Business Line Priorities

Priority Description	Strategies in the Strategic Plan ¹	Indicator ID for Supporting Indicator(s)
1. Maintain oversight activities at unique complex and high risk activity decommissioning sites	Safety: Strategies 1, 2, 3, 4, and 5 Security: Strategies 1, 2, and 6 Openness: Strategies 1 and 2	DLLW-NMSS-06 DLLW-NMSS-07
2. Continue to focus on optimizing available resources for licensing and inspection activities (especially, Uranium Recovery)	Safety: Strategies 2, 3, 4 and 5 Security: Strategies 1, 2 and 6 Openness: Strategies 1 and 2	CBJ-DL-05 CBJ-DL-03 DLLW-NMSS-04
3. Continue efforts to complete high priority rulemaking (10CFR Part 61/SSA) and Greater Than Class C Low-Level Radioactive Waste Disposal regulatory issues	Safety: Strategies 1 and 2 Openness: Strategies 1 and 2 Regulatory Effectiveness Strategy 2	DLLW-NMSS-08
4. Continue to fulfill monitoring role on Waste Incidental to Reprocessing per the NDAA	Safety: Strategies 1, 2 Regulatory Effectiveness Strategy 2	CBJ-DL-07
5. Continue to support the international community (i.e., Joint Convention, IAEA, NEA)	Safety: Strategies 1, 2, and 3 Security: Strategies 1 and 6 Openness: Strategies 2 and 3	IA-IP-01

¹ NUREG 1416 Volume 6

II. FY 2016 Business Line Performance Plan by Budget Structure - Decommissioning and LLW

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prior FY Annual Target	Prior FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
AGENCY-LEVEL PERFORMANCE INDICATORS												
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occupational Dosimetry (AOD) criteria I.A.1, I.A.2 or I.A.3.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion I.B.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
SAFETY-03	Prevent the occurrence of any inadvertent criticality events. Number of instances of unintended chain reactions involving NRC-licensed materials.	NMSS	APR	Ultimate Outcome	0		0	0	0	0	0	
SAFETY-05	Prevent accident precursors and reductions of safety margins at non-reactor facilities or during transportation of nuclear materials that significantly exceed NRC safety significance. Number of accident precursors, deficiencies, events, or conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III.A or III.B.	NMSS	APR	Ultimate Outcome	0		0	0	0	0	0	

II. FY 2016 Business Line Performance Plan by Budget Structure - Decommissioning and LLW

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Officer	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive materials. Number of instances of sabotage theft, diversion, or loss of risk-significant quantities of radioactive material that exceed AO criterion 1 C.2 concerning theft or diversion of special nuclear material.	MASS	APR	Ultimate Outcome	0		0	0	0	0	0	
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and controls and accountability against criterion 1 C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion 1 C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome	\$1	G=0	\$1	\$1	\$1	\$1		
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguarded information. Number of significant unauthorized disclosures of classified and/or safeguarded information by licensees as defined by AO criterion 1 C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome	0	G=0	0	0	0	0	0	
LICENSING												

II. FY 2016 Business Line Performance Plan by Budget Structure - Decommissioning and LLW

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-DL-01	Environmental Review Completion. Timeliness: Percentage of environmental reviews and environmental review documents completed as scheduled. [DL-01]	NMSS	CBJ	Output	≥80%		100%	100%	100%	100%		
CBJ-DL-03	Safety Evaluation Report Completion. Timeliness: Percentage of time saved in environmental review requests by using pre-submission audits. [DL-03]	NMSS	CBJ	Output	≥10%		≥10%	≥10%	≥10%	≥10%		
CBJ-DL-05	Licensing Review Timeliness: Percentage of licensing actions completed as scheduled. [DL-05]	NMSS	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
DLW- NMSS-04	Uranium Recovery/Licensing: Number of Uranium Recovery licensing actions deferred for more than 60 days.	NMSS	BL PR	Output	0		0	0	0	0		
OVERSIGHT												
CBJ-DL-07	Waste Incident to Reprocessing Activities Timeliness: Percentage of review or monitoring plan activities for waste incidental to reprocessing that are completed as scheduled. [DL-07]	NMSS	CBJ	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
DLW- NMSS-06	Reactor Site Decommissioning Inspections: Percentage of required inspections completed as scheduled. (See Inspection Manual Chapter (IMC) 2551)	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

II. FY 2016 Business Line Performance Plan by Budget Structure - Decommissioning and LLW

Selection Criteria:

Report Level: AFR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
DLW- MASS-07	Material Site Decommissioning Inspections: Percentage of required inspections completed in accordance with Inspection Manual Chapter (IMC) 2012.	NWSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
MBL-OE- 05	Alligator Identity Protection: Occurrences of inadvertent alligator identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
CBI-DL-08	RESEARCH Critical Research Program Activities: Timeliness: Percentage of major milestones for critical research programs completed on or prior to the due date for the Decommissioning and Low Level Business Line. [DL-08]	RES	CBI	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBI-DL-09	Research Products Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Decommissioning and Low Level Waste Business Line. [DL-09]	RES	CBI	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
DLW- MASS-08	DECOMMISSIONING Decommissioning and LLW milestones: Percentage of high priority and medium priority milestones being completed in accordance with established schedules (FY16 details will be included begin of fiscal year).	NWSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

III. FY 2016 Business Line Performance Plan by Objective and Strategies - Decommissioning and LLW

Selection Criteria:

Reporting Level: APR Only, Other CBI Only, BL PR Only

Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety.												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion 1.B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-04-3	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria 1.A.1, 1.A.2, or 1.A.3.	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/Operating Reactors/												
SAFETY-03	Prevent the occurrence of events that significantly exceed regulatory limits. Number of instances of unintended chain reactions involving NRC-licensed materials.	NMSS	APR	Ultimate Outcome			0	0	0	0	0	

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LW/Fuel Facilities/Spent Fuel Storage and Transportation/												
SAFETY-05	Prevent accident precursors and reductions of safety margins at non-reactor facilities or during transportation of nuclear materials that are of high safety significance. Number of malfunctions, deficiencies, events, or conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III.A or II.B.	NMSS	APR	Ultimate Outcome			0	0	0	0		
Strategy: Safety 1: Continue to enhance NRC's regulatory programs as appropriate using lessons learned from domestic and international operating experience and other sources.												
Business Line: /Decommissioning and LW/												
CBJ-DL-08	Critical Research Program Activities/Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Decommissioning and Low Level Business Line. [DL-08]	RES	CBJ	Output	250%		250%	250%	250%	250%		
CBJ-DL-09	Research Productivity: Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Decommissioning and Low Level Waste Business Line. [DL-09]	RES	CBJ	Output	23.75		23.75	23.75	23.75	23.75		
Strategy: Safety 2: Enhance the risk-informed and performance-based regulatory framework in response to advances in science and technology, policy decisions, and other factors.												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/												
CBI-DL-08	Critical Research Program: Percentage of major milestones for critical research programs completed on or before their due date for the Decommissioning and Low Level Business Line. [DL-08]	RES	CBI	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBI-DL-09	Research Products: Technical Quality: Overall average score on a scale of 1-5 for the technical quality of research products for the Decommissioning and Low Level Waste Business Line. [DL-09]	RES	CBI	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /Decommissioning and LLW/												
DLW-NMSS-04	Uranium Recovery Licenses: Number of Uranium Recovery licensing actions deferred for more than 90 days.	NMSS	BLPR	Output	0		0	0	0	0	0	
CBI-DL-03	Safety Evaluation Report Completion Efficiencies: Time reduced by 10%: Percentage of time saved in completing safety evaluation reports by using pre-submission audits. [DL-03]	NMSS	CBI	Output	≥10%		≥10%	≥10%	≥10%	≥10%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Y Target	Status
CBJ-DL-05	Licensing Review Timeliness: Percentage of licensing actions completed as scheduled. [DL-05]	NMSS	CBJ	Output	>90%		≥90%	≥90%	≥90%	≥90%		
Business Line:												
CBJ-DL-01	Decommissioning and LLW Environmental Review Completion Timeliness: Percentage of environmental reviews and environmental review documents completed as scheduled. [DL-01]	NMSS	CBJ	Output	≥80%		100%	100%	100%	100%		
Strategy:												
Safety 4: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.												
Business Line:												
DLW-NMSS-06	Reactor Site Decommissioning Inspections: Percentage of required inspections completed in accordance with Inspection Manual Chapter (IMC) 2551.	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
DLW-NMSS-07	Material Site Decommissioning Inspections: Percentage of required inspections completed in accordance with Inspection Manual Chapter (IMC) 2602.	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
Business Line:												
Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
NEL-OE-05	Allegor Identity Protection: Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			≤2%	≤2%	≤2%	≤2%		
Strategy:												
Safety 7: Ensure that the environmental and site safety regulatory infrastructure is adequate to support the issuance of new nuclear licenses.												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
Business Line: Decommissioning and LLW												
CBJ-DL-01	Environmental Review Completion Timeliness: Percentage of environmental reviews and environmental review documents completed as scheduled. [DL-01]	NMSS	CBJ	Output	≥80%		100%	100%	100%	100%		
Objective: Security Objective 1: Ensure protection of nuclear facilities and radioactive material												
Business Line: / Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-01	Prevent sabotage, theft, diversion, or loss of radioactive material. Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet or exceed AO criteria I.C.1, I.C.2, and I.C.3 concerning theft or diversion of special nuclear material.	NMSS	APR	Ultimate Outcome			0	0	0	0		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breaches of physical security, cyber security, or material control and accountability that meet or exceed a revised version of AO criterion 1.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion 1.C.4 concerning the breakdowns of the accountability system for special nuclear material.	NSR	AFR	Ultimate Outcome			\$1	\$1	\$1	\$1		
Strategy: Security 2: Maintain effective and consistent oversight of licensee performances to drive continued licensee compliance with NRC security requirements and license conditions.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protections: Occurrences of inadvertent alleged identity release.	OE	BLPR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Objective: Security Objective 2: Ensure protection of classified and Safeguards Information												

End ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguards information. Number of significant unauthorized disclosures of classified and/or safeguards information by licensees as defined by DOE criterion I.C.3 or by NRC criterion 1.2.2 or by NRC criterion 1.2.3. Contractors are defined by analogous internal criteria.	NSR	APR	Ultimate Outcome			0	0	0	0	0	
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MPL-OE-05	Allege Identity Protection: Occurrences of incidents that trigger identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Strategy: Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risks and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology change in a timely manner.												
Business Line: /Decommissioning and LLW/												
DLLW-NMSS-08	Decommissioning and LLW: Rulemakings: Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (7116 details which included begin of fiscal year).	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Results	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-DL-07	Waste Incidental to Residuosessur Activities. Timeliness. Percentage of review or monitoring plan activities for waste incidents to be processed that are completed as scheduled. [DL-07]	NMSS	CBI	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

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Fuel Facilities Business Line FY 2016 Performance Plan

Accession Number: ML15155B853

September 25, 2015

Fuel Facilities Business Line
FY 2016 Performance Plan
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**Fuel Facilities Business Line
FY 2016 Performance Plan**

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I. Business Line Priorities

Priority Description	Strategies in the Strategic Plan ¹	Indicator ID for Supporting Indicator(s)
1. Ensure safety and security through effective oversight of operating fuel facilities and facilities under construction, and through effective management of licensing actions, including Section 106 Tribal Consultations, environmental reviews and other regulatory activities.	Safety: Strategies 1, 2, 3, 4, and 7 Security: Strategies 1, 2, and 6 Regulatory Effectiveness: Strategy 1	DLLWFF-NMSS-01 FF-NMSS-01 CBJ-FF-04 CBJ-FF-05
2. Support U.S. non-proliferation activities through implementation of international safeguards and domestic material control and accounting.	Safety: Strategies 1 and 4 Security: Strategies 1 and 3	FF-NMSS-02
3. Maintain effective communications with stakeholders on staff approaches to emergent issues, rulemaking, guidance development, and other regulatory activities.	Regulatory Effectiveness: Strategy 2 Openness: Strategies 1, 2, and 3	FF-NMSS-04

¹ NUREG 1416 Volume 6

II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Power IV Annual Target	Power IV Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
AGENCY LEVEL PERFORMANCE INDICATORS												
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits.	NRR	APR	Ultimate Outcome	0		0	0	0	0		
-a	Number of radiation exposures that exceed regulatory limits for the reactor facility or for the licensee (AO) criteria I.A.1, I.A.2, or I.A.3.											
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits.	NRR	APR	Ultimate Outcome	0		0	0	0	0		
	Number of releases of radioactive materials that meet or exceed AO criterion I.B.											
SAFETY-03	Prevent the occurrence of any inadvertent criticality events.	NMSS	APR	Ultimate Outcome	0		0	0	0	0		
	Number of instances of unintended criticality events involving NRC-licensed materials.											
SAFETY-04	Prevent accident precursors and conditions that significantly exceed regulatory limits.	NMSS	APR	Ultimate Outcome	0		0	0	0	0		
	Number of high safety significance accidents, events, or conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III.A or III.B.											

