UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

10/21/98
COMSECY-98-031

September 30, 1998

MEMORANDUM TO: Chairman Jackson

FROM: L. Joseph Callan
Executive Director for Operations

SUBJECT: PROPOSED REORGANIZATIONS

In my memorandum to you of August 25, 1998, I provided NRC staff plans for addressing several specific congressional and industry concerns arranged in six broad topic areas, including NRC Organizational Structure and Resources. One of the major staff efforts under this topic area was the restructuring of line organizations, involving functional realignments and human resource reallocations to improve organizational effectiveness and to implement reductions in SES and non-SES management and supervisory positions, which would help to achieve a supervisor-to-employee ratio of approximately 1:8 in FY 1999.

In response to this goal, I have enclosed restructuring plans for the Offices of Nuclear Reactor Regulation, Nuclear Materials Safety and Safeguards, and Nuclear Regulatory Research. These organizational changes are intended to address the objectives stated in my memorandum of July 1, 1998, to the NRC staff to ensure continued effective performance of critical agency functions with reduced management oversight and to make the most effective and efficient use of resources available to each office based on current budget projections and anticipated changes in FTE staff levels.

With respect to the Headquarters offices included in this package, the restructuring plans also address the potential transfer of the Office for Analysis and Evaluation of Operational Data (AEOD) functions and responsibilities to these offices should the Commission determine that such a transfer should occur in FY 1999. They incorporate assumptions based on proposals being provided in a separate Commission paper regarding the transfer of specific AEOD functions and how these assumed functions would be accommodated within the new organizational structures of the receiving offices. Similarly, a plan for placing Incident Response Operations under the purview of the Deputy Executive Director for Regulatory Effectiveness is also included in the package.

In accordance with the Commission's Procedures and Reorganization Plan No. 1 of 1980, I am transmitting these proposed organizational changes to you for your consideration and for presentation to the Commission, as appropriate. Consistent with the timetable established in my August 25, 1998, memorandum, our plan is to inform the various staff offices on October 28, 1998, that they may begin appropriate partnership discussions to finalize and implement these organizational changes. We would appreciate approval by that date.

Attachments:
1. NRR Reorganization Plan
2. RES Reorganization Plan
3. NMSS Reorganization Plan
4. EDO Revised Organization Chart

cc w/o attachments: RES
NMSS
NRR

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 18, 1998

MEMORANDUM TO: Paul E. Bird, Director
Office of Human Resources

FROM: Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

SUBJECT: PROPOSED REORGANIZATION OF THE OFFICE OF NUCLEAR REACTOR REGULATION

The last major reorganization of NRR occurred in 1994 to position the office for incremental, orderly streamlining in support of the National Performance Review goals. As anticipated at the time of the 1994 reorganization, several interim organizational refinements have occurred over the course of the past three years to achieve the office's current supervisory ratio of 6.7-to-1. In his memorandum dated July 1, 1998, the Executive Director for Operations directed all NRC offices to establish plans to implement reductions in SES and non-SES positions to achieve the agency's target supervisory ratio of 1-to-8 during FY 1999. Accordingly, in light of current budget projections and anticipated reductions in FTE resources, a comprehensive realignment of NRR is recommended in early 1999 to promote efficiency and to ensure the safety mission of the office.

The primary objective of the organizational change is the establishment of clear lines of responsibility and accountability by aligning the office, to the degree possible, consistent with major program areas: inspection, performance assessment, license renewal, and licensing. The new structure reflects a departure from NRR's current matrix organization to facilitate prioritization of resources and integration of NRR's projects and technical staffs aligned under two Associate Directors.

The proposed new structure is designed to achieve the primary FY 1999 targets outlined in the EDO's guidance: 6 percent SES, a 1-to-8 supervisory ratio based on the FTE allocation in the President's FY 1999 budget, and an increase in the span of control for SES to 20 employees, including subordinate supervisors, in each SES reporting chain.

Significant features of the proposed new organization include:

- An overall office structure of five divisions consisting of approximately 100 staff members aligned programmatically under two Associate Directors. The Associate Director for Project Licensing and Technical Analysis would be the program manager for reactor licensing and responsible for project management, engineering analysis, and systems analysis. The Associate Director for Inspection and Programs would be responsible for all headquarters inspection-related functions and specialized programs: the Director, Division for Programs, would be designated as the agency program manager for inspection, and the Director, Division for Special Projects, would serve as the agency program manager for license renewal.

- Deputy directors have been designated for all five divisions. With the increased span of control and the new large branches, deputy directors are needed to provide stability and management continuity at the branch level as well as at the division level. This is particularly critical in the Division for Licensing Project Management, where a deputy will provide coverage for the substantial travel requirements associated with project management and, in the Division of Systems Safety and Analysis, where a deputy is needed to accommodate external demands for advice and coordination of the division's broad range of high-priority issues, including risk-informed regulation.

- The establishment of a new Enforcement Coordinator position, reporting directly to the Associate Director for Inspection and Programs, to ensure effective oversight and integration of this area by senior NRR management.

- Realignment of the Decommissioning Project Directorate with the licensing function under the Division for Licensing Project Management.

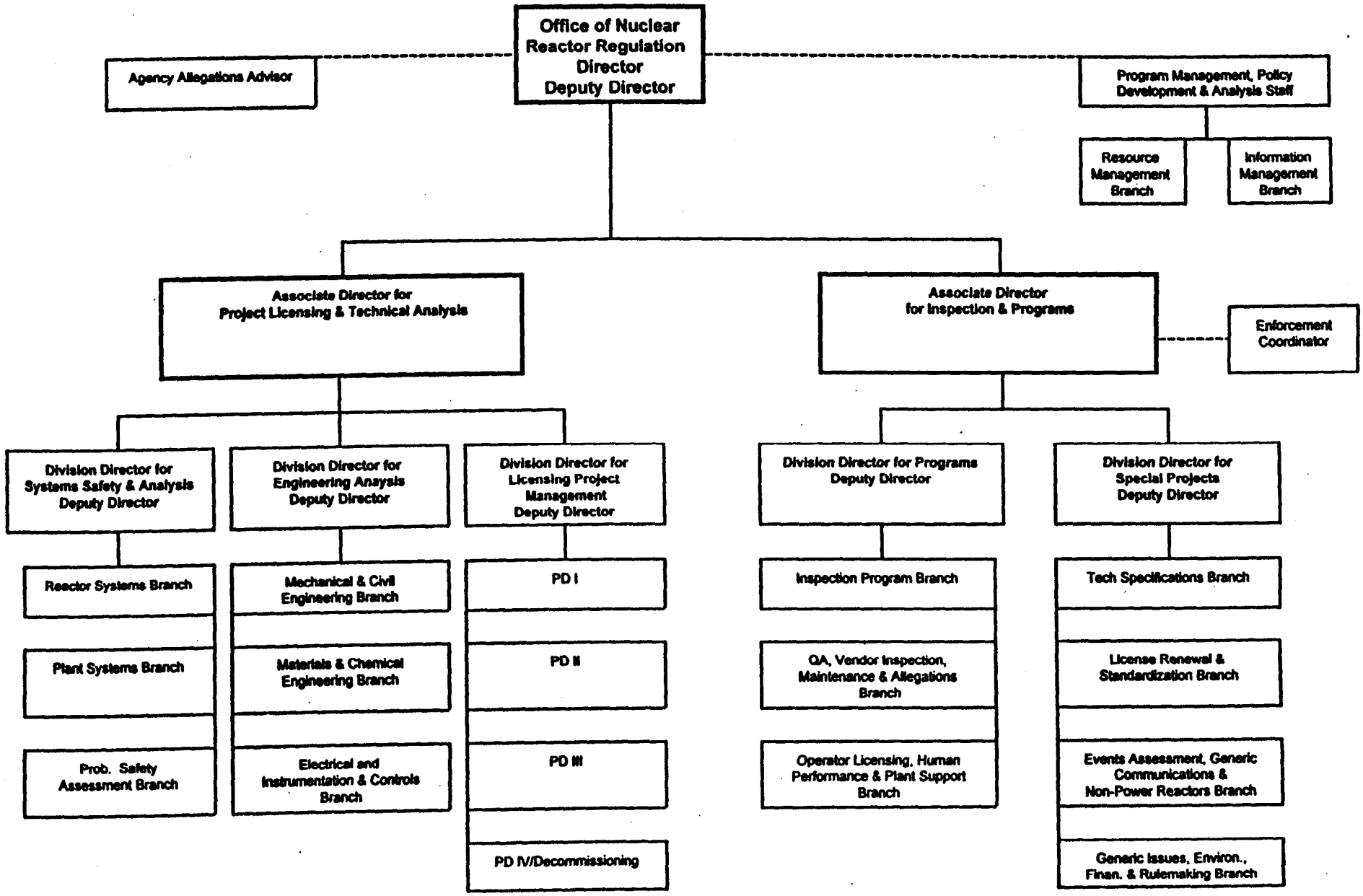
- NRR would assume the programmatic functions of approximately 4 FTE from the Office for Analysis and Evaluation of Operational Data (AEOD). The AEOD performance assessment functions would be transferred to the Inspection Program Branch and the rulemaking functions would be transferred to the Generic Issues, Environmental, Financial and Rulemaking Branch under the Associate Director for Inspection and Programs.

The reorganization proposed would position the Office of Nuclear Reactor Regulation to move to a more efficient and effective organization. The Executive Team structure is being retained to ensure appropriate management attention to high-priority program activities. The proposed reorganization reduces the number of SES positions by 16 (from 48 to 32) and increases non-SES supervisory positions by 1 (from 35 to 36). A potential effect of the proposed reorganization will be the reassignment of approximately 11 SES incumbents to unspecified non-supervisory positions. The actual effect will depend on Senior Level Service (SLS), early out, and currently unknown retirement plans. Decisions regarding SES and supervisory reassignments will be based on past performance: with the increased span of control, performance in a supervisory capacity will be a key factor in determining managerial assignments. Similarly, given the need for technical experts in specific areas, assignments to senior level technical expert positions versus supervisory positions will be based on demonstrated expertise in high-priority specialty disciplines.

Preliminary discussions have been held with the NRR Labor Management Partnership Committee (NRR LMPC) to outline goals and objectives and to obtain NRR LMPC input and insights during the initial planning stages of the proposed reorganization. The labor members of the NRR LMPC have expressed concern about the large size of some proposed branches and the effect on management layers posed by the retention of deputy division directors. Active NRR LMPC participation will be sought during the implementation phases following approval of a final reorganization plan.

