

August 17, 2016

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am submitting the third quarterly report related to the NRC's progress on certain licensing actions and right-sizing commitments as directed in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2016.

To monitor the NRC's progress against its licensing goals and right-sizing commitments, the Joint Explanatory Statement directed the Commission to report: 1) "the on-board strength of full-time equivalent [(FTE)] employees, including any identified areas of critical skill shortages and targeted hiring strategies against these shortage areas"; 2) "actions taken to right-size the NRC in accordance with the recommendations of the Project Aim report, to include rebaselining assumptions and projection of FTEs and required budget authority"; 3) "progress to eliminate the backlog of pending licensing actions in the Office of Nuclear Reactor Regulation by 2017"; and 4) "progress to complete the licensing reviews of pending reactor license renewal applications (power and research reactors), combined license applications, early site permit applications, design certification applications, and uranium recovery applications (initial and renewal) against currently projected schedules."

The agency has been carefully monitoring year-end FTE projections and expects to utilize approximately 3,480 FTE by the end of fiscal year (FY) 2016. The agency continues to implement strategies to reduce the year-end FTE utilization for FY 2016 and through voluntary early retirement authority and voluntary separation incentive pay programs the NRC anticipates additional reductions in our staffing levels. As a result, the NRC anticipates beginning FY 2017 with approximately 3,350 employees.

The agency continues to make progress in implementing the re-baselining effort that will result in the NRC needing \$30.2 million less than the FY 2017 President's Budget to accommodate our anticipated workload. To date, we have completed the actions necessary to generate the savings associated with 66 of the 141 items to be shed, deferred, or performed with fewer resources in FY 2017 and are on schedule to complete the remaining items before the start of the fiscal year. An additional nine items will be completed before the start of FY 2018. In June, the staff provided the Commission recommendations for further efficiencies in corporate support services that could be realized in FY 2018 and FY 2019. As reference material for your awareness, enclosed is a recent Project Aim Implementation Status Update, dated August 8, 2016 (Enclosure 1).

- 2 -

The staff continues to make progress in reducing the backlog of licensing actions, completing 95% within one year or less during the first three quarters of FY 2016. The staff's progress in completing other licensing actions is reflected in the enclosed table (Enclosure 2).

Please feel free to contact me or Eugene Dacus, Director of the Office of Congressional Affairs, at (301) 415-1776 if you have questions or need more information.

Sincerely,

/RA/

Stephen G. Burns

Enclosures:

1. Implementation Status
Update – August 2016
2. Progress on Licensing
Applications – Quarters 1, 2, and 3

cc: Senator Barbara A. Mikulski

Identical letter sent to:

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510
cc: Senator Barbara A. Mikulski

The Honorable Harold Rogers
Chairman, Committee on Appropriations
United States House of Representatives
Washington, DC 20515
cc: Representative Nita M. Lowey