II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage theft, diversion, or loss of risk-significant quantities of radioactive material that exceed AO criterion I.C.1, I.C.2, and the portion of criterion I.C.3 concerning theft or diversion of special nuclear material.	NWSS	APR	Ultimate Outcome	0		0	0	0	0		
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material control and accountability that meet or exceed a revised version of AO criterion I.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion I.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome	\$1	G=0	\$1	\$1	\$1	\$1		
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguarded information. Number of significant unauthorized disclosures of classified and/or safeguarded information by licensees as defined by AO criterion I.C.5 or by the material control and accountability system as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome	0	G=0	0	0	0	0		
EVENT RESPONSE												

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II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-FF-11	Emergency Response Performance. Indefinite. Percentage assessment of the agency's readiness to respond to a nuclear or terrorist emergency incident or other events of national interest.	NSIR	CBJ	Intermediate Outcome			100%	100%	100%	<100%		
MULTI-NSIR-04	Incident Attack Notifications. Of the senior managers with delegated authority to issue immediately effective orders for threat scenarios, the number that respond to the call.	NSIR	BL PR	Output	≥3	6-3	≥3	≥3	≥3	≥3		
MULTI-NSIR-28	Emergency Response Organization. Percentage of staff who are positioned at the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output			≥80%	≥80%	≥80%	≥80%		
GENERIC HOMELAND SECURITY												
CBJ-FF-12	Information Assessment Team Ad Hoc. Assurance. Timeliness. Percentage of team advices issued within 24 hours of notification.	NSIR	CBJ	Output			≥90%	≥90%	≥90%	≥90%		
CBJ-FF-13	Intelligence Product Communication. Timeliness. Percentage of key intelligence products received and indicated to the Commission and senior managers within 48 hours of receipt.	NSIR	CBJ	Output			100%	100%	100%	100%		
INTERNATIONAL ACTIVITIES												

II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Item ID	Description	Office	Budget Label	Unit Type	Previous Annual Target	Previous Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
FF-NMSS-02	Assure compliance with treaties with IAEA for domestic facilities. Submit required reports for adherence to US International Safeguards Treaty Requirements (US-IAEA Safeguard Agreement and U.S. Additional Protocol Treaty).	NMSS	BL PR	Output	100%		100%	100%	100%	100%		
CBI-FF-04	Fuel Cycle Licensing Review Completion. Timeliness \$150 days. Percentage of Fuel Cycle Licensing Reviews Completed in 150 days or less. [FF-04]	NMSS	CU	Output	100%		100%	100%	100%	100%		
CBI-FF-05	Fuel Cycle Licensing Review Completion. Timeliness \$150 days. Percentage of Fuel Cycle Licensing Reviews Completed in 150 days or less. [FF-05]	NMSS	CU	Output	100%		100%	100%	100%	100%		
CBI-FF-04-S	Fuel Cycle Licensing Review Completion. Timeliness \$150 days. Percentage of Fuel Cycle Licensing Reviews Completed in 150 days or less. [FF-04 Stretch]	NMSS	BL PR	Output	385%		385%	385%	385%	385%		
FF-NMSS-01	Licensing Action Acceptance Review. Timeliness Percentage. Percent of licensing action acceptance reviews completed within 90 days. OUTREACH	NMSS	BL PR	Output	385%		385%	385%	385%	385%		

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II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
FF-MWSS-04	Public Meetings and Stakeholder Engagements: Number of meetings performed in order to engage and inform the public on issues regarding the safety of operating fuel facilities, including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NWSS	BL PR	Output	28		21	24	26	28		
OVERSIGHT												
CBJ-FF-10	Safety and Safeguards Core Inspection: Percentage of operating fuel facilities for which the core inspection program was completed as planned during the calendar year inspection cycle. [FF-10]	RII	CBI	Output	100%		100%	100%	100%	100%		
CBJ-FF-07	Technical Allegation Reviews: Completion Timeliness < 180 Days: Percentage of reviews of technical allegations completed in 180 days or less. [FF-07]	DE	CBI	Output	250%		25%	250%	250%	250%		
CBJ-FF-08	Technical Allegation Reviews: Completion Timeliness < 180 Days: Percentage of reviews of technical allegations completed in 180 days or less. [FF-08]	DE	CBI	Output	250%		25%	255%	255%	255%		
CBJ-FF-09	Technical Allegation Reviews: Completion Timeliness < 360 Days: Percentage of reviews of technical allegations completed in 360 days or less. [FF-09]	DE	CBI	Output	100%		100%	100%	100%	100%		

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Selection Criteria:

Report Level: APR Only, Other CBJ Only, BLPR Only

Show Data Source and Calculation: No

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II. FY 2016 Business Line Performance Plan by Budget Structure - Fuel Facilities

Selection Criteria:
Report Level: APR Only, Other CBI Only, BL PR Only
Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
FF-NMSS-05	Fuel facilities rulemakings: Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with the timeline of the rulemaking process (FY 2016-2017 will be included begin of fiscal year).	NMSS	BL PR	Output	280%		280%	280%	280%	280%		

III. FY 2016 Business Line Performance Plan by Objective and Strategies - Fuel Facilities

Selection Criteria:

Reporting Level: APR Only, Other CBJ Only, BL PR Only

Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion 1B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-01-a	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria 1A.1, 1A.2, or 1A.3.	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/Operating Reactors/												
SAFETY-03	Prevent the occurrence of any inadvertent criticality events. Number of instances of unintended chain reactions involving NRC-licensed materials.	NMSS	APR	Ultimate Outcome			0	0	0	0	0	

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/Spent Fuel Storage and Transportation/												
SAFETY-05	Prevent accident precursors and reductions of safety margins at non-reactor facilities or during transportation of nuclear materials that are of high safety significance. Number of malfunctions, deficiencies, events, or conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III A or III B.	NMSS	APR	Ultimate Outcome			0	0	0	0		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /Fuel Facilities/												
CBI-FF-04-S	Fuel Cycle Licensing Review Completion. Timeliness <150 days. Percentage of Fuel Cycle Licensing Reviews Completed in 150 days or less. [FF-04 Stretch]	NMSS	BL PR	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
FF-NMSS-01	Licensing Action Acceptance Review. Timeliness Percentage. Percent of licensing action acceptance reviews completed within 60 days.	NMSS	BL PR	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBI-FF-04	Fuel Cycle Licensing Review Completion. Timeliness <150 days. Percentage of Fuel Cycle Licensing Reviews Completed in 150 days or less. [FF-04]	NMSS	CBI	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-FF-05	Fuel Cycle Licensing Review Completion. Timeliness <1.5 years. Percentage of Fuel Cycle Licensing Reviews Completed in 1.5 years or less. [FF-05]	NWSS	CBJ	Output	100%		100%	100%	100%	100%		
Strategy: Safety 4: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and												
MBL-OE-05	Alleged Identity Protection Occurrences of Inadvertent alleged Identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Fuel Facilities/												
CBJ-FF-10	Safety and Safeguards Core Inspections: Percentage of operating fuel facilities for which the core inspection program was completed as planned during the most recently ended inspection cycle. [FF-10]	RH	CBJ	Output	100%		100%	100%	100%	100%		
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-07	Disputed Enforcement Actions: Withdrawn disputed enforcement actions without technical justification	OE	BL PR	Intermediate Outcome			54	54	54	54		
MBL-OE-08	ADR Mediation Case Results: All cases that enter into ADR mediation, percentage that result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
Strategy: Safety 5: Ensure the NRC's readiness to respond to incidents and emergencies involving NRC licensed facilities and radioactive materials and other events of domestic and international interest.												
Business Line: / Fuel Facilities/Nuclear Materials Users/Operating Reactors/ MULTI-NSIR-28												
	Emergency Response Organization (ERO)	NSIR	BL PR	Output			≥80%	≥80%	≥80%	≥80%		
	Staffing: Percentage of staff, who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.											
Business Line: / Fuel Facilities/Operating Reactors/ MULTI-NSIR-04												
	Imminent Attack Notification: Of the senior managers with delegated authority to issue immediately effective orders for threat scenarios, the number that respond to the call.	NSIR	BL PR	Output	≥3	G-3	≥3	≥3	≥3	≥3		
Business Line: Fuel Facilities CBJ-FF-11												
	Emergency Response Performance Index (ERPI): Percentage assessment of the agency's readiness to respond to a nuclear or terrorist emergency situation or other events of national interest.	NSIR	CBJ	Intermediate Outcome			100%	100%	100%	<100%		
Strategy: Safety 6: Ensure that nuclear facilities are constructed in accordance with approved designs and that there is an effective transition from oversight of construction to oversight of operation.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line:												
CBJ-FF-10	/Fuel Facilities/ Safety and Safeguards Core Inspections: Percentage of operating fuel facilities for which the core inspection program was completed as planned during the most recently ended inspection cycle. [FF-10]	Rll	CBJ	Output	100%		100%	100%	100%	100%		
Objective:												
Security Objective 1: Ensure protection of nuclear facilities and radioactive material												
Business Line:												
SECURITY-01	/Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/ Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet reactor O criteria C1, C2, and the portion of criterion I.C.3 concerning theft or diversion of special nuclear material.	NMSS	APR	Ultimate Outcome			0	0	0	0		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material control and accountability that meet or exceed a revised version of AO criterion I.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion I.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome			≤1	≤1	≤1	≤1		
Strategy: Security 2: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC security requirements and license conditions.												
Business Line: Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alliger Identity Protection: Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Fuel Facilities/Operating Reactors/												
MULTI-NSIR-06	Force-on-Force Inspections: Percentage of scheduled inspections completed in order to comply with EPAct of 2005 that applicable facilities be inspected once every 3 years.	NSIR	BL PR	Output	≥95%	G=100%	≥95%	≥95%	≥95%	≥95%		
Strategy: Security 3: Support U.S. national security interests and nuclear nonproliferation policy objectives within NRC's statutory mandate through cooperation with domestic and international partners.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line:												
FF-NMSS-02	Fuel Facilities/ Assure compliance with treaties with IAEA for domestic facilities. Submit required reports for adherence to US International Safeguards Treaty Requirements (US-IAEA Safeguard Agreement and U.S. Additional Protocol Treaty).	NMSS	BL PR	Output	100%		100%	100%	100%	100%		
Strategy:												
Security 4: Ensure material control and accounting for special nuclear materials.												
Business Line:												
FF-NMSS-05	Fuel Facilities/ Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY to details will be included begin of fiscal year).	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
Strategy:												
Security 6: Ensure timely distribution of security information to stakeholders and international partners.												
Business Line:												
CBI-FF-12	Fuel Facilities Information Assessment Team Advisory Assurance. Timeliness: Percentage of team advisories issued within 24 hours of notification.	NSIR	CBI	Output			≥90%	≥90%	≥90%	≥90%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-FF-13	Intelligence Products Communication Timeliness: Percentage of key intelligence products that are communicated to the Commission and senior managers within 48 hours of receipt.	NSIR	CBJ	Output			100%	100%	100%	100%		
Objective: Security Objective 2: Ensure protection of classified and Safeguards Information												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or Safeguards Information. Number of significant unauthorized disclosures of classified and/or safeguards information by licensees as defined by AO criterion I.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome			0	0	0	0		
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	MultiYr Target	Status
Business Line: /Fuel Facilities/												
CBI-FF-07	Technical Allegation. Reviews Completion. Timeliness ≤ 150 Days. Percentage of reviews of technical allegations completed in 150 days or less. [FF-07]	OE	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBI-FF-08	Technical Allegation. Reviews Completion. Timeliness ≤ 180 Days. Percentage of reviews of technical allegations completed in 180 days or less. [FF-08]	OE	CBJ	Output	≥95%		≥95%	≥95%	≥95%	≥95%		
CBI-FF-09	Technical Allegation. Reviews Completion. Timeliness ≤ 360 Days. Percentage of reviews of technical allegations completed in 360 days or less. [FF-09]	OE	CBJ	Output	100%		100%	100%	100%	100%		
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBL-OE-04	Safety Culture Policy. Statement Inclusion. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Strategy: Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risks and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology changes in a timely manner.												
Business Line: /Fuel Facilities/												
FF-NMSS-04	Public Meetings and Stakeholder Engagement. Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of fuel cycle facilities including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NMSS	BL PR	Output	≥8		≥1	≥4	≥6	≥8		
FF-NMSS-05	Fuel facilities rulemakings: Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY16 details will be included begin of fiscal year).	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
Strategy: Reg Eff 3: Integrate safety and security programs to identify and avoid unintended consequences.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line:												
MBL-OE-01	<u>Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/ Safety Culture-Related Inspections, Assessments, and Reviews:</u> Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	<u>Safety Culture Policy Statement Inclusion:</u> Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Objective:												
Strategy:												
Open 2-Participation: Enhance interaction with the public and other stakeholders through use of social media and further enable opportunities for meaningful participation in, and mutual understanding of, NRC regulatory processes.												
Business Line:												
FF-NVSS-04	<u>Public Meetings and Stakeholder Engagement:</u> Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of fuel cycle facilities including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NVSS	BL PR	Output	≥8		≥1	≥4	≥6	≥8		
Strategy:												
Open 3-Collab: Promote domestic and global nuclear safety and security by creating and taking advantage of opportunities to increase collaboration and share best practices with other Feds, with State, local, and Tribal govts, and with the Int reg community												

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy. Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		

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Nuclear Materials Users Business Line FY 2016 Performance Plan

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September 25, 2015

Nuclear Materials Users Business Line
FY 2016 Performance Plan
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- II. Indicators by Budget Structure
- III. Indicators by Objectives and Strategies

**Nuclear Materials Users Business Line
FY 2016 Performance Plan**
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I. Business Line Priorities

Priority Description	Strategies in the Strategic Plan¹	Indicator ID for Supporting Indicator(s)
1. Oversight and implementation of materials and inspection activities including consideration of regional consolidation	Safety: Strategies 1, 2, 3, 4, and 5 Security: Strategies 1, 2, 3, and 6 Regulatory Effectiveness: Strategy 1	CBJ-NM-01 & 02 CBJ-NM-05 CBJ-NM-06, 07, 08, 09 & 10 CBJ-NM-11 & 12
2. Agreement State Program oversight and enhancements to IMPEP guidance	Safety: Strategies 1, 2, 3, 4, and 5 Security: Strategies 1, 2, 3 and 6 Regulatory Effectiveness: Strategies 1, 2, and 3	NMU-NMSS-01 CBJ-NM-20 NMU-NMSS-09
3. Source security initiatives through the implementation of Part 37 and the recommendations of the Radiation Source Protection and Security Task Force	Security: Strategies 1, 2, 3 and 6	SECURITY -01
4. Implement Integrated Source Management Portfolio (ISMP) 10-year plan and continue investment protection	Security: Strategies 1, 2, 3 and 6 Openness: Strategy 3 Regulatory Effectiveness: Strategy 2	SECURITY -01 NMU-NMSS-07
5. Rulemaking activities including the development of the final Part 35 rule and guidance and cyber security rulemaking	Openness: Strategies 1 and 2 Regulatory Effectiveness: Strategy 2	CBJ-NM-14 NMU-NMSS-06
6. Implement Tribal Program initiatives that support the Tribal Policy Statement	Openness: Strategies 1, 2, and 3 Regulatory Effectiveness: Strategy 2	NMU-NMSS-07

¹ NUREG 1416 Volume 6

II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users

Selection Criteria:

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Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
AGENCY-LEVEL PERFORMANCE INDICATORS												
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria I.A.1, I.A.2 or I.A.3.	NMSS	APR	Ultimate Outcome	53		≤0	≤0	≤0	≤3		
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criteria I.B.	NRR	APR	Ultimate Outcome	0		0	0	0	0		
SAFETY-06	Prevent medical events involving radioactive materials that result in death or have a significant unintended impact on patient health. Number of medical events that meet or exceed a revised version of AO Criterion III.C.3 (under development during 2015).	NMSS	APR	Ultimate Outcome	STBD		0			STBD		
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material that meet or exceed AO criteria I.C.1, I.C.2, and the combination of I.C.1 and I.C.2, compared to their or diversion of special nuclear material.	NMSS	APR	Ultimate Outcome	0		0	0	0	0		