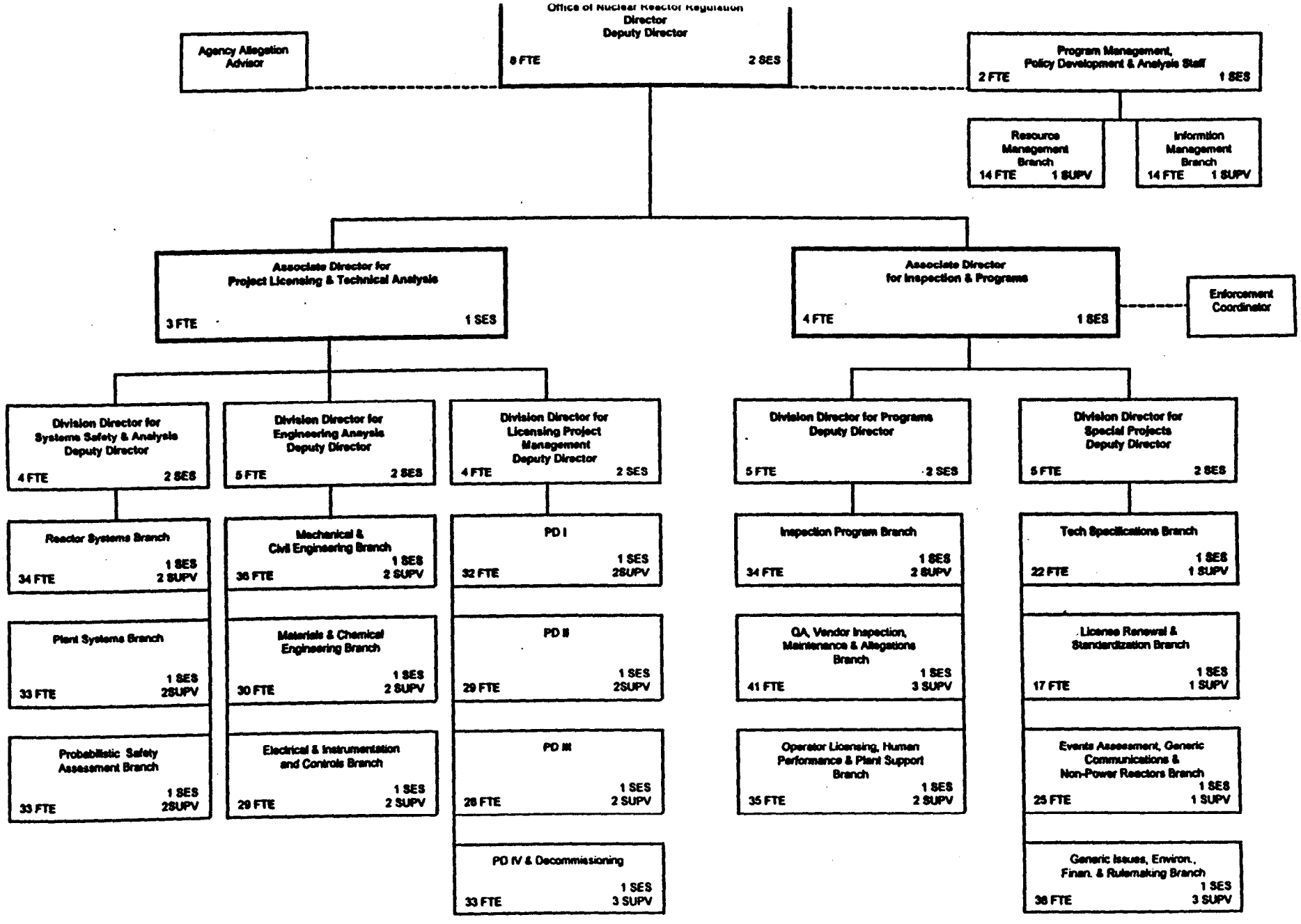
Prior to filling any vacancies that occur within the office, NRR will reexamine the need for each position and the management level assigned (i.e., Section Chief versus Branch Chief) to ensure that recruitment actions are consistent with agency priorities and, in particular, changes associated with ongoing agency realignment activities.

Attachments:
Proposed Organization Chart
Functional Statements



- All branches with SES Branch Chiefs.
- Most branches meet 20:1 SES span of control.
- No SES managers serving as first-line supervisors.
- Supervisory ratio (598) - 7.79:1
- Supervisory ratio (622) - 8.15:1

FTE TOTAL = 598
TOTAL MANAGERS = 68
SES MANAGERS = 32
NON-SES MANAGERS = 36
NRR:9/15/98



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NRR:9/15/98

Office of Nuclear Reactor Regulation

Responsible for ensuring the public health and safety through licensing and inspection activities at all nuclear power reactor facilities in the United States. Responsible for the oversight of all aspects of licensing and inspection of manufacturing, production, and utilization facilities (except for facilities reprocessing fuel and performing isotopic fuel enrichment), and receipt, possession, and ownership of source, byproduct, and special nuclear material used or produced at facilities licensed under 10 CFR Part 50. Develops policy and inspection guidance for programs assigned to the regional offices and assesses the effectiveness and uniformity of the region's implementation of those programs. Identifies and takes action in coordination with the regional offices regarding conditions and licensee performance at such facilities that may adversely affect public health and safety, the environment, or the safeguarding of nuclear facilities and assesses and recommends or takes action in response to incidents or accidents. Responsible for licensing issues and regulatory policy concerning reactor operators, including the initial licensing examination and requalification examinations; emergency preparedness, including participation in emergency drills with federal, state, and local agencies; radiation protection; security and safeguards at such facilities, including fitness for duty; and the inspection of nuclear component supplier facilities. NRR responsibilities include the technical review, certification, and licensing of advanced nuclear reactor facilities and the renewal of current power reactor operating licenses.

PROGRAM MANAGEMENT, POLICY DEVELOPMENT AND ANALYSIS STAFF

Establishes priorities, schedules and resource allocations; performs resource forecasting, strategic and short-range program planning, budget preparation and coordination, and program control. Provides administrative and management support, including human resource management, space management, FOIA coordination and control of principal correspondence. Provides support and oversight of information technology and information management activities throughout the office to include: development and operation of automated systems supporting NRR programs in Headquarters and regions.

Resource Management Branch

Provides direction and coordination of financial support functions involving: strategic long-and short-range program planning and resource forecasting, budget development and coordination of the NRR program (Headquarters and regions), financial management, internal control reviews, and resource/program control of technical assistance, license fees, and travel funds. Formulates coordinated responses to Commission, ACRS, OMB and congressional inquiries and addresses concerns as to the adequacy of the NRR programs and budget. Provides support and oversight in the administration of human resource planning, staffing, organizational planning and analysis, affirmative action/EEO, personnel action processing, and training.

Information Management Branch

Provides support and oversight of information technology and information management activities throughout the office to include: development and operation of automated systems supporting NRR programs in Headquarters and regions, conducting SIRMO reviews and developing associated guidance, FIP acquisitions, RITS/TACS program and policy oversight, information collections, Office Letter Program, LAN and ADP equipment management and administration, and FOIA coordination. Provides administrative and management support, space management, document and records management, conferences, security, and control of principal correspondence.

ASSOCIATE DIRECTOR FOR PROJECT LICENSING AND TECHNICAL ANALYSIS

Provides overall project management and technical review activities related to licensing and inspection of operating and decommissioning power reactors. Interacts with the other directors to resolve or recommend resolution of policy and office-level programmatic issues. Provides a focal point for the agency for information related to power reactors and for communication with licensees and applicants.

Division Director for Licensing Project Management

Implements the policy, programs, and activities, including coordinating licensing, inspection, technical review, and licensee performance assessment, associated with the overall safety and environmental project management for individual power reactors, including deferred construction projects, operating reactors and decommissioning facilities. Participates in special team inspections, and assesses regional project activities.

Project Directorates

Perform the overall safety and environmental project management and technical review and monitors daily operations of power reactors, including deferred construction projects, operating reactors and decommissioning facilities. Assists the Regions in monitoring and performing routine and special inspection activities. (Reactors owned by one utility or related utilities will be assigned to the same project directorate.) Manage the review and processing of applications for limited work authorizations, construction permits, operating licenses, implementation of agency approval requirements, license amendments, and license terminations. Serve as Headquarters contact with licensees and applicants. Coordinate the preparation of Safety Evaluation Reports and Environmental Impact Statements. Coordinate and provide presentations to the Commission, ACRS, industry groups, and other government offices on specific projects and subjects. Participate in special inspections.

Division Director for Engineering Analysis

Performs engineering-related safety evaluations of licensee implementation of approved NRC requirements, changes to existing licenses, and applications for permits to construct or licenses to operate new facilities and certified designs. Performs reviews of license renewal submittals, industry technical reports, and advanced plant designs. Provides technical expertise for special inspections, projects, programs, and policy making activities. Assists regions in the resolution of engineering problems. Evaluates the design and operation of onsite and offsite power systems. Reviews and evaluates the functional performance requirements, design, and performance of nuclear power plant instrumentation and control systems.

Materials and Chemical Engineering Branch

Reviews and evaluates materials engineering, in-service inspection, and materials integrity-related aspects of design and performance of reactor components and systems. Reviews special fabrication techniques, monitors component metallurgical behavior, and performs failure analysis. Reviews and evaluates issues related to chemical engineering including hydrogen generation, post-accident sampling, water chemistry, corrosion, decontamination, and decommissioning.

Mechanical and Civil Engineering Branch

Reviews design criteria and loads, static and dynamic analysis methods, and in-service testing for mechanical systems and components. Reviews and evaluates seismic and dynamic qualifications of equipment. Verifies integrity, capacity, and margins associated with mechanical equipment such as pumps, valves, piping, pipe supports, and reactor internals. Reviews and evaluates conditions associated with various postulated events, such as earthquakes, man-related hazards, floods, pipe breaks, and their threat to the functional integrity of component and systems. Reviews and evaluates the design certification for advanced reactors in the areas of civil, structural, mechanical, material, and chemical engineering. Reviews license renewal reports within areas of responsibility for the Division of Engineering. Reviews inservice inspection (ISI) of piping and inservice testing (IST) of pumps, valves, and mechanical components including development of guidelines and criteria for risk-informed ISI and IST. Reviews and evaluates geologic, geophysical, seismologic, hydrologic, geotechnical, civil and structural engineering issues for operating reactors and for the design certification of advanced reactors. Conducts containment inspection reviews. Assists in the inspection of structures and long-lived structural components under the maintenance rule. Assists in the resolution of USI A-46 on verification of seismic adequacy of mechanical and electrical equipment.

