



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 25, 2017

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 second 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, 2017.

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 re-baselining 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 started fiscal year (FY) 2017 with 3,335 employees. We implemented strategies such as voluntary early retirement authority, voluntary separation incentive pay programs, and very limited hiring to achieve appropriate reductions in staffing levels. The agency also initiated involuntary reductions in a small number of corporate support offices, commensurate with funded activity levels. The agency ended the FY 2017 with 3,241 full-time equivalent employees (based on known personnel actions as of pay period ending September 2, 2017).

Hiring of additional agency staff has been limited to only those skills that are both critical to the agency operations and are not available within the existing agency workforce. The NRC has identified, based on known or projected workload expectations, additional skill needs in the areas of cybersecurity, cloud computing, probabilistic risk assessment, health physics, fuel technology, acquisitions, and advanced reactors (non-light water reactors) and is implementing strategies to mitigate any future critical skill gaps in these areas. These strategies include retraining and redeploying current agency staff, partnering with other Federal agencies, and supplementing the NRC workforce with contractor support.

On July 31, 2017, South Carolina Electric & Gas Company and Santee Cooper, the licensees for V.C. Summer Units 2 & 3, announced their decision to discontinue construction of these units. At this time, the NRC staff has stopped related inspections and licensing reviews.

We are currently assessing the individual skills of the NRC staff impacted by the V. C. Summer decision, and are working to place these staff into funded positions that can utilize their skills.

The agency continues to make progress in implementing the re-baselining effort that identified 150 activities that could be shed, deferred, or performed with fewer resources. As of the end of July, the agency completed the actions necessary to realize savings associated with 144 of those activities. We continue to implement the remaining activities. Most of these actions remain on track to be completed by the end of the first quarter in FY 2018.

The staff continues to steadily reduce the backlog of licensing actions, closing more than 95 percent within one year through August 2017. The current inventory of open licensing actions is 14. The staff's progress in completing other licensing actions is reflected in the enclosed table (Enclosure).

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,



Kristine L. Svinicki

Enclosure:  
Progress on Licensing  
Applications – September 2017

cc: Senator Patrick J. Leahy

**Identical letter sent to:**

The Honorable Thad Cochran  
Chairman, Committee on Appropriations  
United States Senate  
Washington, DC 20510  
cc: Senator Patrick J. Leahy

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