II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users
Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only
Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion I.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion I.C.3 that address the breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome	\$1	G=0	\$1	\$1	\$1	\$1	\$1	
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguarded information. Number of significant unauthorized disclosures of classified and/or safeguarded information by licensees as defined by AO criterion I.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome	0	G=0	0	0	0	0	0	
EVENT RESPONSE												
CBJ/AM-17	Emergency Response Performance Index (EPRI). Percentage assessment of the agency's readiness to respond to a nuclear or radiological emergency situation or other events of national interest.	NSIR	CBJ	Intermediate Outcome	100%	G=100%	100%	100%	100%	100%	100%	

II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users

Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MULTI-NSIR-28	Emergency Response Organization (ERO) Staffing: Percentage of staff who are currently members of the headquarters incident response teams, that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output			≥80%	≥80%	≥80%	≥80%		
GENERIC-HOMELAND SECURITY												
CBI/NM-18	Information Assessment Team Advisory Assurance Timeliness: Percentage of team advisories issued within 24 hours of notification.	NSIR	CBI	Output	250%	G-100%	≥50%	≥50%	≥50%	≥50%		
CBI/NM-19	Intelligence Products Communication Timeliness: Percentage of key intelligence products that are communicated to the Commission and senior managers within 48 hours of receipt.	NSIR	CBI	Output	100%	G-100%	100%	100%	100%	100%		
LICENSING												
CBI/NM-01	Materials Licensing Action Completion Timeliness for New Licensees and Amendments: Percentage of licensing application reviews for new materials license amendments completed within 90 days. [NM-01]	NMSS	CBI	Output	≥92%		≥92%	≥92%	≥92%	≥92%		
CBI/NM-02	Materials Licensing Action Completion Timeliness for New Licensees and Amendments: Percentage of licensing application reviews for new materials license amendments completed within two years. [NM-02]	NMSS	CBI	Output	100%		100%	100%	100%	100%		

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II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users
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Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ/AM-03	Materials Licensing Action Completion. Timeliness for Renewals and Sealed Source and Devices: Percentage of licensing application reviews for materials license renewals and sealed source and devices completed within 180 days. [NM-03]	NMSS	CBJ	Output	≥92%		≥92%	≥92%	≥92%	≥92%	≥92%	
CBJ/AM-04	Materials Licensing Action Completion. Timeliness for Renewals and Sealed Source and Devices: Percentage of licensing application reviews for materials license renewals and sealed source and devices completed within 2 years. [NM-04]	NMSS	CBJ	Output	100%		100%	100%	100%	100%	100%	
OVERSIGHT												
CBJ/AM-05	Materials Safety Inspection Completion. Timeliness: Percentage of safety inspections of materials licensees completed on time. [NM-05]	NMSS	CBJ	Output	≥98%		≥98%	≥98%	≥98%	≥98%	≥98%	
CBJ/AM-06	Technical Allegation Reviews. Completion Timeliness ≤ 150 Days: Percentage of technical allegation reviews completed in 150 days or less. [NM-06]	OE	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%	≥90%	
CBJ/AM-07	Technical Allegation Reviews. Completion Timeliness ≤ 180 Days: Percentage of technical allegation reviews completed in 180 days or less. [NM-07]	OE	CBJ	Output	≥95%		≥95%	≥95%	≥95%	≥95%	≥95%	
CBJ/AM-08	Technical Allegation Reviews. Completion Timeliness ≤ 360 Days: Percentage of technical allegation reviews completed in 360 days or less. [NM-08]	OE	CBJ	Output	100%		100%	100%	100%	100%	100%	

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Selection Criteria:

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Show Data Source and Calculations: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-MM-09	Enforcement Action Completion. Timeliness < 160 Days (Note: Percentage of enforcement actions where no investigation is involved completed in 160 days or less. [NM-09])	OE	CBI	Output	100%		100%	100%	100%	100%		
CBJ-MM-10	Enforcement Action Completion. Timeliness < 330 Days (Investigation): Percentage of enforcement actions in which investigation is involved completed within 330 days. [NM-10]	OE	CBI	Output	100%		100%	100%	100%	100%		
CBJ-MM-11	Investigations Quality and Timeliness (Nuclear Material Users): Percentage of investigations which developed sufficient information to reach a conclusion regarding wrongdoing completed in 12 months or less. [NM-11]	OI	CBI	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBJ-MM-12	Investigations Timeliness for Enforcement (Nuclear Material Users): Percentage of investigations completed in time to initiate civil enforcement and/or criminal prosecution action. [NM-12]	OI	CBI	Output	100%		100%	100%	100%	100%		
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		

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II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users
Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only
Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
MBL-OE-07	Disputed Enforcement Actions: Withdrawn disputed enforcement actions without technical justification	OE	BL PR	Intermediate Outcome			≤4	≤4	≤4	≤4		
MBL-OE-08	ADR Mediation Case Results: All cases that enter into ADR process are resolved and result in a mutually beneficial settlement agreement for NRC, licensee, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		
NM/U-NMSS-08	Event Timeline: DRAFT: Percentage of periodic event trending or summary assessments completed on time.	NMSS	BL PR	Output								
RESEARCH												
CBI-NM-15	Critical Research Program Activities: Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Nuclear Materials Users Business Line. [NNI-15]	RES	CBI	Output	≥80%		≥90%	≥90%	≥90%	≥90%		
CBI-NM-16	Research Products Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products from the Nuclear Materials Users Business Line. [NNI-16]	RES	CBI	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
RULEMAKING												
CBI-NM-14	Nuclear Materials Users Rulemaking [CBI]: Percentage of proposed Final Rule completed in accordance with schedules approved by the Commission [NNI-14]	NMSS	CBI	Output			≥80%	≥80%	≥80%	≥80%		

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II. FY 2016 Business Line Performance Plan by Budget Structure - Nuclear Materials Users

Selection Criteria:

Report Level: APR Only, Other CBI Only, BLPR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
NMU- NMSS-06	Nuclear Materials Users Rulemaking. Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY 16 details will be included begin of fiscal year).	NMSS	BLPR	Output	280%		280%	280%	280%	280%		
CBI/AMA- 20	STATE, TRIBAL & FEDERAL PROGRAMS Timeliness of IMPEP Review Reports: Percentage of IMPEP review reports completed within 30 days of the Management Review Board meeting. [NM-20]	NMSS	CU	Output	285%		285%	285%	285%	285%		
NMU- NMSS-01 (PILOT)	IMPEP Viewpoint Survey: Percentage of positive scores above a threshold from IMPEP participants.	NMSS	BLPR	Intermediate Outcome	280%		260%	260%	280%	280%		
NMU- NMSS-07	Implementation of Tribal Policy Statement: Percentage of Tribal Program Initiative milestones completed as scheduled	NMSS	BLPR	Output	280%		280%	280%	280%	280%		
NMU- NMSS-09	Efficient use of ISMP (NMSS-09) completed. DRAFT Percentage increase in the number of data transfers automatically (directly) loaded into the ISMP by the licensees.	NMSS	BLPR	Intermediate Outcome								

III. FY 2016 Business Line Performance Plan by Objective and Strategies - Nuclear Materials Users

Selection Criteria:

Reporting Level: APR Only, Other CBI Only, BL PR Only

Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety.												
Business Line: /Decommissioning and LW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion I.B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Nuclear Materials Users/												
SAFETY-01-b	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria I.A.1, I.A.2 or I.A.3.	NMSS	APR	Ultimate Outcome			≤0	≤0	≤0	≤3		
SAFETY-06	Prevent medical events involving radioactive materials that result in death or have a significant unintended impact on patient health. Number of medical events that meet or exceed a revised version of AO Criterion III.C.3 (under development during 2015).	NMSS	APR	Ultimate Outcome			0			STBD		

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	MultiYr Target	Status
Strategy: Safety 1: Continue to enhance NRC's regulatory programs as appropriate using lessons learned from domestic and international operating experience and other sources.												
Business Line: /Nuclear Materials Users/												
CBJ-NM-15	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Nuclear Materials Users Business Line. [NM-15]	RES	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBJ-NM-16	Research Products: Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Nuclear Materials Users Business Line. [NM-16]	RES	CBJ	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Business Line: Nuclear Materials Users												
NMU-NMSS-08	Event Trending: DRAFT: Percentage of periodic event trending or summary assessments completed on time.	NMSS	BL PR	Output								
Strategy: Safety 2: Enhance the risk-informed and performance-based regulatory framework in response to advances in science and technology, policy decisions, and other factors.												
Business Line: /Nuclear Materials Users/												
CBJ-NM-15	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Nuclear Materials Users Business Line. [NM-15]	RES	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-NM-16	Research Products: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Nuclear Materials Users Business Line. [NM-16]	RES	CBJ	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /Nuclear Materials Users/												
CBJ-NM-01	Materials Licensing Action Completion Timeliness for New Licenses and Amendments: Percentage of licensing application reviews for new materials licenses and amendments completed within 90 days. [NM-01]	NMSS	CBJ	Output	≥92%		≥92%	≥92%	≥92%	≥92%		
CBJ-NM-02	Materials Licensing Action Completion Timeliness for New Licenses and Amendments: Percentage of licensing application reviews for new materials licenses and amendments completed within two years. [NM-02]	NMSS	CBJ	Output	100%		100%	100%	100%	100%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-NM-03	Materials Licensing Action: Completion Timeliness for Renewals and Sealed Source and Devices: Percentage of licensing application reviews for materials license renewals and sealed source and devices completed within 180 days. [NM-03]	NMSS	CBI	Output	≥92%		≥92%	≥92%	≥92%	≥92%		
CBI-NM-04	Materials Licensing Action: Completion Timeliness for Renewals and Sealed Source and Devices: Percentage of licensing application reviews for materials license renewals and sealed source and devices completed within 2 years. [NM-04]	NMSS	CBI	Output	100%		100%	100%	100%	100%		
Strategy:	Safety 4: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.											
Business Line:	Decommissioning and LW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/											
MBL-OE-05	Alliger Identity Protection: Occurrences of inadvertent alliger identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line:	Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/											
MBL-OE-07	Disputed Enforcement Actions: Withdrawn disputed enforcement actions without technical justification	OE	BL PR	Intermediate Outcome			≤4	≤4	≤4	≤4		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBL-OE-08	ADR Mediation Case. Results: All cases that enter into ADR mediation, a percentage that result in a mutually beneficial settlement agreement for NRC licensees, and industry.	OE	BL PR	Intermediate Outcome			100%	100%	100%	100%		
Business Line:												
CBJ-NM-05	/Nuclear Materials Users/ Materials Safety Inspection Completion Timeliness: Percentage of safety inspections of materials licenses completed on time. [NM-05]	NMSS	CBJ	Output	>98%		>98%	>98%	>98%	>98%		
CBJ-NM-09	Enforcement Action Completion Timeliness: 160 Days (Non-Investigation): Percentage of enforcement actions where no investigation is involved completed in 160 days or less. [NM-09]	OE	CBJ	Output	100%		100%	100%	100%	100%		
CBJ-NM-10	Enforcement Action Completion Timeliness: 330 Days (Investigation): Percentage of enforcement actions in which investigation is involved completed within 330 days. [NM-10]	OE	CBJ	Output	100%		100%	100%	100%	100%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-NM-11	Investigations Quality and Timeliness (Nuclear Material Users): Percentage of investigations which developed sufficient information to reach a conclusion regarding wrongdoing completed in 12 months or less. [NM-11]	OI	CUJ	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
CBI-NM-12	Investigations Timeliness for Enforcement (Nuclear Material Users): Percentage of investigations completed in time to initiate civil enforcement and/or criminal prosecution action. [NM-12]	OI	CBJ	Output	100%		100%	100%	100%	100%		
Strategy: Safety 5: Ensure the NRC's readiness to respond to incidents and emergencies involving NRC licensed facilities and radioactive materials and other events of domestic and international interest.												
Business Line: /Fuel Facilities/Nuclear Materials Users/Operating Reactors/												
MULTI-NSIR-28	Emergency Response Organization (EROL) Staffing: Percentage of staff, who are currently members of the headquarters incident response teams that are in compliance with qualification requirements for their position.	NSIR	BL PR	Output			≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: Nuclear Materials Users												
CBJ-NM-17	Emergency Response Performance Index (ERPI): Percentage assessment of the agency's readiness to respond to a nuclear or terrorist emergency situation or other events of national interest.	NSIR	CBJ	Intermediate Outcome	100%	G=100%	100%	100%	100%	100%		
Objective: Security Objective 1: Ensure protection of nuclear facilities and radioactive material												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet or exceed AEO criteria LC 1, LC 2, and LC 3 concerning theft or diversion of special nuclear material.	NMSS	A/R	Ultimate Outcome			0	0	0	0		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion I.C.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion I.C.3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome			\$1	\$1	\$1	\$1		
Strategy: Security 2: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC security requirements and license conditions.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Strategy: Security 6: Ensure timely distribution of security information to stakeholders and international partners.												
Business Line: /Nuclear Materials Users/												
CBI-NM-18	Information Assessment: Team Advisory Assurance: Timeliness: Percentage of team advisories issued within 24 hours of notification.	NSIR	CBI	Output	≥90%	G=100%	≥90%	≥90%	≥90%	≥90%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-NM-19	Intelligence Products Communication: Timeliness: Percentage of key intelligence products that are communicated to the Commission and senior managers within 48 hours of receipt.	NSIR	CBJ	Output	100%	G=100%	100%	100%	100%	100%		
Objective: Security Objective 2: Ensure protection of classified and safeguards information												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguards information. Number of significant unauthorized disclosures of classified and/or safeguards information by licensees as defined by AO criterion I.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome			0	0	0	0		
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related Inspections, Assessments, and Reviews. Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement Inclusion. Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Business Line: /Nuclear Materials Users/												
CBI-NM-06	Technical Allegation. Reviews Completion. Timeliness ≤ 150 Days. Percentage of technical allegation reviews completed in 150 days or less. [NM-06]	OE	CBI	Output	≥98%		≥90%	≥90%	≥90%	≥90%		
CBI-NM-07	Technical Allegation. Reviews Completion. Timeliness ≤ 180 Days. Percentage of technical allegation reviews completed in 180 days or less. [NM-07]	OE	CBI	Output	≥95%		≥95%	≥95%	≥95%	≥95%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-NM-08	Technical Allegation Reviews Completion. Timeliness ≤ 360 Days. Percentage of technical allegation reviews completed in 360 days or less. [NM-08]	OE	CBI	Output	100%		100%	100%	100%	100%		
Strategy: Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risk and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology changes in a timely manner.												
Business Line: /Nuclear Materials Users/												
NMU-NMSS-01 (PILOT)	IMPEP Viewpoint Survey. Percentage of positive scores above a threshold from IMPEP participants.	NMSS	BL PR	Intermediate Outcome	≥80%		≥60%	≥60%	≥80%	≥80%		
NMU-NMSS-06	Nuclear Materials Users Rulemaking. Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY16 details will be included begin of fiscal year).	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
NMU-NMSS-07	Implementation of Tribal Policy Statement. Percentage of Tribal Program initiative milestones completed as scheduled.	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
CBI-NM-14	Nuclear Materials Users Rulemaking (CBI). Percentage of proposed Final Rule completed in accordance with schedules approved by the Commission [NM-14]	NMSS	CBI	Output			≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: Nuclear Materials Users												
NMU-NMSS-09	Efficient use of ISMP (NST's component): DRAFT: Percentage increase in the number of data transfers automatically (directly) loaded into the ISMP by the licensees.	NMSS	BL PR	Intermediate Outcome								
Strategy: Reg Eff 3: Integrate safety and security programs to identify and avoid unintended consequences.												
Business Line: Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture-Related: Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Objective: Openness												
Strategy: Open 1-Transparency: Make clear information about the NRC's responsibilities and activities accessible to stakeholders.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Nuclear Materials Users/												
CBJ-MM-20	Timeliness of IMPEP Review Reports: Percentage of IMPEP review reports completed within 30 days of the Management Review Board meeting. [NM-20]	NMSS	CBJ	Output	≥85%		≥85%	≥85%	≥85%	≥85%		
Strategy: Open 3-Collab: Promote domestic and global nuclear safety and security by creating and taking advantage of opportunities to increase collaboration and share best practices with other Feds, with State, local, and Tribal govts, and with the int'l reg community												
Business Line: /Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/												
MBL-OE-01	Safety Culture Related: Inspections, Assessments, and Reviews: Participation in safety culture-related inspections, assessments and reviews of operating experience/lessons learned.	OE	BL PR	Output						2		
MBL-OE-04	Safety Culture Policy: Statement Inclusion: Inclusion of aspects of the Safety Culture Policy Statement in licensee, interagency and international meetings, workshops and documents.	OE	BL PR	Intermediate Outcome						2		
Business Line: /Nuclear Materials Users/												
NMU-NMSS-07	Implementation of Tribal Policy Statement: Percentage of Tribal Program initiative milestones completed as scheduled.	NMSS	BL PR	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