Electrical & Instrumentation and Controls Branch

Reviews design and operation of offsite power grid systems with regard to interrelationships between the nuclear unit, the utility grid, and interconnecting grids. Reviews and evaluates

functional performance requirements, design, and operation of onsite power systems, and the interface between the offsite and onsite power systems under the full range of normal operation, transient and accident conditions. Reviews environmental qualification of electrical equipment important to safety. Reviews and evaluates functional performance requirements, design, and performance of reactor trip systems, engineered safety features actuation systems, actuation instrumentation for essential auxiliary support systems, and instrumentation and control systems provided to initiate and regulate the operation of safe shutdown systems. Reviews and evaluates functional performance requirements, design, and performance of plant instrumentation providing information regarding manually initiated and controlled safety functions.

Division Director for Systems Safety and Analysis

Performs systems-related safety evaluations of licensee implementation of NRC requirements, changes to existing licenses, and applications for new facilities or designs and provides technical expertise for special inspections, projects, programs and policy activities. Performs and evaluates probabilistic safety assessments for nuclear power plants and evaluates severe accident issues as they relate to advanced plant designs and current generation plants.

Probabilistic Safety Assessment Branch

Coordinates and provides a leadership role in the use of PRA and associated risk analyses within the regulatory programs. Develops approaches and guidance for the use of PRA by NRR technical review branches and the regions. Applies PRA insights to decisions on event assessments, and licensing actions. Reviews PRAs submitted as part of a design certification for standard designs. Maintains oversight of Severe Accident implementation including accident management. Conducts reviews of all severe accident issues for operating reactors and advanced reactor designs. Responsible for impact of revised "source terms" on design. Reviews the severe accident characteristics of advanced reactor designs. Assesses the severe accident implications of design and operational issues for operating reactors. Maintains the ability to perform analyses of operating reactor events on short notice. Maintains computer code models of operating reactors, together with the necessary staff technical expertise to run the models

Plant Systems Branch

Reviews and evaluates functional performance requirements, design, and performance of essential auxiliary, support and balance of plant systems, and design features provided to ensure operator protection from releases of toxic and radioactive gases. Reviews the design of new- and spent-fuel storage and load handling systems. Reviews and evaluates issues related to fire protection. Reviews radioactive storage and cleanup systems and post-fire safe shutdowns. Reviews and evaluates the design and performance of features provided to prevent the communication of potentially radioactive systems with other plant systems. Evaluates the overall acceptability of containment response and fission product releases. Conducts design basis reviews of containment issues including containment pressure/temperature response to

design basis accidents, containment isolation, leak testing, combustible gas control and suppression pool dynamic loads. Performs containment systems computer-related analyses for licensing review. Maintains the ability to perform analyses of operating reactor events on short notice. Maintains computer code models of operating reactors, together with the necessary staff technical expertise to run the models.

Reactor Systems Branch

Reviews and evaluates design, process design parameters, and performance of reactor thermal-hydraulic systems (reactor coolant system, normal and emergency core cooling systems under steady-state, transient and accident conditions). Reviews analysis of anticipated operational occurrences, postulated accidents, and actual operating experience from the viewpoint of systems operation and transient dynamics. Reviews and evaluates nuclear and thermal-hydraulic aspects of the reactor core under steady-state, transient, and accident conditions. Responsible for issues pertaining to core physics, fuel behavior, and core thermal-hydraulic performance. Performs reactor systems computer-related analyses for licensing review. Maintains the ability to perform analyses of operating reactor events on short notice. Maintains computer code models of operating reactors, together with the necessary staff technical expertise to run the models.

ASSOCIATE DIRECTOR FOR INSPECTION AND PROGRAMS

Provides overall policy, planning, and management direction for the project management and technical review of plant license renewals, next-generation reactor designs, non-power reactor licensees, non-radiological environmental issues and the reactor inspection and performance assessment programs. Provides management direction of technical evaluations and assessment of technical issues involving: operator licensing, human factors, safeguards, financial qualifications, emergency preparedness, radiation protection, and licensee and vendor quality programs. Responsible for the NRR allegations program. Provides overall direction for NRR generic issues program including event evaluation, generic communications and rulemaking. Interacts with the other directors to resolve or recommend resolution of policy and office-level programmatic issues.

Division Director for Programs

Develops policy and provides overall program management and planning for the reactor inspection and performance assessment programs, including the Senior Management Meeting Process, and the Plant Performance Review Process. Develops programs and conducts reviews to ensure the effective consideration of human factors engineering in nuclear power plant design and operation and the adequacy of facility training programs and emergency operating procedures. Develops policies and guidance and implements the national program for the licensing of nuclear reactor operators. Performs vendor inspections. Develops and oversees the reactor safeguards, emergency preparedness, and radiation protection inspection and licensing

programs. Responsible for the development, maintenance, implementation and oversight of the NRR allegations management programs.

Inspection Program Branch

Develops policy and provides overall program management and planning for the reactor inspection and performance assessment programs, including the Senior Management Meeting (SMM) Process, and the Plant Performance Review Process. Recommends and develops office level policy and responds to external policy related inquiries. Analyses and evaluates program effectiveness and implementation. Participates in inspections and assessment activities as necessary to coordinate policy procedures, guidance, and programs. Coordinates conduct of the annual SMM. Manages establishment of Regional Operating Plans for NRR regulatory programs and evaluates regional performance against the plans. At the regions' request, provide support for non-routine team inspections (AITs, IITs) to supplement regional capability. Develops temporary instructions for regional implementation of new generic area team inspections, monitors their completion, and assesses results.

Operator Licensing, Human Performance and Plant Support Branch

Responsible for overall licensing and regulatory policy pertaining to licensing of operators pursuant to 10 CFR Part 55. Responsible for the initial examination, licensing, and requalification programs for power reactor operator applicants and operators. Provides oversight for regional implementation of power reactor operator examinations nationwide. Provides program guidance to regional offices for administration of examinations of operators and senior operators and evaluation of requalification programs. Develops and validates testing techniques and standards for evaluating candidates. Evaluates adequacy of facilities and simulators used in operator examinations. Assesses effectiveness and uniformity of regional office implementation of operator licensing and requalification program evaluations. Reviews training and qualification programs at nuclear reactors, and monitors and evaluates industry initiatives regarding personnel training. Reviews and evaluates emergency operating procedures and guidelines. Provides technical expertise for special inspections, event investigations, projects, programs, and policy activities. Provides assessments of management effectiveness, procedures, training, staffing, and human machine interfaces. Reviews human factors engineering design of the control room and control centers outside of the main control room. Reviews organizational issues and management concerns at operating reactors. Develops and evaluates implementation of policy issues such as training, working hours, and human performance. Develops and oversees the reactor safeguards, emergency preparedness, and radiation protection inspection and licensing programs. Performs related licensing reviews and safety evaluations, and interfaces with FEMA for emergency preparedness at reactor facilities. Assesses effectiveness and uniformity of regional office implementation of reactor safeguards, emergency preparedness and radiation protection programs.

Quality Assurance, Vendor Inspection, Maintenance and Allegations Branch

Monitors and evaluates industry maintenance initiatives and performance. Coordinates agency activities associated with the implementation of the Maintenance Rule. Evaluates the results from the Maintenance Rule baseline inspections. Develops policy and guidance for future reactor reliability assurance programs. Reviews and evaluates quality assurance programs for licensees, applicants, and vendors. Reviews and evaluates nuclear power plant administrative controls for safety committees, audits, independent engineering group, procedures and records. Provides programmatic support on issues related to Part 21 and commercial grade item dedication. Review and evaluates initial/preoperational/restart test programs for nuclear power plants. Develops and conducts inspections of vendors and licensee contractors who supply safety-related projects and services to the nuclear industry. Performs inspections in response to allegations and reports of defective substandard components and equipment in nuclear service or being offered for nuclear service. Determines the safety significance and generic implications of these problems. Coordinates with other Federal agencies on misrepresented and substandard vendor products and assists with NRC investigations. Responsible for the development, maintenance, implementation and oversight of the NRR allegations management programs.

Division Director for Special Projects

Provides overall policy, planning, and management direction for the project management and technical review of plant license renewals, next-generation reactor designs, non-power reactor licensees, and non-radiological environmental issues. Implements programs and procedures to systematically assess and screen daily reactor events, recommend immediate corrective plant-specific and generic actions, and coordinate the followup of events. Manages NRR's generic issues management program including the development of rules and associated regulatory guidance to address these issues. Issues NRC correspondence such as generic letters, bulletins, and information notices to address generic concerns. Develops programs and guidelines to improve generic technical specifications and provides NRR interpretations of technical specification requirements. Responsible for policy and program implementation in licensee financial, insurance, indemnity, and antitrust matters. Provides project management for NSSS Owners' Group and NEI activities.

Technical Specifications Branch

Develops, maintains and updates standard technical specifications based on new regulatory requirements, new technical considerations, and operating experience; develops technical specification implementation guidance; develops and evaluates technical specification for plants under license review and plants implementing major technical specification upgrade programs; provides NRR interpretation of specific technical specification requirements; and provides assistance in screening incoming change requests.

License Renewal and Standardization Branch

Provides centralized project management and technical reviews associated with license renewal activities. Develops a license renewal Standard Review Plan; coordinates and performs technical reviews of plant specific and generic technical reports related to license renewal; coordinates with licensees and NSSS owners groups; coordinates and reviews rules and guidance documents related to license renewal; and develops implementation and inspection programs for license renewal applicants. Serves as the headquarters contact with applicants requesting power reactor license renewals. Provides overall project management for design certification of next-generation reactor designs including Preliminary Design Approvals, Final Design Approvals, and Design Certification rulemaking. Coordinates and provides presentations to the Commission, ACRS, industry groups, and other government offices on next-generation reactor design projects and issues affecting future reactor license applicants. Develops policy guidance, including rules and regulatory guides as appropriate, and serves as NRR focal point and interface with industry for issues associated with design certification, early site permits, and the licensing of future reactor applicants.