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Spent Fuel Storage and Transportation Business Line FY 2016 Performance Plan

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- III. Indicators by Objectives and Strategies

**Spent Fuel Storage and Transportation Business Line
FY 2016 Performance Plan**

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I. Business Line Priorities

Priority Description	Strategies in the Strategic Plan¹	Indicator ID for Supporting Indicator(s)
1. Continue effective oversight of licensed facilities	Safety: Strategies 1, 2, 3, and 4 Security: Strategies 1, 2, 3, and 6 Openness: Strategy 2 Regulatory Effectiveness: Strategies 1 and 2	SAFETY-01a SAFETY-02 CBJ-SF-06
2. Continue effective processing of licensing actions, ensuring technical and administrative issues are identified and resolved to maintain safety and security	Safety: Strategies 2, and 3 Security: Strategies 1 and 2 Openness: Strategies 1 and 2 Regulatory Effectiveness: Strategy 2	SAFETY-01a SAFETY-02 CBJ-SF-01, 02, 03 & 04
3. Maintain focus on establishing firm technical bases for intermediate and long-term waste management framework to support future licensing actions and the evolving national policy	Safety: Strategies 1, 2, and 3 Security: Strategies 1 and 3 Openness: Strategies 1, 2, and 3 Regulatory Effectiveness: Strategy 2	CBJ-SF-07 SFST-NMSS-07
4. Enhance public outreach regarding continued storage of spent nuclear fuel to inform stakeholders and to provide transparency for spent fuel storage license/certification and transportation	Openness: Strategy 2 Regulatory Effectiveness: Strategy 2 Safety: Strategy 1	SFST-NMSS-01

¹ NUREG 1416 Volume 6

Spent Fuel Storage and Transportation Business Line
FY 2016 Performance Plan

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Priority Description	Strategies in the Strategic Plan ¹	Indicator ID for Supporting Indicator(s)
5. Improve licensing and regulatory programs through the implementation of a more effective risk-informed regulatory infrastructure as described in the "Spent Fuel Storage and Transportation Scoping and Implementation Plan for Risk-Informing Regulatory Activities"	Safety: Strategies 1, 2, 3, 4, and 7 Security: Strategies 1 and 3 Openness: Strategy 2 Regulatory Effectiveness: Strategies 1 and 2	CEJ-SF-01, 02, 03 & 04

II. FY 2016 Business Line Performance Plan by Budget Structure - Spent Fuel Storage and Transportation
Selection Criteria:

Report Level: APR Only, Other CBI Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
AGENCY-LEVEL PERFORMANCE INDICATORS												
SAFETY-01	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria I.A.1, I.A.2, or I.A.3.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion I.B.	NRR	APR	Ultimate Outcome	0		0	0	0	0	0	
SAFETY-05	Prevent accident precursors and reductions of safety margins at non-reactor facilities or during transportation of nuclear materials that are of high safety significance. Number of malfunctions, deficiencies, or violations of conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III.A or III.B.	NMSS	APR	Ultimate Outcome	0		0	0	0	0	0	
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material. Number of instances of sabotage, theft, diversion, or loss of risk-significant quantities of radioactive material that meet or exceed AO criteria I.C.1, I.C.2, and the portion of criterion I.C.3 concerning theft or diversion of special nuclear material.	NMSS	APR	Ultimate Outcome	0		0	0	0	0	0	

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Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material and control and accountability that meet or exceed a revised version of AO criterion LC.4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion LC.4 that includes breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome	≤1	G=0	≤1	≤1	≤1	≤1	≤1	
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguarded information. Number of significant unauthorized disclosures of classified and/or safeguarded information by licensees as defined by AO criterion LC.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome	0	G=0	0	0	0	0	0	
LICENSING												
CBI-SF-01	Storage Container and Installation. Design Review Completion. Timeliness ≤ 12.5 months. Percentage of storage container and installation design reviews completed in 12.5 months or less. [SF-01]	NMSS	CBI	Output	≥80%		≥80%	≥80%	≥80%	≥80%	≥80%	
CBI-SF-02	Storage Container and Installation. Design Review Completion. Timeliness ≤ 2 years. Percentage of storage container and installation design reviews completed in 2 years or less. [SF-02]	NMSS	CBI	Output	100%		100%	100%	100%	100%	100%	

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Selection Criteria:

Report Level: APR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-SF-03	Transportation Container Design Review Completion Timeliness ≤ 7.4 months: Percentage of transportation container design reviews completed in 7.4 months or less [SF-03]	NMSS	CBJ	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
CBJ-SF-04	Transportation Container Design Review Completion Timeliness ≤ 2 years: Percentage of transportation container design reviews completed in 2 years or less. [SF-04]	NMSS	CBJ	Output	100%		100%	100%	100%	100%		
CBJ-SF-03- S	Transportation Container Design Review Completion Timeliness ≤ 7.4 months: Percentage of transportation container design reviews completed in 7.4 months or less [SF-03 Stretch]	NMSS	BL PR	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
OUTREACH												
SFST- NMSS-01	Public Meetings and Stakeholder Engagement: Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of spent fuel storage and transportation including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NMSS	BL PR	Output	≥8		≥1	≥4	≥6	≥8		
OVERSIGHT												
CBJ-SF-06	Box Storage and Packaging Inspections: Number of spent fuel storage and transportation inspections completed. [SF-06]	NMSS	CBJ	Output			≥4	≥8	≥12	16		

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II. FY 2016 Business Line Performance Plan by Budget Structure - Spent Fuel Storage and Transportation

Selection Criteria:

Report Level: AFR Only, Other CBJ Only, BL PR Only

Show Data Source and Calculation: No

Int'l ID	Description	Office	Report Level	Ind Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
MBL-06-05	Alliger Identity Protection: Occurrences of inadvertent alliger identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
RESEARCH												
CDI-SF-08	Critical Research Program Activities: Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Spent Fuel Storage and Transportation Business Line. [SF-08]	RES	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CDI-SF-09	Research Products Technical Quality: Overall average score on a scale of 1-5 for research products developed by agency technical research products for the Spent Fuel Storage and Transportation Business Line. [SF-09]	RES	CBJ	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
RULEMAKING												
SFS- NMS-07	Spent Fuel Storage and Transportation Rulemaking: Percentage of high priority and Commission-directed medium priority rulemakings and policies that are completed in accordance with established schedules (FY 16 details will be included begin of fiscal year).	NMSS	CUU	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
CDI-SF-07	Spent Fuel Storage and Transportation Rulemaking: Call: Percentage of proposed Final Rule Commission rulemakings with schedules approved by the Commission [SF-07]	NMSS	BL PR	Output			≥80%	≥80%	≥80%	≥80%		

III. FY 2016 Business Line Performance Plan by Objective and Strategies - Spent Fuel Storage and Transportation

Selection Criteria:

Reporting Level: APR Only, Other CBI Only, BL PR Only

Aggregation Level: Top, N/A

Show Data Source and Calculation: No

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Objective: Safety Objective 1: Prevent and mitigate accidents and ensure radiation safety.												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-02	Prevent releases of radioactive materials that significantly exceed regulatory limits. Number of releases of radioactive materials that meet or exceed AO criterion 1.B	NRR	APR	Ultimate Outcome			0	0	0	0	0	
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SAFETY-01-a	Prevent radiation exposures that significantly exceed regulatory limits. Number of radiation exposures that meet or exceed Abnormal Occurrence (AO) criteria 1.A.1, 1.A.2, or 1.A.3.	NRR	APR	Ultimate Outcome			0	0	0	0	0	

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Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/Spent Fuel Storage and Transportation/												
SAFETY-05	Prevent accident precursors and reductions of safety margins at non-reactor facilities or during transportation of nuclear materials that are of high safety significance.	NMSS	APR	Ultimate Outcome			0	0	0	0		
	Number of malfunctions, deficiencies, events, or conditions at non-reactor facilities or during transportation of nuclear materials that meet or exceed AO criteria III, A or III, B.											
Strategy: Safety 1: Continue to enhance NRC's regulatory programs as appropriate using lessons learned from domestic and international operating experience and other sources.												
Business Line: /Spent Fuel Storage and Transportation/												
SFST-NMSS-01	Public Meetings and Stakeholder Engagement: Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of spent fuel storage and transportation including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NMSS	BL PR	Output	≥8		≥1	≥4	≥6	≥8		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi-Yr Target	Status
CBJ-SF-08	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Spent Fuel Storage and Transportation Business Line. [SF-08]	RES	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
CBJ-SF-09	Research Products Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Spent Fuel Storage and Transportation Business Line. [SF-09]	RES	CBJ	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 2: Enhance the risk-informed and performance-based regulatory framework in response to advances in science and technology, policy decisions, and other factors.												
Business Line: /Spent Fuel Storage and Transportation/												
CBJ-SF-08	Critical Research Program Activities Timeliness: Percentage of major milestones for critical research programs completed on or before their due date for the Spent Fuel Storage and Transportation Business Line. [SF-08]	RES	CBJ	Output	≥90%		≥90%	≥90%	≥90%	≥90%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBI-SF-09	Research Products: Technical Quality: Overall average score on a scale of 1-5 for the technical quality of agency technical research products for the Spent Fuel Storage and Transportation Business Line. [SF-09]	RES	CBI	Output	≥3.75		≥3.75	≥3.75	≥3.75	≥3.75		
Strategy: Safety 3: Ensure the effectiveness and efficiency of licensing and certification activities to maintain both quality and timeliness of licensing and certification reviews.												
Business Line: /Spent Fuel Storage and Transportation/												
CBI-SF-07	Spent Fuel Storage and Transportation Rulemaking (CBI): Percentage of proposed Final Rule completed in accordance with schedules approved by the Commission [SF-07]	NMSS	BL PR	Output			≥80%	≥80%	≥80%	≥80%		
CBI-SF-03-S	Transportation Container Design Review Completion Timeliness: 7.4 months. Percentage of transportation container design reviews completed in 7.4 months or less. [SF-03 Stretch]	NMSS	BL PR	Output	≥90%		≥90%	≥90%	≥90%	≥90%		
SFST-NMSS-07	Spent Fuel Storage and Transportation Rulemaking: Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY16 details will be included begin of fiscal year).	NMSS	CBI	Output	≥80%		≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
CBJ-SF-01	Storage Container and Installation Design Review Completion Timeliness ≤ 12.6 months. Percentage of storage container and installation design reviews completed in 12.6 months or less [SF-01]	NMSS	CBJ	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
CBJ-SF-02	Storage Container and Installation Design Review Completion Timeliness ≤ 2 years. Percentage of storage container and installation design reviews completed in 2 years or less [SF-02]	NMSS	CBJ	Output	100%		100%	100%	100%	100%		
CBJ-SF-03	Transportation Container Design Review Completion Timeliness ≤ 7.4 months. Percentage of transportation container design reviews completed in 7.4 months or less [SF-03]	NMSS	CBJ	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
CBJ-SF-04	Transportation Container Design Review Completion Timeliness ≤ 2 years. Percentage of transportation container design reviews completed in 2 years or less [SF-04]	NMSS	CBJ	Output	100%		100%	100%	100%	100%		
Strategy: Safety 4: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC safety requirements and license conditions.												

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OL-05	Alliger Identity Protection: Occurrences of inadvertent alliger identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Business Line: /Spent Fuel Storage and Transportation/												
CBI-SF-06	Dry Storage and Packaging: Inspections: Number of spent fuel storage and transportation inspections completed. [SF-06]	NMSS	CBI	Output			≥4	≥8	≥12	16		
Objective: Security Objective 1: Ensure protection of nuclear facilities and radioactive material												
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-01	Prevent sabotage, theft, diversion, or loss of risk-significant quantities of radioactive materials: Number of instances of sabotage theft, diversion, or loss or risk-significant quantities of radioactive material that meet or exceed AO criteria IC.1, IC.2, and IC.3 concerning theft or diversion of spent nuclear material.	NMSS	APR	Ultimate Outcome			0	0	0	0		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SECURITY-02	Prevent substantial breakdowns of physical security, cyber security, or material control and accountability. Number of substantiated breakdowns of physical security, cyber security, or material control and accountability that meet or exceed a revised version of AO criterion LC 4 to be developed in 2015 that will include breakdowns of cyber security and the portion of AO criterion LC 3 concerning breakdowns of the accountability system for special nuclear material.	NSIR	APR	Ultimate Outcome			\$1	\$1	\$1	\$1		
Strategy:	Security 2: Maintain effective and consistent oversight of licensee performance to drive continued licensee compliance with NRC security requirements and license conditions.											
Business Line:	Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/											
MBL-OE-05	Allegor Identity Protection: Occurrences of inadvertent allegor identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Objective:	Security Objective 2: Ensure protection of classified and Safeguards information											

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: /Decommissioning and LLW/Fuel Facilities/New Reactors/Operating Reactors/Spent Fuel Storage and Transportation/												
SECURITY-03	Prevent significant unauthorized disclosures of classified or safeguards information. Number of significant unauthorized disclosures of classified information by licensees as defined by AQ criterion 1.C.5 or by NRC employees or contractors as defined by analogous internal criteria.	NSIR	APR	Ultimate Outcome			0	0	0	0		
Objective: Regulatory Effectiveness												
Strategy: Reg Eff 1: Proactively identify, assess, understand, and resolve safety and security issues.												
Business Line: /Decommissioning and LLW/Fuel Facilities/High Level Waste Repository/New Reactors/Nuclear Materials Users/Operating Reactors/Spent Fuel Storage and Transportation/												
MBL-OE-05	Alleged Identity Protection: Occurrences of inadvertent alleged identity release.	OE	BL PR	Intermediate Outcome			<2%	<2%	<2%	<2%		
Strategy: Reg Eff 2: Regulate in a manner that effectively and efficiently manages known risks and threats, clearly communicates requirements, and ensures that regs are consistently applied, are practical, and accommodates technology changes in a timely manner.												
Business Line: /Spent Fuel Storage and Transportation/												
CBJ-SF-07	Spent Fuel Storage and Transportation Rulemaking (CBJ): Percentage of proposed Final Rule completed in accordance with schedules approved by the Commission [SF-07]	NWSS	BL PR	Output			≥80%	≥80%	≥80%	≥80%		

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
SFST-NMSS-01	Public Meetings and Stakeholder Engagement: Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of spent fuel storage and transportation including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NMSS	BL PR	Output	≥8		≥1	≥4	≥6	≥8		
SFST-NMSS-07	Spent Fuel Storage and Transportation: Rulemaking: Percentage of high priority and Commission-directed medium priority rulemakings and petitions being completed in accordance with established schedules (FY16 details will be included begin of fiscal year).	NMSS	CBJ	Output	≥80%		≥80%	≥80%	≥80%	≥80%		
Objective:	Openness											
Strategy:	Open 2--Participation: Enhance interaction with the public and other stakeholders through use of social media and further enable opportunities for meaningful participation in, and mutual understanding of, NRC regulatory processes.											

Ind ID	Description	Office	Report Level	Indicator Type	Prev FY Annual Target	Prev FY Annual Result	Q1 Target	Q2 Target	Q3 Target	Annual Target	Multi Yr Target	Status
Business Line: SFST-NMSS-01	Spent Fuel Storage and Transportation/ Public Meetings and Stakeholder Engagement: Number of meetings performed in order to engage and inform the public on issues regarding the safety and security of spent fuel storage and transportation including routine licensee safety performance, emergent and generic issues, and rulemaking activities.	NMSS	BL PR	Output	28		21	24	26	28		

Senator INHOFE. Thank you, Mr. Chairman.
Commissioner Svinicki.

**STATEMENT OF KRISTINE SVINICKI, COMMISSIONER,
U.S. NUCLEAR REGULATORY COMMISSION**

Ms. SVINICKI. Thank you, Chairman Inhofe, Ranking Member Boxer, and distinguished members of the committee for the opportunity to appear before you today at this hearing on NRC's fiscal year 2017 budget request and associated matters. Our Chairman, Stephen Burns, in his written statement on behalf of the Commission, has provided an overview of the agency's budget request as well as a description of several ongoing activities that are central to carrying out NRC's important work.

I thank the committee for its consideration of our budget request. In the interest of time, I will ask if I may submit my brief oral statement for the record.

Senator INHOFE. Without objection.

Ms. SVINICKI. Thank you.

[The prepared statement of Ms. Svinicki follows:]

**PREPARED STATEMENT
OF KRISTINE L. SVINICKI, COMMISSIONER
UNITED STATES NUCLEAR REGULATORY COMMISSION
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE**

April 6, 2016

Thank you, Chairman Inhofe, Ranking Member Boxer, and distinguished Members of the Committee for the opportunity to appear before you today at this hearing on NRC's Fiscal Year 2017 budget request and associated matters. The Commission's Chairman, Stephen Burns, in his statement on behalf of the Commission, has provided an overview of the agency's budget request, as well as a description of several ongoing activities that are central to carrying out the NRC's important work of protecting public health and safety and promoting the common defense and security of our Nation.

The NRC continues to implement safety-significant lessons learned from the Fukushima accident in accordance with established agency processes and procedures, while maintaining our focus on ensuring the safe operation of nuclear facilities and the safe use of nuclear materials across the country. The past few years have been a particularly dynamic period for the NRC as an organization and our staff has been tackling these challenges head on.

Our Fiscal Year 2017 budget request was developed concurrent with the ongoing implementation of our Project Aim initiative. Beyond the rebaselining effort discussed in Chairman Burns' testimony, the NRC continues to pursue improvements to our programs, processes, and procedures. The agency's Executive Director for Operations, in a message to all employees last week, encouraged NRC staff to continue to apply their knowledge and understanding of agency processes to promote increased efficiency and effectiveness and to identify future improvements and opportunities to perform more effectively the important work they do every day. The NRC staff is also developing guidance for the disciplined implementation of changes, and for monitoring the impacts of changes after they are implemented.

I thank you for your consideration of our budget request and look forward to your questions. Thank you.

The Honorable James Inhofe

QUESTION 1.

In the hearing, I asked Chairman Burns to conduct a meeting with stakeholders similar to the one conducted by Chairman Shirley Jackson on July 17, 1998.

- a. As a commissioner, will you support Chairman Burns' effort to meet this commitment including facilitating the scheduling of and your participation in a Commission meeting with representatives from key stakeholders?
- b. Will you agree to allow stakeholders to raise concerns of their choosing rather than setting an agenda that limits their ability to do so?

ANSWER.

- a. Yes, I will.
- b. Yes, I will.

Senator INHOFE. Commissioner Ostendorff.

**STATEMENT OF WILLIAM OSTENDORFF, COMMISSIONER,
U.S. NUCLEAR REGULATORY COMMISSION**

Mr. OSTENDORFF. Good morning, Chairman Inhofe, Ranking Member Boxer, and distinguished members of the committee. Chairman Inhofe, thank you for your kind remarks. It has been a distinct privilege to serve with this group of people for the last 6 years.

I am in complete alignment with Chairman Burns' testimony. I will make two specific comments.

First, as mentioned by the Chairman, the Commission's recent decision to provide direction to the staff to seek Commission approval before embarking upon rulemaking activities is a significant change and a major step toward improving efficiency. Second, our budget requests \$5 million in non-fee billable resources to further develop our regulatory infrastructure to review advanced, non-light reactor technology applications. It is very important for the long-term health of the NRC and the nuclear industry that we retain the ability to license new reactor technologies.

In closing, I completely agree with Chairman Inhofe's comment that these oversight hearings are of extreme importance.

Thank you.

[The responses of Mr. Ostendorff to questions for the record follow:]



COMMISSIONER

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

May 31, 2016

The Honorable James M. Inhofe
 United States Senate
 SR-453 Russell Senate Office Building
 Washington, DC 20510

Dear Senator Inhofe:

Thank you for your letter dated May 13, 2016, and your kind words regarding my service as a Commissioner at the NRC. You asked two specific questions that I have addressed below.

Your first question asks whether I support holding a public meeting similar to the one held by former Chairman Shirley Jackson in 1998. I fully support Chairman Burns's effort to conduct a public meeting where stakeholders would be able to raise concerns of their choosing.

In response to your second question, I will highlight six actions I have taken as a Commissioner that I view as having significantly improved upon the Commission's ability to achieve its statutory mandate.

- 1) I was part of the Commission that carefully reviewed and approved design certifications for the AP 1000 Reactor, Economic Simplified Boiling Water Reactor, and Advanced Boiling Water Reactor. I also voted to approve the construction and operating licenses for Vogtle Units 3 and 4, Summer Units 2 and 3, Fermi Unit 3, and South Texas Units 3 and 4, as well as a construction permit for the SHINE medical isotope facility. The operating licenses were the first to be issued in over a decade, and SHINE is a one-of-a-kind facility that did not fit neatly into the NRC's regulations. I view permitting of SHINE as a demonstration of the NRC's ability to regulate emerging technologies.
- 2) I voted to not allow the Department of Energy to withdraw the Yucca Mountain license application, voted to request funds in annual budget requests for reviewing the Yucca Mountain license application, and supported completion of the Yucca Mountain safety evaluation report and environmental impact statement. I took those actions because the Nuclear Waste Policy Act continues to require the licensing of a repository at Yucca Mountain. I will observe that very little headway has been made on a geologic repository since issuance of the Blue Ribbon Commission report in early 2012.
- 3) I took a leadership role on a number of matters associated with physical and cyber-security in order to accomplish both our Atomic Energy Act mission to protect the common defense and security as well as our responsibility to limit the regulatory burden on licensees, consistent with our Principles of Good Regulation and the Commission's policy on the Cumulative Effects of Regulation.

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- 4) Over the course of post-Fukushima decisionmaking, including twenty-five votes, I upheld Commission precedent under the Atomic Energy Act to reaffirm the adequate protection standard and proper application of the Backfit rule.
- 5) I played an instrumental role in addressing the D.C. Circuit Court of Appeals' order that remanded the NRC's Waste Confidence rule for further action. I encouraged expediting the rule in order to minimize the disruption to our statutory mission and address the moratorium on licensing caused by the Court decision.
- 6) I played a leadership role in proposing and organizing (including working with external organizations) an important Commission meeting to encourage a revision to the agency's evaluation of foreign ownership control and domination. The staff is currently working on a proposal for the Commission. While I will not be a part of the Commission that votes on the revised policy, I know that I have influenced my colleagues to think broadly about how the NRC handles this issue.

I have also identified four ongoing items that the Commission should maintain as top priorities in the next several years:

- 1) In collaboration with industry, the NRC should streamline regulatory processes for review and approval of digital instrumentation and control systems for commercial nuclear power plants. The modernization of instrumentation and control systems is a significant improvement that I would like to see realized.
- 2) The NRC must follow through on Project AIM reductions and efficiencies.
- 3) The NRC must fulfill its responsibilities associated with licensing of a deep geologic repository. I note that the NRC's "next steps" are in large measure dependent upon Administration and Congressional direction and funding.
- 4) With or without additional authority granted by legislation, the NRC should work to streamline its processes for licensing small modular reactors and advanced, non-light-water reactor technologies.

I will close by saying that it has been my honor and pleasure to serve as a Commissioner at the NRC. If I can be of further assistance, please feel free to contact me.

Sincerely,



William C. Ostendorff

cc: Barbara Boxer

Senator INHOFE. Well, thank you very much, and again, good luck at the academy.
Commissioner Baran.

**STATEMENT OF JEFFREY BARAN, COMMISSIONER,
U.S. NUCLEAR REGULATORY COMMISSION**

Mr. BARAN. Chairman Inhofe, Ranking Member Boxer, members of the committee, thank you for the opportunity to testify today. It is a pleasure to be here with my colleagues to discuss NRC's fiscal year 2017 budget request and the work of the Commission.

With respect to Project Aim, I have been very impressed by the willingness of the NRC staff to take a hard, questioning look at what work the agency is doing and how we are doing that work. The NRC staff has generated a list of 151 proposals that would reduce costs in the coming months. The Commission is deliberating on those now. I think the vast majority of these items make a lot of sense, but I have concerns about several items, including a few that would reduce inspection hours.

In my view, Project Aim should not be about relaxing regulatory oversight of licensee performance and safety. On March 22 I traveled to Fukushima Daiichi to take a firsthand look at conditions at the site. The scale and decades long duration of the clean up effort there are a sobering reminder of the need to learn and implement the lessons of Fukushima.

Last month marked 5 years since the accident in Japan. It is a natural time to take stock of where we are. I think it is clear that we have made significant progress but still have a lot of work left to do.

Decommissioning is another important issue for NRC, as the Chairman mentioned. In the last few years, five U.S. reactors have permanently shut down, and three more have announced plans to do so in the near term. I see two main purposes for the decommissioning rulemaking effort that is now underway, and both are important.

First, it will allow NRC to move away from regulating by exemption in this area. The exemption approach isn't efficient for anyone, and it provides no opportunity for public comment. Second, the rulemaking provides a chance for NRC and all of our stakeholders to take a fresh look at our decommissioning process and requirements. We need to thoughtfully consider stakeholder ideas with an open mind.

There are, of course, a number of other important efforts underway, including small modular reactors coming up, and the proposal for advanced reactor funding. We are happy to discuss these and any other issues of interest.

Thank you, and I look forward to your questions.

[The response of Mr. Baran to questions for the record follow:]

**Senate Environment and Public Works Committee
hearing entitled, "Oversight Hearing: The President's FY 2017 Budget Request for the
Nuclear Regulatory Commission"
April 6, 2016
Questions for the Record
Commissioner Jeffery Baran**

Chairman Senator Inhofe:

1. In the hearing, I asked Chairman Burns to conduct a meeting with stakeholders similar to the one conducted by Chairman Shirley Jackson on July 17, 1998.

a. As a commissioner, will you support Chairman Burns' effort to meet this commitment including facilitating the scheduling of and your participation in a Commission meeting with representatives from key stakeholders?

b. Will you agree to allow stakeholders to raise concerns of their choosing rather than setting an agenda that limits their ability to do so?

Yes, I support this effort and look forward to hearing from a wide range of stakeholders on topics of their choosing at the upcoming meeting.

Senator INHOFE. Thank you, Commissioner Baran.

I will begin, and I have three questions, all three for Chairman Burns. The first two questions just require a yes or no answer, and I think you may be already starting in on the areas that I am going to suggest here. The last one you will probably want to elaborate just a little bit.