Events Assessment, Generic Communications and Non-Power Reactors Branch

Systematically assesses and screens all nuclear power reactor related events, reports, and data to determine their significance and need for additional evaluation (generic communications and compliance activities) or plant-specific actions. Develops, coordinates, and issues operational feedback to licensees in the form of information notices, bulletins, generic letters and administrative letters for generic safety concerns identified from power reactor events and conditions. Identifies the need for an Augmented Inspection Team or Incident Investigation Team response and coordinates NRR involvement in establishing the scope and composition of these teams. Coordinates operating events briefings and serves as the NRR focal point for interface with the regions, other offices, and industry for event and other incoming reports. Maintains and administers on-call emergency officer roster and staffs the daytime emergency officer functions. Provides centralized project management and technical review of non-power reactor licensing activities including license renewal and decommissioning as well as for requested reviews of DOE and DOD facilities exempt from licensing. Develops inspection program policy and guidance and implements direct inspections at all non-power reactor facilities. Writes and administers non-power reactor operator examinations and is responsible for licensing non-power reactor operator applicants and operators.

Generic Issues, Environmental, Financial and Rulemaking Branch

Provides project management for emergent generic issues within NRR (task action plans, topical reports, rulemakings, performance measures and management reports on timeliness of NRR generic activities). Maintains the NRR generic issue tracking system. Provides policy guidance and project management for environmental issues and reviews. Responsible for policy and

program implementation in licensee financial, insurance, indemnity, and antitrust matters. Manages the development and conduct of the NRR Direct Assistance program for Russia and the Ukraine. Provides project management for NSSS Owners' Groups and NEI activities. Provides project management for development of rules within NRR and for the documentation and implementation of policies and procedures for effective, consistent, and understandable regulations. This support includes development of regulatory analysis, including cost analysis on the impact of proposed regulatory activities.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 16, 1998

MEMORANDUM TO: Paul E. Bird, Director
Office of Human Resources

FROM: Ashok C. Thadani, Director
Office of Nuclear Regulatory Research

SUBJECT: PROPOSAL FOR THE REORGANIZATION OF THE OFFICE OF NUCLEAR REGULATORY RESEARCH

In response to your memorandum of August 19, 1998 regarding supervisory and SES reductions, I am providing our proposed plan for the reorganization of RES. The objectives of this plan are as follows:

(1) To achieve a supervisory to staff ratio of 1 to 8.
(2) To ensure that SES managers have subordinate SES or non-SES supervisors in the chain of command.
(3) To reduce the number of SES positions to 13.
(4) To accommodate the transfer of certain AEOD functions to RES consistent with Commission decisions on the FY 2000 budget
(5) To maximize to the extent practical the iong-term stability of the new organization.
(6) To accomplish the above in a manner which, to the extent practical, maximizes the effectiveness and efficiency of the organization (for example by grouping together functions requiring similar staff technical skills to achieve synergisms and ability to respond to changing work loads).

An organizational chart describing the proposed new RES organization is provided in Attachment A. Functional statements are provided in Attachment B. The rationale for combining functions of the current RES and AEOD organizations to form the proposed RES organization is provided in Attachment C.

As described in these attachments the new RES organization would consist of three technical divisions, two with two branches each and a third with three branches, all headed by an SES manager. In addition, there would be an SES administrative staff director. Most technical branches would also include an assistant branch chief, but one of the larger branches would include two section leaders. The administrative staff organization would include a deputy staff director. Taking into account the Office Director and Deputy Office Director positions, RES would have 13 SES managers and

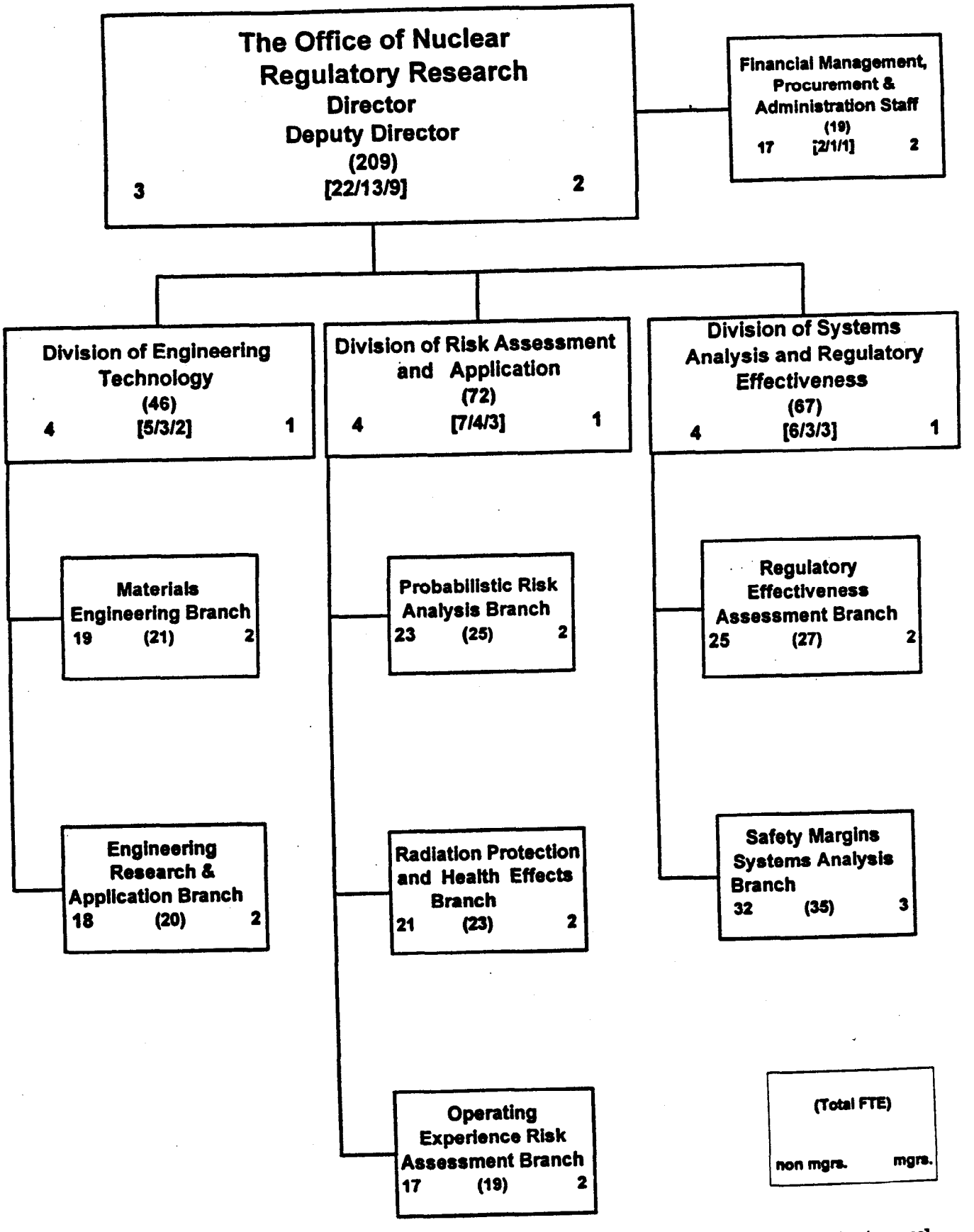
9 non-SES managers under the proposed organization. Assuming that, with the transfer of AEOD activities, RES will have 209 FTE in the FY1999 President's budget, the supervisory staff ratio would be 1 to 8.5. There are currently 20 SES positions in RES and 3 in the Safety Programs Division of AEOD, the source of the functions being transferred. The proposed reorganization would eliminate 8 SES positions originally in RES and 2 originally in AEOD to achieve the 13 SES positions in the new RES organization. In addition, there are currently 12 non-SES managers in RES and the affected part of AEOD so that the reduction in this management category would be 3. These impacts are summarized in Attachment D.

Our schedule for implementing the RES reorganization plan is provided in Attachment E.

Attachments: As stated

cc: W. Travers

Attachment A



Attachment B

FUNCTIONAL STATEMENTS

For

PROPOSED RES ORGANIZATION

ATTACHMENT B

THE OFFICE OF NUCLEAR REGULATORY RESEARCH

Plans, recommends, and implements programs of nuclear regulatory research. Independently proposes regulatory outcomes in the form of improvements to NRC's regulatory programs/processes to achieve enhanced safety, efficiency or effectiveness based on the results of this research. Also, coordinates the development of consensus and voluntary standards for agency use including appointment of staff to committees. Based on research results and experience gained, resolves safety issues for nuclear power plants and other facilities regulated by the NRC including those issues designated as Generic Safety Issues. Assesses the effectiveness of selected NRC programs, including the regulations and guidance, with regard to risk reduction potential, burden reduction potential and the degree to which margins exist in design and operations of licensed facilities. Conducts research to reduce uncertainties in areas of potentially high risk or safety significance. Leads agency initiative for cooperative research with DOE, the nuclear industry, universities and international partners. Coordinates research activities within and outside the agency, including appointment of staff to committees and conferences. Maintains technical capability to develop information for resolution of nuclear safety issues and provides technical support and consultation to the program offices in the specialized disciplines involved. Provides independent analysis of operational data and assessment of operational experience through the review, analysis and evaluation of the safety performance of facilities licensed by the NRC. Collects, analyzes, and disseminates operational data; assesses trends in performance from this data; evaluates operating experience to provide insights into and improve the understanding of, the risk significance of events; and produces periodic performance indicator, and Accident Sequence Precursor Reports.

Director
Deputy Director

ATTACHMENT B

FINANCIAL MANAGEMENT, PROCUREMENT AND ADMINISTRATION STAFF

Provides direction and coordination of strategic planning, administrative and financial support functions involving: budget, financial management, long range planning, personnel/manpower analysis, and resource control, and administrative services such as records management, FOIA coordination, other general administrative matters, and information resources' management functions and responsibilities delegated to the office. Reviews and recommends general administrative procedures. As the Office spokesman formulates coordinated responses to Commission, ACRS, OMB and Congressional inquiries and address concerns as to the adequacy of the RES budget and the technical applicability of the resulting research program. As such, addresses resource tradeoffs within the technical and programmatic context.