First of all, I referred several times to the then Chairman Shirley Jackson. When she testified before this Committee, this would have been 1998, the time that I have been referred to, I am quoting now: "The NRC has been the subject of a number of external reviews, some of them sharply critical. Whether or not one agrees with these criticisms, we believe that they are worthy of careful consideration. The Commission invited a number of these stakeholders, including some of the harshest critics, to engage in a roundtable discussion open to the NRC staff, the press, and the public. As anticipated, the meeting provided the Commission with beneficial insights, including a range of perspectives on the strengths and weaknesses of NRC regulatory programs and policies."

Chairman Burns, would you commit to holding a stakeholders meeting within the next 3 months?

Mr. BURNS. Yes, I would be willing to do that. I do meet with stakeholders across the spectrum.

Senator INHOFE. Good.

Mr. BURNS. But I would be willing to meet with——

Senator INHOFE. I appreciate that.

Now, following the 1998 hearing, Chairman Jackson tasked the NRC's executive director with action on a set of high priority tasks identified in the stakeholders meeting, the one that we referred to, and by this committee. The executive director responded in less than a month with a plan to address an issue that had been raised.

Chairman Burns, would you commit to task your executive director and report your progress to this committee let's just say every couple months?

Mr. BURNS. Yes, I would do that. I want to consult with my colleagues, the fellow commissioners, and provide some direction. I think we probably can get some other ideas——

Senator INHOFE. Would any of the other three commissioners object to this request that I am making? All right.

And last, Chairman Jackson's single most important reform was to transition the agency from subjective, inconsistent assessments of nuclear plant safety to the current reactor oversight program, which is based on objective, measurable performance indicators. However, I understand there has been some of the staff backsliding on this.

So, Chairman Burns, how will the Commission exercise its oversight of the staff to ensure the reactor oversight process is not compromised by undue subjectivity?

Mr. BURNS. We have been engaged with the staff on the reactor oversight process. There are some aspects I think they are looking at. They are engaging with stakeholders now on that. I would expect the Commission to be informed about that. To the extent that there are changes that require Commission endorsement or approval, that those be provided to us and we have an understanding

what the different viewpoints are. So I think as part of our normal process we would do that.

Senator INHOFE. OK. I have another minute and a half. Anyone want to comment on that, of the other three commissioners?

Mr. BARAN. I would just add that I think the staff takes very seriously the rigor that we have right now in the reactor oversight process; they are very conscious of that. So it is something that the Commission is focused on, we are talking with the staff about, but I think it is something that the staff is very clear that they want to maintain the rigor of the reactor oversight.

Senator INHOFE. You know, when I say it could be that reports we have gotten are not all that accurate, but we understand that there has been some resistance to this, and I would just ask you to do what you can to eliminate that.

Any comments on that?

Ms. SVINICKI. Chairman Inhofe, I agree with the Chairman and Commissioner Baran. The Commission has been engaging rather actively with the staff as they develop any proposals to modify this process. Although there may be modest adjustments that are within their authority to make if something has a significant impact to the program, I am certain that the Commission would want to put its imprimatur on that.

Senator INHOFE. OK. And let me be clear. Our situation today is not analogous to what it was in 1998. In 1998, having gone 4 years without an oversight, that was a pretty extreme time. And though this is not the case now, there are some indicators that there has been a more relaxed attitude than there should be.

Thank you very much.

Senator Boxer.

Senator BOXER. Thank you so much.

I want to follow up on this meeting with stakeholders. How do you define stakeholders, Mr. Burns?

Mr. BURNS. I think that was our members of non-governmental organizations, members of industry, licensees that can be local groups.

Senator BOXER. Community groups?

Mr. BURNS. It is a wide variety.

Senator BOXER. Good. Because this is not just a meeting that the Chairman is asking for you to have with the industry; it is the industry, it is the non-profit groups, it is the community groups, is that correct?

Mr. BURNS. That is correct.

Senator BOXER. Good. That is good.

Mr. BURNS. And part of what I do, for example, I am meeting with an NGO tomorrow on some of their concerns. I meet with a lot of people.

Senator BOXER. Good. That is good. Well, to me it is not about a lot of people; it is about stakeholders, you know. And I agree meeting with stakeholders, as long as it is everyone, and meeting with them at the same time is critical. It builds confidence all around.

And specifically on that, I would like to arrange a meeting with you and the stakeholders in San Onofre, as well as Diablo. That would include the operator of the power plant, the concerned com-

munity, the citizens around there, the environmentalists around there as well. Could we work together on that?

Mr. BURNS. Certainly, Senator.

Senator BOXER. And I would love it as many commissioners could attend would be great. It is not just meant to be for the chairman; he has a lot on his shoulders. So any one of you that wants to be at that meeting. And I will organize that and get back to you.

I wanted to comment on the article that my friend, and he is my friend, put in the record, Nuclear safety upgrades post-Fukushima cost \$47 billion. When you read the story, what you find out is that 90 percent of that is being spent outside the United States of America, most of it in Japan because of the disaster and the turning up now of these diseases. So I wanted to point out that our nuclear industry is quoted in the story as saying the industry has managed its response to Fukushima while avoiding costly new requirements.

So I just wanted to circle those points in the story. And I am glad the story is in the record because it proves my point that what is happening here is just not moving fast enough, which leads me to the last part of my questioning.

I think I gave you this, Mr. Burns.

Mr. BURNS. Yes.

Senator BOXER. And I know that everyone has seen it and agreed that it is accurate, but I am going to go through it just to show the people, the American people how little is really being done post-Fukushima.

Almost 4 years ago, your Commission, your task force laid out these 12 ideas. They were senior members of the NRC staff. I don't know who is still there. If I was working there, I would probably quit, given the fact that nothing has been done. But it is almost 4 years, so I am going to go through each one of these, and all I want from you, Mr. Burns, if you would, is if you agree with my analysis of each one, and if you don't, explain why.

No. 1, improve regulatory framework. The NRC rejected staff proposals on that, is that correct?

Mr. BURNS. The Commission decided not to proceed with that.

Senator BOXER. That is what I just said. So the Commission said no to the NRC staff proposal on regulatory framework.

Two, study and upgrade seismic flooding and other hazard protections. My understanding is that there is no target date set for permanent safety upgrades on seismic flooding or other hazards, is that correct?

Mr. BURNS. I am not sure that that is correct. We have seismic and flooding analysis from most of the plants.

Senator BOXER. No, I am asking do you have a target—

Mr. BURNS. In some circumstances there was not a need for further seismic and flooding upgrades.

Senator BOXER. OK. Well, your staff said—

Mr. BURNS. This is important work, and progress is made on it.

Senator BOXER. Whoa, whoa, whoa. Your staff said that there needed to be upgrades, study and upgrades seismic flooding and other protections. My understanding is you are implementing some, but no target date has been set for permanent safety upgrades. Now, your staff said that is correct. Is that correct?

Mr. BURNS. I am not sure of the context, Senator. I am happy to look at that.

Senator BOXER. Does anyone else understand the context?

Mr. Baran.

Mr. BARAN. I think it is correct that there is no firm date by which any necessary upgrades would be made.

Senator BOXER. Thank you. So that is accurate.

Three, upgrade to prevent or mitigate seismically induced fires or floods. My understanding is the NRC rejected that action. Is that correct?

Mr. BURNS. I think that is correct because we felt it was bound by the existing protections that we—

Senator BOXER. I understand that. All of these are improvements, they are not status quo. You rejected, the NRC rejected doing this even though your staff, senior staff, after Fukushima 4 years ago, said to do it.

No. 4—

Mr. BURNS. No, what they said to do is to evaluate whether that provided an additional benefit.

Senator BOXER. No, they said to upgrade.

Mr. BURNS. And we have been responsible about doing those things.

Senator BOXER. Upgrade. Upgrades. They want upgrades in the plants to prevent or mitigate seismically induced fires or floods. You said no.

Let's move on. Mitigation for events like blackouts. The final rule is supposed to be due this year. Is it coming?

Mr. BURNS. Yes.

Senator BOXER. When?

Mr. BURNS. Toward the end of the year, as scheduled.

Senator BOXER. Can we say by December?

Mr. BURNS. Yes.

Senator BOXER. Thank you.

Mr. BURNS. And the plants have already implemented, per orders imposed by this Commission in 2012, improvements to address this, and in fact went beyond the Near-Term Task Force requirements were.

Senator BOXER. I see I have gone over my time, so I will wait for a second round to go through the rest of these. But we will ask you the rest of these.

Senator INHOFE. Thank you, Senator Boxer.

Senator Rounds.

Senator ROUNDS. Thank you, Mr. Chairman.

Chairman Burns, as part of the oversight review, there are just some specifics on the budget proposal that I would like to ask, and if you think you need to respond to them for the record, that would be fine.

Mr. BURNS. Thank you.

Senator ROUNDS. Your testimony states that the fiscal year 2017 budget represents a decrease of \$19.8 million from 2016, \$15 million of which is a decision not to fund the university grant program. That leaves a decrease of \$4.8 million and 90 FTE in the NRC's office. Chairman Burns, I would expect that there would be more of a cost savings than \$4.8 million considering the decrease

in FTEs. Is the NRC spending some of the savings and efficiencies in other activities?

Mr. BURNS. No, Senator, it is not. And one thing I would note, with respect to the integrated university program, in terms of the President's budget reflects a judgment the Administration believes that those activities ought to be consolidated. We recognize that over a number of years we have received the direction to continue with that and have essentially absorbed that program and tried to implement it responsibly.

But to your other point, we are looking at, we have identified savings. One of the things, as I said both in my submitted and in my oral testimony, as part of Project Aim, we have identified about \$30 million beyond the President's budget submittal where we think through the re-baselining we can achieve additional savings.

Senator ROUNDS. Then when can we expect to see the savings and the efficiencies fully reflected as actual decreases in the NRC spending, rather than, if it is being reallocated, but when will we see that actually reflected in the budget?

Mr. BURNS. Well, we see some of that actually in our implementation of the fiscal year 2016 budget, and as I say, although the President's budget came in at \$970 million, which included incorporation of some of the identified gains or efficiency gains in areas where we thought we could reduce, we think there is more there for the fiscal year 2017. So there is some work we are doing this year where we think we are achieving those gains, and I think in the further consideration of the fiscal year 2017 budget we can achieve more.

Senator ROUNDS. OK. Licensees must seek NRC review and approval for many modifications to equipment and procedures. As such, this is a fairly routine activity and a significant portion of the NRC's workload. However, the NRC seems to be struggling with a backlog, unable to complete their reviews on time in spite of the fact that from 2012 to 2015 the industry filed fewer licensing action requests than the NRC had budgeted to review. The NRC used the review about 1,500 licensing actions each year at a time when the agency had fewer people and fewer resources.

What has changed since then to cause this recurring backlog?

Mr. BURNS. Well, thank you for the question, Senator. Actually, where we are, we have come to the point where we have substantially worked down the backlog. I think a major cause of the backlog was a need to focus on the potential safety enhancements post-Fukushima. What we have been able to do over the last few years is work that backlog down. I think it was like about 100 actions were in the backlog about a year ago, so we are about 24 now, and we expect to work them off within the next year.

Progress to date through fiscal year 2016, we are just about at what our target of 95 percent completion, we are at about 94 percent. Staff, I know, will work to get that better. So I think the simple answer to your question, I think a lot of attention, necessary as it was, on Fukushima put some of the licensing actions on hold, created backlog. What we have been trying to do and have done successfully is work that off.

Senator ROUNDS. OK. I have another question, but rather than that I just want to give you the opportunity, and I think Ranking

Member Boxer had asked you a question, and she was out of time. I have a few seconds left. Is there any part to her question that you would like to respond to with regards to when staff recommendations are made, and sometimes the Commission decides not to accept or may have other things? Is there anything you would like to respond to that you didn't have time to when the Ranking Member was asking the question?

Mr. BURNS. I think she has given me a fair opportunity to answer her question. The only context I would give is that the Near-Term Task Force, I was here as general counsel then, and I have a lot of respect, and there are a number of folks who are still working with the agency and proudly do so.

But what I would say is this, the Task Force had an enormous task in 90 days to say what are the things we ought to be looking at, and the Commission and the staff took that seriously. Staff added some additional things, and we took those seriously. So I think from my standpoint we may have disagreements about whether some of those things should be implemented or not, but I think we have taken them seriously, and I continue to do so.

Senator ROUNDS. Thank you, sir.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Rounds.

Senator Carper.

Senator CARPER. Thanks very much.

Welcome, one and all. Good to see you.

Commissioner Ostendorff, tell us what you are going to be doing next, please.

Mr. OSTENDORFF. Senator Carper, I have accepted a position at the Naval Academy as a distinguished visiting professor of national security, and I will start teaching there in August.

Senator CARPER. All right. Well, as we say in the Navy, fair winds and a following sea. Thank you for all of your service to our country.

Mr. Chairman, thank you very much for bringing us together for this hearing. I recently wrote a letter to Chairman Burns about the challenges of safely licensing advanced nuclear reactors. I was encouraged to see that the NRC budget request for 2017 includes \$5 million to develop the licensing infrastructure.

I would just start off by asking Chairman Burns and others who would like to join in what you expect to do with the \$5 million targeted toward the development of advanced nuclear reactor technology regulatory structure in terms of hiring appropriate staff. Give us some idea how many might be needed, technology development, maybe some other activities.

Could you start off with that, please?

Mr. BURNS. Certainly, Senator. Thanks for the question.

Probably three areas that we focus on with the \$5 million, focusing on licensing infrastructure. Given that the current infrastructure focuses primarily on light water reactors, these advanced reactors are in a lot of non-light water technologies, are there areas where we need to address there? Part of it is technical preparation, getting some of the right staff, understanding where we may be going, actually talking with our Canadian counterparts about the processes.

One of the concerns is whether people have to go all or nothing in terms of coming in with an application. Are there ways of doing, in effect, what we would call topical reports that sort of give maybe not a final sign off, but it gives encouragement that says you look like you are on the right step, we don't see a primary safety problem. We are looking at that, and our Canadian colleagues have a process to do that, and we are encouraged to do that.

I think, again, it is outreach. We had a successful workshop we co-hosted with DOE last year——

Senator CARPER. I am going to interrupt you and just ask some specific questions if I could.

Mr. BURNS. OK.

Senator CARPER. How long do you expect the regulatory development process to take?

Mr. BURNS. I couldn't hear you. Sorry.

Senator CARPER. How long do you expect the regulatory development process to take?

Mr. BURNS. I think that is over probably several years. I don't think we really expect an advanced non-light water application probably until the mid-2020s, so we have some time there. There is work underway, and I think we would continue.

Senator CARPER. Might we expect to see similar requests in coming years?

Mr. BURNS. Probably. What we understand, I think this is some of information we get from DOE in some of these initiatives, I think around 2025.

Senator CARPER. OK. So in terms of how much money and roughly how much time will it take to put the appropriate regulatory structure in place, we are talking about 8 or 9 years?

Mr. BURNS. I am not sure it would take that long. Part of, I think, what this \$5 million helps us do is understand where the gaps are, what other work we would have to do. But I think we want to encourage those who are interested in the industry to talk to us and we want to be in a place where we are ready and we have identified the issues that we think need to be addressed.

Senator CARPER. OK.

Commissioner Ostendorff, any idea when you might anticipate advanced nuclear reactor technology applications being presented to the Commission? Any idea?

Mr. OSTENDORFF. Thank you for the question, Senator Carper. I spoke at a conference at Oak Ridge National Laboratory back in February of this year, met with a number of groups that are looking at, on the vendor side, developing new technologies. I have had communication with the Nuclear Infrastructure Council, Nuclear Innovation Alliance, Nuclear Energy Institute, and Third Way, four different groups who are working in this area. There is not a predicted date, but we think it is possible in the next 5 years to receive an application.

Senator CARPER. Do you think that the NRC staff have the non-light water reactor design and modeling skills that are going to be required to consider applications for advanced nuclear reactors?

Mr. OSTENDORFF. Let me answer that by using an anecdote, if I may. Right behind me is Amy Cabbage. Amy, please raise your hand. Amy is my reactor assistant. She was a member of the Near-

Term Task Force on Fukushima issues. She has been my reactor assistant for the last 3 and a half years.

Amy, 15 years ago, worked on the pebble bed reactor technology that was submitted to the NRC, and those plans were curtailed at the industry's request. I would say we have many other people like Amy at the NRC who have had some experience working in non-light water reactor technologies, and we believe we can fully capitalize on their skill sets going forward.

Senator CARPER. OK. Thanks so much again, and thank you for your service. Great to see you.

Commissioner Svinicki, Commissioner Baran, thank you all for joining us today.

Senator INHOFE. Thank you, Senator Carper.

Senator BARRASSO.

Senator BARRASSO. Thank you, Mr. Chairman.

Chairman Burns, thank you, and I think the members for being here today. I want to discuss the NRC permitting process. During its licensing reviews, the NRC staff frequently poses requests for additional information, they call it the RAI, Request for Additional Information, to licensees, to applicants. It is clear the NRC should request any information necessary to make a safety determination, then process the information, because the process itself can be burdensome if it is not properly managed, and that is one of the concerns about how this works.

Chairman Inhofe and Senator Capito and I have tasked GAO with examining the very problem, and I want to just give you one example of why we feel the process warrants some scrutiny from you as chairman. With regard to a request for additional information request made by the NRC to the United States Geological Survey, it regards their renewal application for a research reactor they have in Denver.

This is what the NRC asks the United States Geological Survey, and this is recent, February 8th, 2016. It says: The application indicates that the United States Geological Survey is a Federal bureau within the United States Department of Interior. To comply with 10 CFR 50.33(d), the staff—your staff—requests that the applicant state whether the United States Geological Survey is owned, controlled, or dominated by an alien foreign corporation or foreign government, and if so, give details.

This is what your staff has decided to ask the U.S. Geological Survey. Now, I am going to quote what the NRC's instructions for developing these requests for additional information are, because you need to get additional information sometimes. Your own instructions say before developing a request for additional information, the staff should ensure that the information isn't already available to the staff or that the answer could not reasonably be inferred from general knowledge or previously docketed correspondence.

So I think not only can it be reasonably inferred that anyone outside the NRC staff that the United States Geological Survey is part of the Federal Government, the fact has been docketed in previous correspondence with the NRC staff. They actually asked the same question in an RAI in 2010, and they got the same answer. It just seems that project managers are supposed to be responsible for en-

sure that these requests for additional information are actually necessary on companies, my State, other States, but do you have any idea how this sort of thing keeps happening?

Mr. BURNS. No, Senator, and I would agree that that question is unnecessary. I appreciate the request the committee has made to have GAO take a look at it. It is something—and I think our EDO is committed to bringing discipline, bringing training. This may be, in part, one of these things in terms of the transition from the generational shift from older folks like me who are getting fewer at the Commission to some of our young staff.

As a lawyer, I know, for example, I would go up to the judge and say, Your Honor, will you take official notice or judicial notice that the USGS is a U.S. Government agency. We can do better. I think that the review will probably help us do that, and I think our staff will continue to be vigilant. But we need to be disciplined because it is important. There are important questions we have to ask during the review, but we need to focus on the things where those touchy safety issues or undefined things. So I appreciate the example.

Senator BARRASSO. OK, thank you. I asked a question for the record back in October, October 7th hearing, that essentially asked how might a longer license duration help the NRC manage its workload a little better with regard to uranium recovery facilities. I think you said extending the license term would reduce the administrative burden associated with the license renewal process for both the NRC, I think you said, the staff and the uranium recovery licensees, and I agree.

Will you, therefore, commit to me to help pursue extending the license duration for uranium facilities for the reason that you had stated? Because it used to be 5 years; we extended it to 10 back in the 1990s, which helped, but it takes about 5 years to get through the full process.

Mr. BURNS. I think that is something we can look at. As you noted, we had extended before. My understanding and as a general matter, given where we are in terms of some of the licenses before us, renewals, it becomes a more critical issue in the early 2020s, but that gives us some time to, I think, consider that, and I think the staff will be willing to do that.

Senator BARRASSO. Thank you.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Barrasso.

Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman. Thank you, Madam Ranking Member.

As I am sure you are aware, last week Entergy, which operates Indian Point Units 2 and 3 in New York, discovered that 227 baffle-former bolts inside of Unit 2's reactor core are degraded, which is more than 10 percent of the specific type of bolts used in the reactor. My understanding is that these bolts are used to hold together the core former which surrounds the nuclear fuel. Do you have any information about whether there was any degradation of these bolts detected prior to this most recent inspection?

Mr. BURNS. Senator, I am not sure. Let me get back to you on that, whether there were indications. As you said, the inspections

were started after defueling and identified, and I want to give you the best answer I can.

Senator GILLIBRAND. OK. Would you have concern about other types of bolts if that was indeed the case?

Mr. BURNS. I think your concern about the bolts there, and this is part of the monitoring I would expect at plants. This is the type of equipment that you want to see——

Senator GILLIBRAND. You would expect that type of monitoring? Mr. BURNS. Pardon?

Senator GILLIBRAND. You would expect that kind of monitoring?

Mr. BURNS. Yes. That is what happened here.

Senator GILLIBRAND. OK, then I would urge the same inspection for Unit 3, because they have decided not to expect Unit 3 because it is 3 years younger. Do you think that is a legitimate reason not to inspect Unit 3?

Mr. BURNS. Actually, my understanding from my staff is that it will be inspected in several years. It has operated less——

Senator GILLIBRAND. I wouldn't wait several years. If 11 percent is degraded and you didn't expect to find degradation, it means your expectations are wrong. So I would not wait a few years; I would inspect Unit 3 immediately.

Mr. BURNS. OK, we will take that into consideration, Senator, but I think the technical evaluation of our staff assure that they believe that the timing is appropriate.

Senator GILLIBRAND. Their technical evaluation concerning Unit 2 was flawed, so I would be highly concerned that their technical evaluation concerning Unit 3 is also flawed, and I would request you to do the inspections now. It is unexpected to have 10 percent degradation. One of the bolts couldn't even be found.

That is highly alarming to me, given that it is just 50 miles from 8 million people. We do not want to have any problems at this power plant, and I think you have to be more concerned than you might be otherwise, given the failure to know that 10 percent of your bolts were degraded so close to the reactor. I think it is very unwise and I think it is unsafe.

So who decides? Who is the technical decisionmaker here?

Mr. BURNS. The NRC considers and evaluates the information it has. The licensee has programs in terms of monitoring and maintenance, and those are integrated together.

Senator GILLIBRAND. So when do you step in and require an infrastructure issue to be treated as a significant safety issue for the plant?

Mr. BURNS. When we identify it as a significant safety issue.

Senator GILLIBRAND. Is 10 percent of degradation a significant safety issue?

Mr. BURNS. I would be happy to consult with our staff in terms of their evaluation. They are evaluating what the licensee is doing and examining there, and I would expect us to take that information into account.

Senator GILLIBRAND. I would like a written response to these questions, specifically whether you think 10 percent degradation of bolts is a safety issue. If not, why not? And if you do, then I would like you to evaluate Entergy's plan and make recommendation about what they should do instead.

Does anyone else on the panel have a comment to this concern?

Mr. BARAN. Well, Senator, let me just add I think the written request you asked for is completely appropriate, we should do that. You should have a complete answer to those questions. My understanding is that the number of baffle bolts that were potentially problematic in this case is a substantially larger number than we have seen in the past with other plants that had this issue, so I know it is something the staff is looking at very carefully. We should get you the answers you are asking for.

Senator GILLIBRAND. Well, I would like aggressive oversight here.

Both Indian Point Units 2 and 3 are currently in a period of relicensing. A major component of relicensing is the management of aging infrastructure. Is it fair to say that as you go through the process of evaluating a plant for relicensing, there are a certain set of assumptions made on what you expect the condition of the plant's infrastructure to be and how the plant will operate if it is relicensed based on past performance of safety records?

Mr. BURNS. Senator, I would agree essentially with that you said. The focus on license renewal tends to be on aging management. In fact, I believe the issue of the question of the inclusion of the baffle bolts is a matter in contention within the license renewal hearing. We can't comment on the outcome of that, I think it is still going on, but that is the focus. So I think I would agree with your general characterization.

Senator GILLIBRAND. So if you find that degradation was higher than you expected, will you then go back and challenge other assumptions you made in the review for relicensing?

Mr. BURNS. If that is appropriate.

Senator GILLIBRAND. Meaning if your assumptions were wrong, I would like you to go back and look at all of your assumptions concerning degradation.

Mr. BURNS. We would look at our assumptions.

Senator GILLIBRAND. Thank you.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Gillibrand.

Senator CAPITO.

Senator CAPITO. Thank you, Mr. Chairman, and thank all of you for being here today.

Chairman Burns, I listened to your testimony, and I just want to make sure that in terms of the budget and your FTEs, your employees, where the numbers are. I understand that in 2005 your budget was \$669 million and you had just over 3,100 employees, and today you are overseeing a smaller—I think we brought this up several times—a smaller nuclear fleet and considering far fewer licensing actions, but you are requesting \$982 million and over 3,500 employees. I know Project Aim is specifically aimed at this issue, and I applaud your progress.

How far along is Project Aim, and how much longer do you plan to continue? And do you think that will be shrinking the work force, number of employees?

Mr. BURNS. Thank you for the question, Senator. Project Aim, in terms of the particular tasks that were identified when it began, is pretty far along. This re-baselining paper, which the Commission

will issue its final guidance on I think very soon, was one of the main steps.

We have some additional papers and recommendations to come from the staff, for example, on the consolidation, the new reactors, and recombining the new reactor office with a nuclear reactor regulation office, a few things like that. The EEO and the CFO have given some tasks in terms of further looking at the corporate support offices and potential efficiencies and reductions there.

So the main activities that were identified in the Aim program were, I think, come to close this year. The longer term issue, and I have been talking to the EEO and I think my fellow commissioners, and I will let them add if they wish, is really incorporating sort of the ongoing awareness and idea of looking at how we do our work to assure we get the safety security benefit that we need while doing it effectively and efficiently. That is the longer term challenge once I think most of their Aim activities conclude this year.

Senator CAPITO. Does anybody have any other comment on that?

Mr. OSTENDORFF. Senator, I would just add and reinforce the chairman's comment that there is still more work to be done both on corporate support as well as some of the programmatic activity lines, and we are committed to doing that work.

Senator CAPITO. Thank you.

Mr. BARAN. Just briefly. I will just give you a couple of concrete numbers that I think illustrate how aggressive the effort has been. At the beginning of fiscal year 2016 we had 3,628 FTE. By the end of fiscal year 2017, so 2 years later, we expect to see that number drop to 3,344 if all these re-baselining items are approved. That is 284 fewer employees in 2 years, or about 8 percent of our work force. It is a pretty significant decline we have seen.

Senator CAPITO. And you are already on your way there because you are at, like, 35-something at the present time.

Mr. BARAN. That is right. Yes.

Senator CAPITO. Chairman Burns, also, you were directed by appropriators to discontinue the practice of carrying over budgeted funds from one fiscal year to the next. Are you carrying over any funds in this fiscal year?

Mr. BURNS. Well, our plan is to obligate the funds that we have been appropriated in 2016.

Senator CAPITO. Right.

Mr. BURNS. With respect to potential carryover, there is the potential for some at the end of the year, some de-obligation. I think it is somewhat less than \$25 million.

Senator CAPITO. Well, I am on the Appropriations Committee, and I mean, I think you can understand in tight times you want to appropriate to the proper amount for the particular year because there is a lot of give and take and a lot of flat in the budget. So you can understand why that would be an issue.

Another issue, we are having trouble getting conflicting numbers on the number of rulemakings that are in progress right now. We have been given numbers between 43 to 60. Do you have an accurate number for that?

Mr. BURNS. Yes. What we did, and this is quite honestly one of my frustrations and one of the reasons why I asked for a tasking

to say let's get a consistent reporting on these issues. We have what would be called rulemaking activities, about 80, and part of that 89 is there are a number of those things that are, for example, petitions for rulemaking. That means the industry or a citizen can file something.

We have an obligation under the law to look at that. We can probably give you a better breakdown for the record, but a number of other things are things like incorporating industry consensus standards, cast certifications, things like that that the industry wants.

But we have, I think, a good handle on what the number of "rulemaking activities" are. And one last point is within those 89, the staff has identified for potential elimination a number of rulemakings so that we would take those off where we see limited value in proceeding.

Senator CAPITO. If you could get me that, maybe more detail on that.

Mr. BURNS. I can try to give you a better breakdown.

Senator CAPITO. All right. Thank you so much.

Senator INHOFE. Because a vote has started, and we are good for another probably 15 minutes here, we are going to continue.

Senator Boxer wanted to make one statement that I think is reasonable.