Director
Deputy Director

ATTACHMENT B

DIVISION OF ENGINEERING TECHNOLOGY

Plans, develops, and directs comprehensive anticipatory and confirmatory research programs and standards development to ensure adequate safety in the design, qualification, construction, maintenance, inspection, operation and testing of current and advanced nuclear power plants and other facilities regulated by the NRC with emphasis on material characteristics, aging, and seismic and engineering aspects of these facilities. Resolves safety issues including those designated as generic safety issues, related to engineering and materials. Within scope of responsibility assesses the NRC's regulations and regulatory guidance with regard to risk significance burden reduction potential and the engineering design margins associated with facility systems, structures and components and independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Conducts research to assist the Division of Risk Assessment and Applications in reducing uncertainties in probabilistic risk estimates for areas of potentially high risk or safety significance. Has lead agency responsibility for coordinating NRC codes and standards activities as these relate to federal law and interaction with standards writing organizations including activities related to PL-104-113 and OMB circular A119. Manages the prioritization of technical activities and through contract or agreement arranges for necessary technical support or collaboration with DOE, other Federal Agencies, commercial sources, international parties, and universities consistent with the Division budget. Consistent with NRC policy and to the extent overall Agency need exists, maintains liaison and coordination in assigned areas to other Federal agencies, ANSI, professional societies, international agencies, and other organizations. - Maintains broad technical expertise in the relevant engineering technology areas and provides appropriate technical support to the program offices.

Director

ATTACHMENT B

Engineering Research and Applications Branch

Develops, recommends, plans, evaluates, and manages research and standards' development programs as a basis for regulatory activities to ensure adequate safety in the design, qualification, construction, inspection, testing, maintenance, and operation of nuclear power plants and other facilities regulated by the NRC with emphasis on the dynamic response of active mechanical components under design and accident loadings, methods for assessing reliability of design features including electrical and mechanical components and systems. Has responsibility for these engineering aspects including effects of general and site specific natural phenomena, load combinations and associated design limits, vibration, soil competence as a support material, and soil/structure interaction. Resolves GSIs related to engineering issues. Within scope of responsibility assesses the NRC's regulations and regulatory guidance with regard to risk significance, burden reduction potential and the engineering design margins associated with facility systems, structures and components, and independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Conducts research to assist the Division of Risk Assessment and Applications in reducing uncertainties in probabilistic risk estimates for areas of potentially high risk or safety significance. Provides technical assistance to NRC organizations on structural and geological engineering issues and concerns.

Materials Engineering Branch

Develops, recommends, plans, evaluates, and manages research and standards development programs as a basis for regulatory activities to ensure adequate safety in the design, qualification, construction, inspection, testing, maintenance, and operation of nuclear power plants and other facilities regulated by the NRC with emphasis on the materials properties, including aging and environmental effects on these facilities. Responsible for these engineering aspects including the effects of environmental stresses and wear on components; in service testing for functional adequacy of components and spent fuel casks; materials research and standards covering in-service inspections for structural integrity, corrosion, fracture mechanics, thermal shock, and effects of operating environment on materials, as well as the nondestructive examination program including development of qualifications of inspection personnel, procedures, and equipment. Resolves GSIs related to materials issues. Within scope of responsibility assesses the NRC's regulations and regulatory guidance with regard to risk significance, burden reduction potential and the engineering design margins associated with facility systems, structures and components. Independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Conducts research to assist the Division of Risk Assessment and Applications in reducing uncertainties in probabilistic risk estimates for areas of potentially high risk or safety significance. Has the lead agency responsibility for coordinating Codes and Standards activities. Provides technical assistance to NRC organizations on engineering materials issues. Undertakes lead for activities related to PL-104-113 and OMB circular A119.

ATTACHMENT B

DIVISION OF SYSTEMS ANALYSIS AND REGULATORY EFFECTIVENESS
Plans, develops, and directs comprehensive anticipatory and confirmatory safety research programs for assessing the effectiveness of selected NRC programs including regulations and implementing guidance with regard to risk reduction potential, burden reduction potential and the degree to which margins exist in the design and operation of licensed facilities, and independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Conducts research to assist the Division of Risk Assessment and Applications in reducing uncertainties in probabilistic risk estimates for areas of potentially high risk or safety significance. Develops computer codes and data bases for evaluating nuclear reactor and plant systems behavior under normal, accident, and severe accident conditions for current and advanced reactors. Responsibilities include evaluating challenges to containments, development of accident source terms, accident sequence analysis, and development, coordination, and, in selected cases, advanced reactor safety research. Provides systems research program planning, implementation, and results in response to needs defined for severe accidents, and human factors. Provides research to improve NRC's understanding of human performance. Prioritize GSIs, resolve GSIs related to system performance, and provides oversight of the GSI program to assure timeliness and consistency including in performing regulatory analyses. Reviews operating experience and data for generic implications. Manages the prioritization of technical activities and through contract or agreement arranges for necessary technical support or collaboration with DOE, other federal agencies, commercial sources, international parties, and universities consistent with the Division's budget. Consistent with NRC policy and to the extent overall Agency need exists, maintains liaison and provides technical input in assigned areas to other Federal agencies, ANSI, professional societies, international agencies, and other organizations. Maintains broad technical expertise and provides consultation in the relevant systems technology areas.
Director

Safety Margins and Systems Analysis Branch

ıns, develops, and directs comprehensive safety research pro-
ıms for assessing the effectiveness of selected NRC programs
luding regulations and implementing guidance with regard to risk
luction potential, burden reduction potential and the degree to
ich margins exist in the design and operation of licensed facili-
s, and independently recommends improvements in NRC
ɔgrams/processes to achieve outcomes of enhanced safety,
iciency or effectiveness. Conducts research to assist the Division
Risk Assessment and Applications in reducing uncertainties in
ɔbabilistic risk estimates for areas of potentially high risk or safety
ɲificance. Maintains an infra-structure of thermal-hydraulic and
vere accident phenomenology and analytical capabilities for
alistic analyses to be used in support of risk-informed regulatory
cisions. Develops computer codes and data bases for predicting
ıclear reactor and plant systems behavior under normal, accident,
ıd severe accident conditions for current and advanced reactors.
esponsibilities include evaluating challenges to containments,
velopment of accident source terms, accident sequence analysis,
ıd development, coordination, and, in selected cases, advanced
actor safety research. Provides systems research program
anning, implementation, and results in response to needs defined
r severe accidents, and human factors. Plans, recommends,
valuates, and manage analytical and experimental research
ɾograms on the performance of the primary coolant systems of
uclear plants, including thermal-hydraulic transient behavior and
ıteraction with the balance of plan under normal, abnormal, and
ccident conditions to support assessment of continued safety of
perating reactors and evaluation of operational experience, as well
s anticipation of safety issues in advanced reactors. accident
henomena of nuclear plants, including advanced reactors. Empha-
is is on modeling the release and transport of fission products,
erosols and hydrogen, and accident sequences which could cause
eactor coolant pressure boundary or containment failure. Maintains
ıroad technical expertise and provides consultation to NRC
ɾganizations in these specialized areas.

Regulatory Effectiveness Assessment Branch

Responsible for conducting a research program to systematically assess NRC's regulations, regulatory guidance and regulatory programs to identify ways to make these more effective and efficient. Specifically assesses the risk significance, potential for burden reductions and safety margins embodied in designs and operational programs, and independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Conducts research to assist the Division of Risk Assessment and Applications in reducing uncertainties in probabilistic risk estimates for areas of potentially high risk or safety significance. Plans, conducts and manages research programs to improve NRC's understanding of human performance. Prioritize GSIs, resolves GSIs related to systems performance and provides oversight of the GSI programs to assure timeliness and consistency including in performing regulatory analyses. Performs a comprehensive review of operating experience and conducts in-depth analyses and evaluations of significant operating events and safety issues to determine root causes of these events.

ATTACHMENT B

DIVISION OF RISK ASSESSMENT AND APPLICATIONS
Plans, develops and manages a comprehensive anticipatory and confirmatory research program to develop, advance the state of the art and apply risk assessment methods including probabilistic risk assessment to provide a basis to focus regulatory activities on the most risk significant aspects of licensed activities. Based on research and experience gained, leads agency efforts to develop a risk informed regulatory framework. Develops the necessary data and improves the methods as appropriate to establish guidance to support regulatory evaluation of decommissioning and license terminations of nuclear facilities as well as analysis of the potential consequences of accidents at these facilities. In order to ensure the adequate protection of workers and the public, advances the understanding of the health effects resulting from exposure to radiation through research, data collection, and modeling. Independently assesses operational safety data to determine risk trends and conduct reliability studies and assess performance indicators based on operational data. Develops and implements the NRC programs for power reactor performance indicators and accident sequence precursors and maintains data bases covering operational and reliability data. Supports agency efforts to use risk information in all appropriate aspects of regulatory decision making. In concert with other RES divisions assesses and supports assessment of the NRC's regulations and regulatory guidance and regulatory programs with regard to risk significance, potential for burden reduction and safety margins, and independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety, efficiency or effectiveness. Identifies areas of potentially high risk or safety significance where research by other RES divisions could reduce uncertainties in risk estimates. Manages the prioritization of technical activities and through contract or agreement arranges for necessary technical support or collaboration with DOE, other Federal Agencies, commercial sources, international parties, and universities consistent with the Division budget.
Director