Senator BOXER. Really quickly. Thanks, Mr. Chairman.

We only got to four of the recommendations. Could I count on you to answer my questions in writing on the rest of the list?

Mr. BURNS. Absolutely.

Senator BOXER. I know that you are taking these seriously. That is the difference between that and implementation. So I appreciate all of you being here today.

And I thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Boxer.

Senator Markey.

Senator MARKEY. Thank you, Mr. Chairman, very much.

I just want to once again put the Commission on notice that the NRC is still not in compliance with its own policy and the law surrounding providing documents to members of your oversight committee. It has been almost 2 years since I first requested documents related to the indictment of five members of the Chinese military on charges of hacking and stealing nuclear reactor trade secrets from Westinghouse in 2010 and 2011. At the very same time that these thefts occurred, Westinghouse was hosting months-long visits for dozens of unescorted Chinese personnel at U.S. nuclear reactors.

I have narrowed my document request. I have sent several letters. I have raised this in several hearings of this committee. I have raised it in private conversations with the chairman of the Commission. My staff has been briefed by your staff. The Commission still hasn't even provided me with the documents that others at the agency have already made it possible to get access to.

I am not willing to accept briefings in lieu of my document request, nor is it helpful for the Commission to ignore the need to respond to my request until several days before the hearing. When

you ask for a meeting on this issue, I expect the Commission's response to my request.

I just wanted to put that on the record, and I would ask the Commission again to comply with the request for that information.

In 2014 an insider at the Doel Nuclear Plant in Belgium sabotaged the reactor by draining all the oil from the reactor turbine. This was not all that sophisticated; it was basically the nuclear reactor technology equivalent of slashing someone's tires.

But it caused more than \$100 million in damage. Two years earlier a contractor at the plant who had passed a security background check traveled to Syria to fight with jihadist groups there. This incident is similar to that of Sharif Mobley, an American who worked at U.S. nuclear plants and subsequently fought with Al-Qaeda in Yemen.

Disturbingly, the background check investigations that are required for nuclear contract workers allow them to self-report their foreign travel. We also recently learned that two suicide bombers in the Brussels terrorist attacks had collected video footage at the home of a Belgian nuclear official.

Commission Baran, do you agree, then, in light of these disturbing reports from Belgium, the Commission should take a new look at its design basis threat, force-on-force mock terrorist exercises, and other security regulations?

Mr. BARAN. I have to be careful answering that just because the design basis threat issues are classified. I can say that the NRC staff is taking a look at this issue, and I believe that is appropriate. The events you raised are something that is being looked at by our security folks.

Senator MARKEY. We know that nuclear power plants, gaining access to those materials are at the top of the terrorist target list, so I recommend very strongly that you put in place a program to reexamine the measures that we have in place. That is where they are going, and we have been warned, and I think it is critical for us to have heeded those warnings.

The NRC is currently doing a rulemaking to address decommissioning in light of the many reactors that are now or soon to be shutting down, including the Pilgrim Plant in Massachusetts. The commissioners told the staff that the new rules should consider the concerns of State and local officials, but the nuclear industry wants the Commission to eliminate the consideration of State and local officials' views from the rulemaking altogether.

At a recent NRC meeting, Massachusetts State Senator Dan Wolf said the industry's suggestion was absurd.

Starting with Commissioner Baran, do you all agree that it would be absurd to eliminate all consideration of State and local officials' concern in your decommissioning rulemaking?

Mr. BARAN. I agree that would be a very bad idea. I think we absolutely, as part of that rulemaking, should look at the appropriate role of State and local governments in the process.

Senator MARKEY. Can we keep coming down the panel? Do you agree?

Mr. OSTENDORFF. Senator Markey, we had a good Commission meeting on this topic here last month. We heard the State senator

from your State, his comments, and we are considering all these comments as we go forward here.

Senator MARKEY. Thank you.

Ms. SVINICKI. Senator, the NRC staff is engaging in looking at all of the public input that came in. The comment period is closed, and I look forward to their evaluation of all of that public comment.

Senator MARKEY. Mr. Chairman.

Mr. BURNS. Really the same response. I haven't made up my mind on this. I want to look at the comments. I want to extend my appreciation to Commissioner Baran for suggesting this meeting. I think when you and a number of others wrote to us this was one of the impetuses for holding that meeting on the decommissioning issues.

Senator MARKEY. OK. Well, only one of you can, right now, say yes, that the State officials should be listened to, and I think that is not a good thing.

Mr. BURNS. Well, I don't think that is what I said. That is not what I mean to imply. I think we need to take into consideration those views in this process.

Senator MARKEY. OK.

Senator INHOFE. Thank you very much, Senator Markey.

Senator MARKEY. Thank you, Mr. Chairman.

Senator INHOFE. Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman.

Chairman Burns, I would like to ask you a few questions about the Backfit Rule. That is a topic that I have raised in several of our committee's oversight hearings of the NRC in the last 2 years. As you know the Backfit Rule says that before the NRC can impose a new requirement on an existing licensed facility the NRC must first demonstrate that the new requirement results in a substantial increase in the protection of public health and safety and also that it is cost justified.

This committee has expressed concerns about how the NRC's use of subjective qualitative factors, as opposed to objective quantitative factors, can erode the Backfit Rule and undermine, I believe, its important purposes, and I have been very concerned about that.

Sir, are you aware of the compliance exception to the Backfit Rule, and do you believe it should be used by the NRC staff to avoid the Backfit Rule in cases involving changes in interpretations of existing regulations?

Mr. BURNS. Yes, Senator, I am aware of the compliance exception to the Backfit Rule. It has a role, and it should be applied that way. I don't view it as a way of evading the Backfit Rule but a way of looking at what is the requirements, what is compliance; if it fits in that, otherwise you need to apply the Backfit Rule the substantial additional protection elements.

Senator FISCHER. So are you saying that your staff would be justified in requiring extra steps for regulation that don't take into effect the cost?

Mr. BURNS. No. What I think I am saying is that there may be circumstances in which the question or the issue between a licensee and the staff is whether or not some corrective action, some other action by the licensee is really something needed to comply

with existing requirements. That is an exception. I don't mean the exception to swallow the rule. But that is a stated exception the Commission adopted in the mid-1980s when it reformed the Backfit Rule.

Senator FISCHER. And the rule then should still be in effect.

Mr. BURNS. Yes.

Senator FISCHER. It should be considered at all times?

Mr. BURNS. Well, the Backfit Rule has a substantial additional protection piece of it. Included within the Backfit Rule are these limited exceptions to whether or not you engage in the cost-benefit analysis. I am just saying I think the rule should be applied appropriately in the circumstances we find ourselves in.

Senator FISCHER. And costs should be considered?

Mr. BURNS. Costs should be considered where it is not a compliance backfit, or for example there is a statutory requirement that has been imposed by the Congress to do something. It is part of a normal evaluation and consideration of the Backfit Rule. I don't want to leave you the impression that I am saying that the exception should swallow the rule. It is part of the normal process of evaluating whether a particular action requires the backfit analysis, the substantial additional protection.

Senator FISCHER. I think this gets us back to the discussion on looking at if it is a subjective factor or an objective factor when we consider the rules and regulations. Would you agree with me on that? And I would always come down on the objective side of this.

Mr. BURNS. Well, and the Commission's guidance——

Senator FISCHER. I think that has been clear.

Mr. BURNS. Yes. And I think the Commission's guidance issued about a year or so ago emphasizes we expect the application of quantitative factors, and we have given guidance, and I would expect that as the process of engagement between licensee and staff goes on that that guidance of the Commission would be adhered to.

Senator FISCHER. OK, thank you.

Also, in a letter that was dated January 20th of this year, the Nuclear Energy Institute discussed concerns about misuse of the compliance exception. For historical context, the NEI letter quotes from the Federal Register Notice from the 85 Backfit Rule where the NRC explained new or modified interpretations of what constitutes compliance would not fall within the exception and would require a backfit analysis.

I think this is getting at it again. Would you agree for the NRC staff to be able to use that Backfit Rule's compliance exception that the staff first of all has to show some omission or mistake that has occurred within that licensed facility that was previously approved by the NRC?

Mr. BURNS. I think my answer is yes, but let me give some explanation.

Senator FISCHER. OK.

Mr. BURNS. The provision I think you quoted from the Federal Register, the statement of consideration for the Backfit Rule, are significant example or significant guidance from the Commission with respect to the appropriate application of the compliance exception. And I am aware of the NEI letter, but I am not aware of all the details of some of the dialogue, but I would expect in the dia-

logue between staff and licensee that that would be focused on, and in terms of the decisionmaking those are persuasive words or persuasive criteria that the Commission set at that time. So what I want to say is I don't think they are easily discarded.

Senator FISCHER. Thank you, sir.

Thank you, Mr. Chairman.

Senator INHOFE. Senator Boozman.

Senator BOOZMAN. Thank you, Mr. Chairman.

Chairman Burns, thank you for your upcoming plans to visit Arkansas Nuclear 1. As you know, nuclear power improves air quality. Each year Arkansas Nuclear 1 allows our State to reduce air emissions. For example, in just 1 year, the plant reduces sulfur dioxide by about 14,000 tons, it reduces nitrogen oxide by about 10,000 tons, and it reduces CO₂ by nearly 8.5 million metric tons.

In other words, thanks to nuclear power in Arkansas we reduce acid rain, smog, and ground level ozone. The operation of our Arkansas Nuclear 1 directly creates more than 1,000 good paying jobs; it provides a reliable source of over 1,800 megawatts of clean power to Arkansans. The plant provides affordable power that supports many other jobs and industries across our State that helps families keep the lights on.

The NRC staff has been working diligently to address a few issues that were discovered at the plant following a serious industrial accident that occurred 3 years ago during maintenance on the non-nuclear side of the plant. I applaud the efforts of energy and the NRC staff to address these issues while keeping the plant safely operating. We really are very, very proud of our nuclear plant.

Just a question. We want to make sure you have the resources you need to do your work, and we want to make sure that the NRC budget is right sized for today's workload. The NRC's work on Project Aim is intended to more closely align NRC's resources with the actual workload while making sure the NRC meets its safety and security missions.

In your testimony you say, "The NRC has taken a hard look at the proposed budget and is proposing reductions in both full-time equivalents and contract support dollars that represent real savings. As we continue our work through the Project Aim initiative we anticipate additional savings and efficiencies to come."

How would these additional savings translate in reductions of the NRC fiscal year 2017 budget request of \$982.3 million and 3,523 FTEs?

Mr. BURNS. Thank you for the question, Senator. I do appreciate the opportunity to be able to go visit Arkansas Nuclear 1 and 2 soon. It is a plant I haven't been to as yet.

The answer to your question is that we have identified, primarily through the re-baselining effort through Project Aim, about \$31 million in additional savings, and I think below what we came in on the President's budget, part of that is, you know, the timing of the President's Budget and the review process.

The Commission is about ready to issue its final guidance on these additional re-baselining items, and I think they represent about \$31 million. There are a few more, and frankly the number escapes me now, that we see that would go on into 2018. I forget; it is about \$8 million in additional savings. So that is where I

would say the core of it is, and I think it is a demonstration we have taken this effort seriously.

Senator BOOZMAN. How about Project Aim recommendations and work force planning, including strict hiring controls, staff reduction buyouts; how would that affect things?

Mr. BURNS. The Office of the Chief Human Capital, I used to call it HR, now it is OCHC, so I get confused sometimes. Our H.R. office basically has put hiring controls, so in terms of external hires we are looking only at very critical positions, looking to be more flexible, that is the strategic work force planning, about getting people with skill sets who might, say, working in the reactor area go to the materials area and working with things like that.

We did do an early out buyout last year. We were authorized up to about 100. We had about 50, I think 49 take it. We are in the process of going through the process of getting authorization for an additional effort in that way, but that is in process. So we would do that again to achieve some savings this year.

Senator BOOZMAN. Thank you, Mr. Chairman, and Chairman Burns.

Mr. BURNS. Thank you.

Senator INHOFE. Thank you, Senator Boozman.

Senator Sessions had questions concerning Yucca Mountain, and without objection I am going to ask him to submit to each one of you those questions, and we would anticipate a response by the end of the week. OK?

Thank you very much for your patience and also getting us out on time.

We are adjourned. Thank you.

[Whereupon, at 11:20 a.m. the committee was adjourned.]

[An additional statement submitted for the record follows:]

STATEMENT OF HON. BERNARD SANDERS,
U.S. SENATOR FROM THE STATE OF VERMONT

In examining the fiscal year 2017 budget request for NRC I would like to focus on the need to provide a strong role for the public in the decommissioning process when a nuclear plant shuts down. The fundamental issue here is the role of the State and the local community members in the decommissioning process. The community of Vernon, Vermont, is grappling with the effects of the decommissioning process of the Vermont Yankee nuclear plant, and communities all over the country are now, or will soon, experience the process of having the plant in their community shut down.

As I understand the current rules do not apply uniquely to decommissioning. The current rules allow the NRC to sit down with the companies to negotiate a decommissioning process, and States have no significant role in that process. They can be observers, they can attend public meetings, they can provide input, but at the end of the day the company and the NRC work out the agreement. On the face of it that just doesn't make a whole lot of sense. The people of the State, regardless of whether it's Vermont, Massachusetts, New York, or California, it seems to me have the right to have a seat at the table. The NRC must be very diligent in ensuring adequate public input as it continues to develop its new rules.

Additionally, specifically regarding Vermont Yankee although the NRC is in the very beginning of the process of developing regulations regarding decommissioning, the NRC continues to approve requests from Entergy to waive current regulations. I find that very problematic.

For example, the NRC approved Entergy's request to withdraw funds for spent fuel management from the Decommissioning Trust Fund, which is expressly disallowed by NRC's own regulations. The NRC also recently allowed Entergy to decrease the level of both its onsite and offsite insurance from the required \$1.06 billion to merely \$50 million. This lower amount is expressly in violation of the level required by the NRC's own regulations. NRC's insurance requirements do not ex-

plain what should happen in the instance of a decommissioning and should be followed until there are regulations that expressly consider the unique circumstances and risks of the decommissioning process.

That, of course, is why the NRC is actively developing regulations for the decommissioning process. However, while we wait for the final rules the NRC continues to allow companies to avoid the existing regulations. The NRC should not negate its own rules and instead wait until it has an appropriate set of regulations that are drafted after sufficient input from the public. Those final regulations will be created with input from the public that will allow them to address the unique circumstances and risks of decommissioning. The NRC should wait for that necessary input instead of allowing plants to continue to operate outside the NRC's own rules.