Probabilistic Risk Analysis Branch	Operating Experience Risk Assessment Branch	Radiation Protection and Health Effects Branch
Perform risk analyses and reviews full-scope risk submittals for licensed facilities. Uses PRA-based methodologies, models, and analysis techniques as well as other risk assessment techniques where appropriate to determine overall risk. Responsible for the reviews of the individual plant examinations (IPEs) for nuclear facilities, and the dissemination of IPE results, development of guidance for implementation of the Safety Goal Policy, and development and improvement of operational reliability methodology. Provides safety perspectives on plant design and operation by using probabilistic techniques to identify dominant accident sequences leading to core melt and major contributors to these sequences. Responsible for severe accident risk rebaselining. Identifies, reviews, and evaluates internally and externally initiated events to determine the existence of high-risk sequences. Develop techniques for risk-based regulatory decision making. Provides staff support for risk analysis related to severe accident implementation and the Emergency Operations Center. Maintains broad technical expertise and provides consultation to NRC organizations in PRA related areas. Responsible for research to advance the state of the art of risk assessment methodology. Supports agency efforts to use risk information in all aspects of regulatory decision making, and undertakes specific initiatives as the lead organization. Supports RES efforts to assess NRC's regulations and regulatory guidance and regulatory programs with regard to risk significance, potential for burden reduction and safety margins. Independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety efficiency or effectiveness. Provides support to other RES branches by identifying areas of potentially high risk or safety significance where research by these other RES branches could reduce the uncertainties.	Systematically assesses operational safety data and reliability information to determine risk trends. Perform risk and reliability analyses and evaluations based on operating experience to assess industry and plant performance and identify plant outliers. Develops and manages data systems for the storage and retrieval of safety experience. Remains cognizant of operational and reliability data systems in the industry and the NRC, and provides the focal point for and coordination of the NRC safety data collection programs with the ACRS, industry (INPO/EPRI,etc.), and other groups and agencies (e.g., DOE) involved with data collection systems. Provides an NRC focal point for the Nuclear Plant Reliability Data Systems (NPRDS) system and oversees the use of the NPRDS data by NRC users. Develops and implements the NRC Performance Indicator Program and the Accident Sequence Precursor Program for operating nuclear power plants, including the production of periodic performance indicator and accident sequence precursor reports. Performs reliability studies for risk significant systems and equipment on operating nuclear power plants. Systematically collects, reviews, analyzes, and evaluates data associated with licensed material. Maintains databases of materials operating experience of NRC licensees and Agreement States. Provides feedback of the lessons of operating experience to program offices and the regulated community. Independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety efficiency or effectiveness. Identifies areas of potentially high risk or safety significance where research by other RES branches could reduce the uncertainties.	Develops, plans and manages research programs related to the transport of radioactive materials, measures to assure radiation protection of workers and the public and the health effects resulting from exposure to radiation. Specifically develop computer codes and data to support modeling of the transport of radioactive materials associated with the operation of licensed facilities (e.g., waste disposal sites) to support license termination and decommissioning and to support consequence analyses of postulated accidents at licensed facilities including commercial power reactors. Computer codes and data typically consider factors such as the atmospheric transport, hydrogeologic transport, geochemistry and water and food chain pathways for exposure of individuals to radioactive materials. Monitors health effects research conducted by other national and international organizations and plans and recommends NRC research to complement these efforts. Within scope of responsibility, assesses the NRC's regulations and regulatory guidance with regard to risk significance, potential for burden reduction and the radiation protection margins associated with licensed facility design and operations. Independently recommends improvements in NRC programs/processes to achieve outcomes of enhanced safety efficiency or effectiveness. Identifies areas of potentially high risk or safety significance where research by other RES branches could reduce the uncertainties.

ATTACHMENT C

RATIONALE FOR PROPOSED CHANGES

The reorganization of RES would combine similar functions and associated technical disciplines currently covered by ten technical branches in RES and two branches in AEOD to seven technical branches in the new RES organization. Specifically:

a. Combine the current Reactor and Plant Systems Branch with the current Accident Evaluation Branch so that the experimental, code development and analytical work on thermal hydraulics and fuels can benefit from synergies among the technical disciplines necessary for this work to achieve efficiencies and respond more effectively to the remaining technical issues and need for support to user offices. The new branch would be designated as the Safety Margins and Systems Analysis Branch (SMSAB) to emphasize the role the branch would play in adding to the base of risk information to support decision making related to issue resolution, risk analysis and burden reduction.

b. Transfer the functions of the current Waste Management Branch to the current Radiation Protection and Health Effects Branch adding in the accident consequence model development and analysis function currently under the Probabilistic Risk Analysis Branch (PRAB). The rationale is that linkage of the radionuclide transport work and associated technical expertise with those for radiation protection health effects and consequence analysis will provide an integrated understanding of the environmental transport and consequence analysis for materials and reactor licensees and will broaden the potential application of skills in this branch to the needs of both NMSS and NRR.

c. Combine the GSI prioritization, GSI program oversight and systems GSI resolution functions currently in the Generic Safety Issues Branch with the regulatory effectiveness functions currently in the Regulation Development Branch and the Generic Nuclear Reactor Event Studies functions currently under the Reactor Analysis Branch in AEOD. The rationale for this is to provide a more effective unit for leading, coordinating and conducting a systematic review of the NRC's regulations regulatory guidance and programs to achieve enhanced effectiveness and efficiency. Also, transfer the Human Factors research function into this new Regulatory Effectiveness Assessment Branch (REAB) so that the systems safety focus will be enhanced and integrated with the knowledge of human interactions with the system. GSI resolution would now be undertaken within the division/branch with the most appropriate expertise

to enhance timeliness of issue resolution through explicit responsibility and accountability. This will also better enable RES to address GSI's identified by both NMSS and NRR. Responsibility for oversight and monitoring of the overall GSI program to assure consistency would reside in the REAB.

d. Combine the engineering functions of the current Electrical Materials and Mechanical Engineering Branch with the functions of the current Structural and Geological Engineering Branch and the digital I&C research of the Control Instrumentation and Human Factors Branch to form the new Engineering Research and Applications Branch (ERAB). This assembles a range of engineering disciplines into one branch whose approaches to engineering solutions are similar despite differences in expertise. It is believed that management efficiencies can be achieved in applying engineering solutions across the branch. Combining these engineering disciplines also makes it more efficient to reinforce the use of Risk-Informed thinking.

e. Transfer the functions of AEOD's Reliability and Risk Assessment Branch to RES, renaming it the Operating Experience Risk Assessment Branch to distinguish its role from that of the RES Probabilistic Risk Analysis Branch. Each of these branches would retain essentially their current responsibilities.

f. Combine the materials research oriented work of the current Electrical Materials and Mechanical Engineering Branch with that of the current Structures and Geological Engineering Branch to form the new Materials Engineering Branch (MEB), which will then focus on issues and research related to the materials' properties of structures and components. This combination of technical expertise will better enable RES to support the needs of NRR and NMSS through shifting workloads.

g. The new Engineering Research and Applications Branch and the new Materials Engineering Branch would comprise the Division of Engineering Technology to form a single division with lead responsibility for research and issue resolution related to engineering and will better enable the office to respond to both NRR and NMSS in times of shifting workloads.

h. The Probabilistic Risk Analysis Branch, the Operating Experience Risk Assessment Branch and the Radiation Protection and Health Effects Branch would be combined into the Division of Risk Assessment and Application to form a division with lead responsibility for PRA analysis, PRA methods development consequence analysis, health effects and development of scenarios and methods for calculating exposures from licenced operations and from decommissioned sites.

i. The new Regulatory Effectiveness Assessment Branch will be aligned with the new Safety Margins and Systems Analysis Branch. This will facilitate coordination of the human factors and generic safety issue resolution and regulatory effectiveness work in REAB with the systems and accident research in SMSAB.

ATTACHMENT D

SES AND OTHER MANAGERIAL/SUPERVISORY POSITIONS AFFECTED BY PROPOSED RES REORGANIZATION

POSITION TYPE	CURRENT	PROPOSED	CHANGE
SES			
Office Director	1	1	0
Deputy Office Director	1	1	0
Division Director	4	3	-1
Deputy Division Director	3	0	-3
Staff Director	1	1	0
Special Assistant to Office Director	1	0	-1
Branch Chief	12	7	-5
	23	13	-10
NON-SES			
Section Leaders/Assistant BC's	11	8	-3
Deputy Staff Director	1	1	0
	12	9	-3
TOTAL	35	22	-13

ATTACHMENT E

PROPOSED IMPLEMENTATION SCHEDULE FOR RES REORGANIZATION

MILESTONE	DATE	STATUS
Submit RES Proposal to HR	9/16/98	Complete
HR Restructuring Proposal to Commission	9/30/98	
Completion of Commission Review of Restructuring Proposal	10/28/98	
LMPC Meetings to Discuss Proposal	11/1/98-11/27/98	
Complete Partnering Process	11/28/98	
Reorganization Plans Finalized	12/31/98	
Begin Implementation of Plans	1/19/99	
Implementation Completed	3/31/99	

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 24, 1998

MEMORANDUM TO: Paul Bird, Director
Office of Human Resources

FROM: Carl J. Paperiello, Director
Office of Nuclear Material Safety
and Safeguards

SUBJECT: REVISION TO PROPOSED REORGANIZATION OF THE OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

As requested in your memorandum of August 19, 1998, on Supervisory and SES reductions, the Office of Nuclear Material Safety and Safeguards (NMSS) has developed a proposed organization for NMSS (Enclosure 1) to achieve the supervisory to staff ratio and targets for SES and non-SES managers specified in the Executive Director for Operation's memorandum of July 1, 1998.

In developing this organization senior NMSS managers considered a number of organizational structures, such as increasing or decreasing the number of divisions or eliminating Branch Chiefs or Deputy Division Directors across the Office. However, given that our current organization is aligned consistent with major program areas and working well and not wanting to upset working relationships or diminish visibility of the Spent Fuel Project Office, we decided to maintain the same basic structure of four divisions and a Program Management, Policy Development and Analysis Staff (PMDA). We were not able to identify another alternative that would result in a more efficient and effective organization.

In addition, per discussions with you and Hugh Thompson, we considered incorporation of the agreement state function of the Office of State Programs. However, incorporation of the agreement state function does not appear to result in a significant improvement to the supervisory to staff ratio or a significant improvement to the structure or efficiency of the overall NMSS organization. As changes occur in the national materials program, we will evaluate merging the agreement state function and NMSS functions, as appropriate.

Significant features of the proposed new organization include:

- Eliminating 4 SES and 7 non-SES management positions by eliminating the two branch chief positions in PMDA and changing the Deputy Director from an SES to a GG-15 position; incorporating DOE External Regulation activities in the Division of Fuel Cycle Safety and Safeguards (FCSS) as a DOE Pilot Team; eliminating one branch and the associated SES branch chief position in the Divisions of Industrial and Medical Nuclear Safety (IMNS), FCSS and Waste Management and reorganizing branch responsibilities; and eliminating a number of sections. This reorganization also reflects the recent establishment of two Directorates in the Spent Fuel Project Office.

- Transferring regulatory guidance and standard review plan activities from other divisions to IMNS, which has responsibility for NMSS rulemaking activities.

Regarding the abolishment of the Office for the Analysis and Evaluation of Operational Data, NMSS expects to only pick up one FTE related to the Nuclear Materials Event Data Base (NMED). NMED would be located in IMNS.

With respect to your request for a proposed implementation schedule, we will partner the proposed reorganization with labor and will plan to implement the revised organization in early CY1999. We will develop a set of milestones by early October, 1998, after consultation with the NMSS LMPC.

Finally, we note that the proposed organization results in many first line supervisors having a substantial number of individuals reporting directly to them. As we proceed toward implementation, we will consider the possibility of limited modifications to the organization to ease this situation.

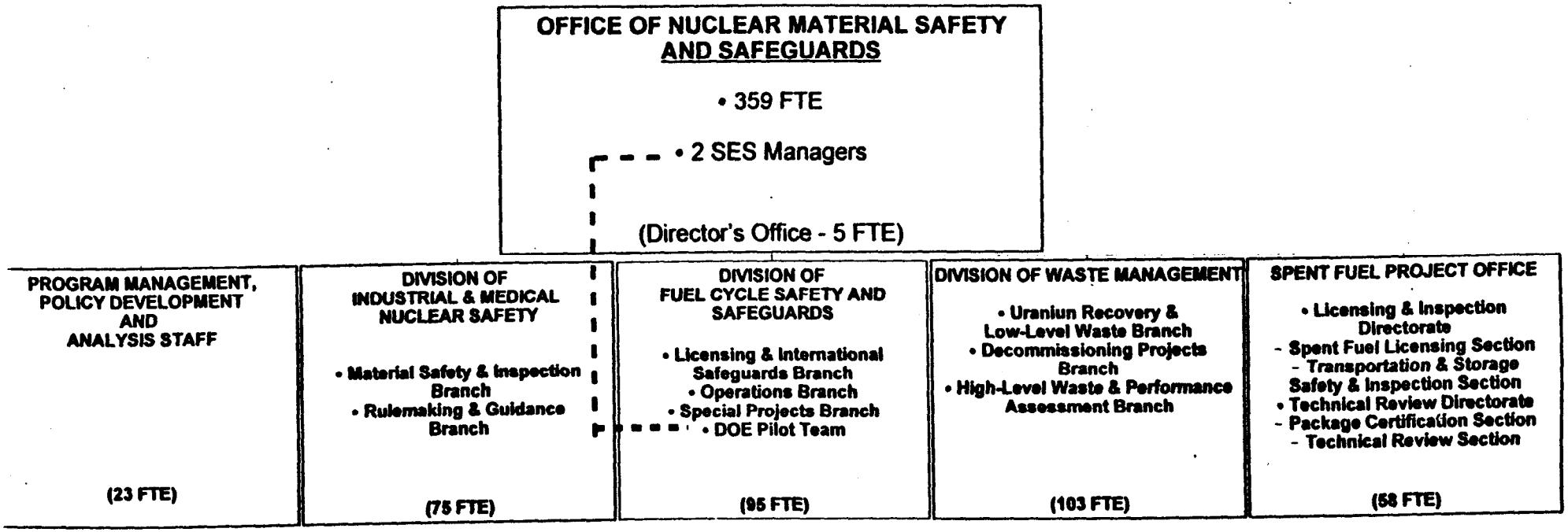
Also enclosed is a set of functional statements down to the Branch level for the proposed organization.

Enclosures: As stated

cc: L. J. Callan
H. Thompson
P. Norry
M. Stein, NMSS Steward of Record

CONTACT: John J. Linehan, PMDA
(301) 415-7780

39 MANAGERS (20 SES & 19 GG-15)
Supervisory Ratio - 8.2:1



• Director - SES • Deputy - GG-15	• Director - SES • Deputy - SES • 2 Branch Chiefs - SES •4 Section Chiefs GG-15	• Director - SES • Deputy - SES • 3 Branch Chiefs - SES • 2 Deputy Branch Ch iefs - GG-15 • 2 Section Chiefs GG-15 (Special Projects)	• Director - SES • Deputy - SES • 3 Branch Chiefs - SES • 6 Section Chiefs - GG-15	• Director - SES • 2 Deputies -SES • 4 Section Chiefs -GG-15
Total 2 Managers (1 SES & 1 GG-15)	Total 8 Managers (4 SES & 4 GG-15)	Total 9 Managers (5 SES & 4 GG-15)	Total 11 Managers (5 SES & 6 GG-15)	Total 7 Managers (3 SES & 4 GG-15)

NMSS FUNCTIONAL STATEMENTS

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

Responsible for ensuring the public health and safety through licensing, inspection, and environmental reviews for all activities regulated by the Nuclear Regulatory Commission (NRC), except operating power and all non-power reactors, and for the safeguards technical review of all licensing activities, including export/import of special nuclear material, excluding reactors. Develops and implements NRC policy for the regulation of activities involving the use and handling of radioactive materials, such as: uranium recovery activities; fuel fabrication and development; medical, industrial, academic, and commercial uses of radioactive materials; safeguards activities; transportation of nuclear materials, including certification of transport containers, and reactor spent fuel storage; safe management and disposal of low-level and high-level radioactive waste; and management of related decommissioning. Safeguards responsibilities include developing overall agency policy, monitoring and assessing the threat to the environment including liaison with intelligence agencies as appropriate, and those licensing and review activities appropriate to deter and protect against threats of radiological sabotage and threats of theft or diversion of special nuclear material at fuel facilities and during transport. Identifies and takes action to control safety and safeguards issues for activities under its responsibility, including consulting and coordinating with international, Federal, State, and local agencies, as appropriate.

PROGRAM MANAGEMENT, POLICY DEVELOPMENT, AND ANALYSIS STAFF

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

DIVISION OF FUEL CYCLE SAFETY AND SAFEGUARDS

Develops, implements, and evaluates overall agency safety and safeguards policy for fuel cycle, special nuclear material (SNM), and associated waste processing facilities licensed under the Atomic Energy Act of 1954, as amended, or certified in accordance with the Energy Policy Act of 1992. Directs the NRC's principal licensing, certification, inspection, environmental reviews, and regulatory activities associated with these facilities to assure adequate safety and safeguards. Reviews protection afforded weapons-usable SNM in the licensed and license-exempt sectors to maintain comparability. Develops NRC's design basis threats, assesses threats to the domestic environment based on domestic and foreign events and intelligence information. Identifies and takes action to resolve safety and safeguards issues, and directs NRC's contingency planning and emergency response operations dealing with accidents, events, incidents, threats, thefts, and radiological sabotage relating to licensed activities under its responsibility. Reviews the international safeguards and physical protection technical aspects of export licensing and retransfer requests. Conducts and coordinates NRC activities in support of implementation of International Atomic Energy Agency (IAEA) safeguards at NRC licensed facilities. Conducts efforts to strengthen IAEA safeguards and safeguards in other countries. Provides technical support for training and guidance to NRC headquarters and regional office licensing and inspection staff.

Licensing Branch

Conducts safety and safeguards licensing reviews related to enriched uranium and plutonium fuel processing and fabrication facilities, natural uranium conversion plants, other source material processing facilities, other SNM facilities, and associated waste processing facilities. Conducts environmental assessments and prepares environmental impact statements related to licensing actions. Issues fuel cycle licenses, renewals, and amendments. Provides technical support and guidance to the Regions on fuel cycle, source material, SNM, and associated waste processing licensing activities. Provides safeguards technical support to other NRC Offices and Divisions on licensing of spent fuel storage installations. Reviews programmatic activities and identifies technical and policy options for regulations, regulatory guides, and policy statements associated with regulation of fuel cycle licensees. Conducts licensing reviews of the application of IAEA Safeguards and the adequacy of physical protection for export licensing applications and retransfer requests. Conducts, with other U.S. Government Agencies, on-site reviews of foreign physical protection programs in support of export licensing reviews. Conducts efforts to strengthen IAEA safeguards. Conducts and coordinates NRC activities in support of implementation of IAEA safeguards at selected NRC-licensed facilities. Conducts efforts to enhance safeguards and safety programs in other countries, including the republics of the former Soviet Union. Supports international and U.S. non-proliferation activities associated with the disposition of excess nuclear weapons' materials. Provides NRC oversight and management of the US national accounting system for tracking transfers and licensee possession of SNM.

Operations Branch

Develops and directs implementation of policies and programs for inspection and oversight of fuel cycle facilities. Develops inspection procedures for and conducts criticality, chemical process safety, fire protection, and material control and accounting (MC&A) inspections at fuel cycle facilities. Reviews fuel facility regulatory documents for inspectabilty. Provides regional oversight, develops policies and procedures for assessing regional performance of fuel cycle licensing, certification and inspection activities, and conducts such assessments. Provides technical support and guidance to the Regions on fuel cycle facility inspection activities. Reviews inspection reports to identify and address safety and safeguards issues. Plans, coordinates, and manages contingency planning and emergency response activities for safety and safeguards events at fuel cycle facilities and assesses fuel cycle facility event reports. Plans and coordinates Licensee Performance Reviews and screening process for the Senior Management Meetings. Manages the sensitive compartmented information facility at Two White Flint North. Coordinates with the intelligence and law enforcement communities, assesses the threat environment affecting regulated activities, assesses illicit trafficking events, and reviews the adequacy of NRC's design basis threats based on domestic and foreign events and intelligence information. Conducts pattern and trend studies based on analysis of domestic and foreign events.

Special Projects Branch

Reviews programmatic activities and develops technical and policy options for regulations, regulatory guides, and policy statements associated with the licensing or certification of uranium enrichment facilities and the review of the Department of Energy's Hanford Tank Waste Remediation System. Conducts safety, safeguards, and other appropriate reviews, environmental assessments and impact statements, and analyses associated with the regulation and licensing, certification or support to these special projects and activities. Develops and implements certification and review procedures for the gaseous diffusion plants and licensing and review procedures for the Atomic Vapor Laser Isotope Separation facility application. Issues, renews, and amends certificates and licenses for uranium enrichment facilities. Performs regulatory and technical assistance reviews of the Hanford Tank Waste Remediation System. Provides technical support and guidance to the regions regarding licensing or certification of enrichment facilities. Provides technical support for incident management and emergency responses at fuel cycle facilities.

DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY

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

Materials Safety and Inspection Branch

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

Rulemaking and Guidance Branch

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

DIVISION OF WASTE MANAGEMENT

Directs the NRC's program for the regulation of Low-Level Waste (LLW), Decommissioning, Uranium Recovery (UR), and the DOE High-Level Waste (HLW) repository program. Identifies and takes action to control safety issues under its responsibility. Develops, implements, and evaluates safety and environmental policies and long-range goals for these activities. Provides guidance for regional activities relating to waste management and decommissioning. Interacts with other NRC offices, Federal and State organizations, Indian tribes, and other jurisdictions on matters under its cognizance. Represents NRC in international waste management and decommissioning activities. Coordinates research to ensure regulatory commitments are achieved. Serves as the NRC's lead for DOE's Remedial Action Plans, and for Title I sites under the Uranium Mill Tailings Radiation Control Act (UMTRCA).

Decommissioning Projects Branch

Serves as the focal point for implementing the Decommissioning Program. Manages the regulatory program for approvals or denials of requests to dispose of radioactive waste at sites other than licensed LLW sites (i.e., 10 CFR 20.2002 requests). Serves as focal point for interactions with the U.S. Environmental Protection Agency. Manages implementation of the Site Decommissioning Management Plan (SDMP). Conducts environmental and safety evaluations related to LLW and decommissioning. This responsibility includes providing technical support for reactor decommissioning and terminating licenses when decommissioning is complete. Assesses and develops the agency's program for ensuring safety in handling low levels of radioactive contaminants. Reviews materials licensee financial assurance plans for decommissioning issues licenses and license amendments related to LLW sites and sites undergoing decommissioning. Manages power reactor decommissioning after spent fuel has been removed from the spent fuel pool. Implements an active interface program, including ongoing consultation with Federal, State, Indian tribe, and other entities to promote understanding of decommissioning programs and to identify and resolve concerns in a timely manner. Provides technical assistance to Agreement States on decommissioning issues.

Uranium Recovery and Low-Level Waste Branch

Serves as the focal point for implementation and overall coordination of the Uranium Recovery (UR) and Low-Level Waste (LLW) Programs, including interface with DOE, States, and licensees. Responsible for planning and implementing the regulatory programs under the UMTRCA. Manages, coordinates, and conducts the safety and environmental reviews of pre-licensing and licensing activities, and the review of documents related to the concurrence and licensing of Title I sites under UMTRCA. Plans and directs the program for UR Title II site activities, including mill tailings management and decommissioning, encompassing, (1) oversight and programmatic direction for the UR program, (2) implementation of policies and programs, and (3) reviews of UR licensing and inspection programs for technical adequacy and consistency. Provides technical assistance to Agreement States on UR and LLW issues. Implements an active interface program including ongoing consultation with Federal,

State, Indian tribes, and other entities to promote understanding of LLW programs and to resolve concerns in a timely manner.

High-Level Waste and Performance Assessment Branch

Serves as the focal point for project management, integration, and overall coordination of the HLW repository program. Responsible for implementation of the regulatory program under the Nuclear Waste Policy Act (NWPA) of 1982, and implementation of the NRC and DOE procedural agreement governing pre-licensing consultation for HLW. As the center for technical expertise in health physics, earth sciences, geotechnical, mechanical, and structural engineering, material sciences, and performance assessment disciplines, conducts technical reviews and provides support to the high-level waste program. Develops the technical evaluation and assessment methodologies and codes to determine compliance with 10 CFR Parts 40, 60, and 61; 40 CFR Part 191; and other regulatory requirements. Serves as office focal point for developing and implementing NRC's risk informed, performance based program for materials and waste management. Develops guidance with respect to specific technical information required for strategies and methodologies that would be acceptable to demonstrate compliance. Provides performance assessment support in the HLW, low-level waste, decommissioning, and uranium recovery programs. Ensures technical completeness, accuracy, and consistency within assigned technical responsibilities. Reviews regulatory requirements and relevant pre-licensing, licensing, and decommissioning documents. Performs evaluations of DOE methodologies for stabilization of HLW from residual or "incidental" waste at DOE sites. Interfaces with the U.S. Environmental Protection Agency and others in the development and implementation of environmental radiation protection standards for high-level waste management and disposal. Responsible for international coordination of performance assessment, engineering, geoscience, and health physics activities.

SPENT FUEL PROJECT OFFICE

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

Licensing and Inspection Directorate

Directs and manages the licensing safety and environmental reviews of spent fuel transportation and storage cask designs under 10 CFR Parts 71 and 72, including the certification of storage cask systems under the general license provisions of 10 CFR Part 72. Directs and manages inspections and reviews of transportation packages, spent fuel storage system vendors, and independent spent fuel storage installations to assess compliance with provisions of license or certificate. Directs the development of policy, regulations, and guidance for designers, users, and fabricators of NRC-certified transportation packages and dry spent fuel storage casks, and participates in the development of international transportation and spent fuel storage safety standards.

Spent Fuel Licensing Section

Manages the licensing and environmental reviews of commercial spent fuel transportation and storage cask designs under 10 CFR Parts 71 and 72, including the certification of storage systems under the general license provisions of 10 CFR Part 72. Manages the safety and environmental reviews of interim spent fuel and high-level waste storage facilities under 10 CFR Part 72, including the licensing of nuclear utility specific facilities, private facilities, and a Department of Energy (DOE) centralized facility. Manages the review of DOE applications for storage and transport systems for the civilian high-level radioactive waste program.

Transportation and Storage Safety and Inspection Section

Develops policy, regulations, and guidance for designers, users, and fabricators of NRC certified transportation packages and dry spent fuel storage casks. Provides technical and policy guidance to the NRC Regions and licensees on transportation and spent fuel storage. Conducts safety inspections of transport packages and spent fuel storage system vendors to assess compliance with provisions of license of certificate. Conducts safety inspections at independent spent fuel storage installations. Conducts inspections of the implementation of quality assurance programs by users, suppliers, and fabricators of NRC certified transport packages and dry storage systems. Approves quality assurance programs for transportation activities and for fabrication of transportation packagings. Develops guidance with other US Government and international agencies on transportation and policy issues, and provides guidance to industry and the public. Participates in the development of international transportation and spent fuel storage safety standards. Reviews and provides guidance on transportation physical protection issues. Provides technical support for incident and emergency response.

Technical Review Directorate

Directs and manages the technical safety review of spent fuel transportation and storage cask designs under 10 CFR Parts 71 and 72. Directs and manages the technical safety evaluations and issues certificates of compliance for non-spent fuel transportation packages under 10 CFR Part 71.

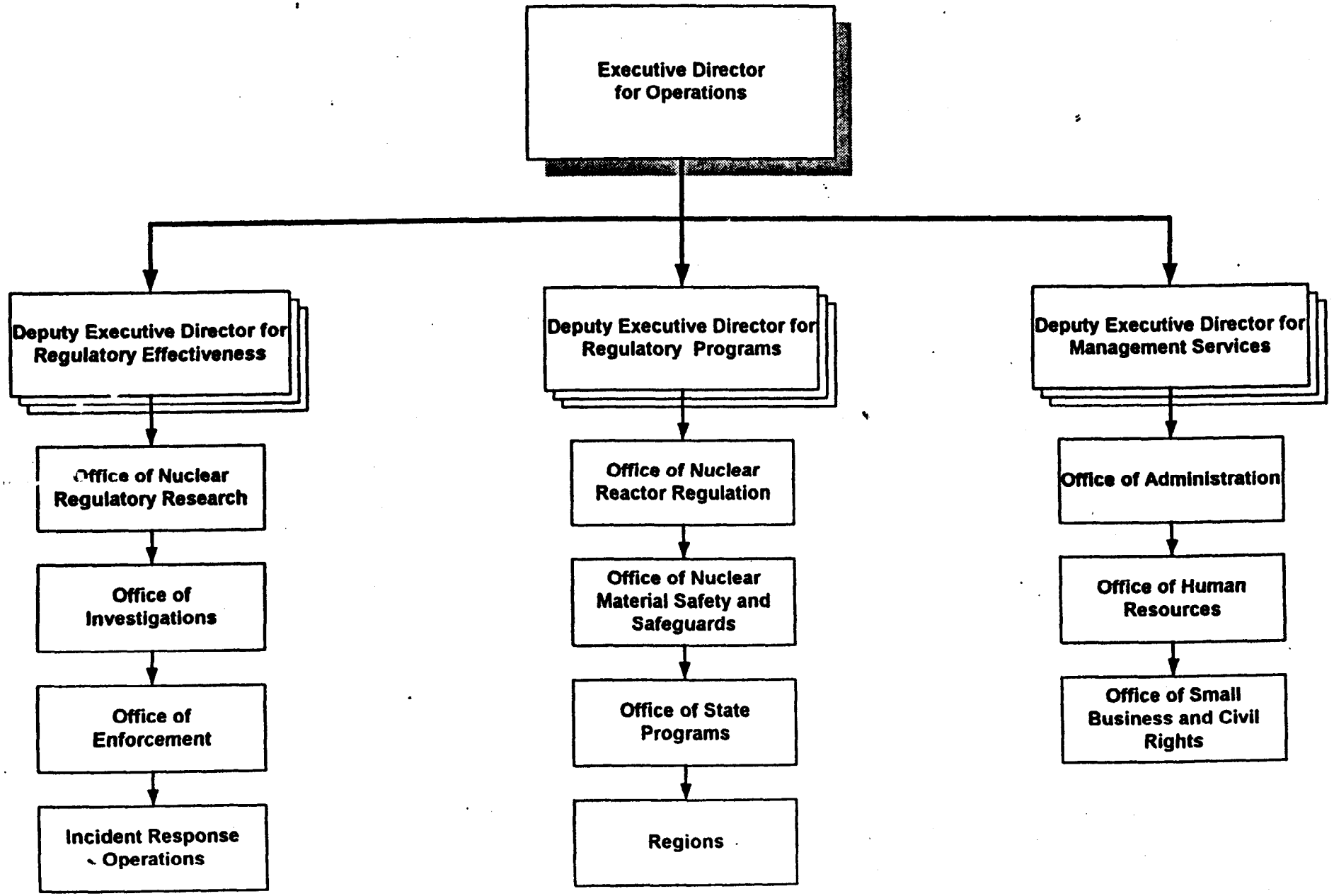
Package Certification Section

Conducts the safety evaluations and issues Certificates of Compliance for non-spent fuel transportation packages under 10 CFR Part 71. This includes transportation containers for UF6, fresh fuel, oxides, contaminated waste, sealed sources, and Naval Reactor shipments. Develops technical guidance for the design, analysis, fabrication, and operation of non-spent fuel shipping containers. Provides technical support for incident and emergency response.

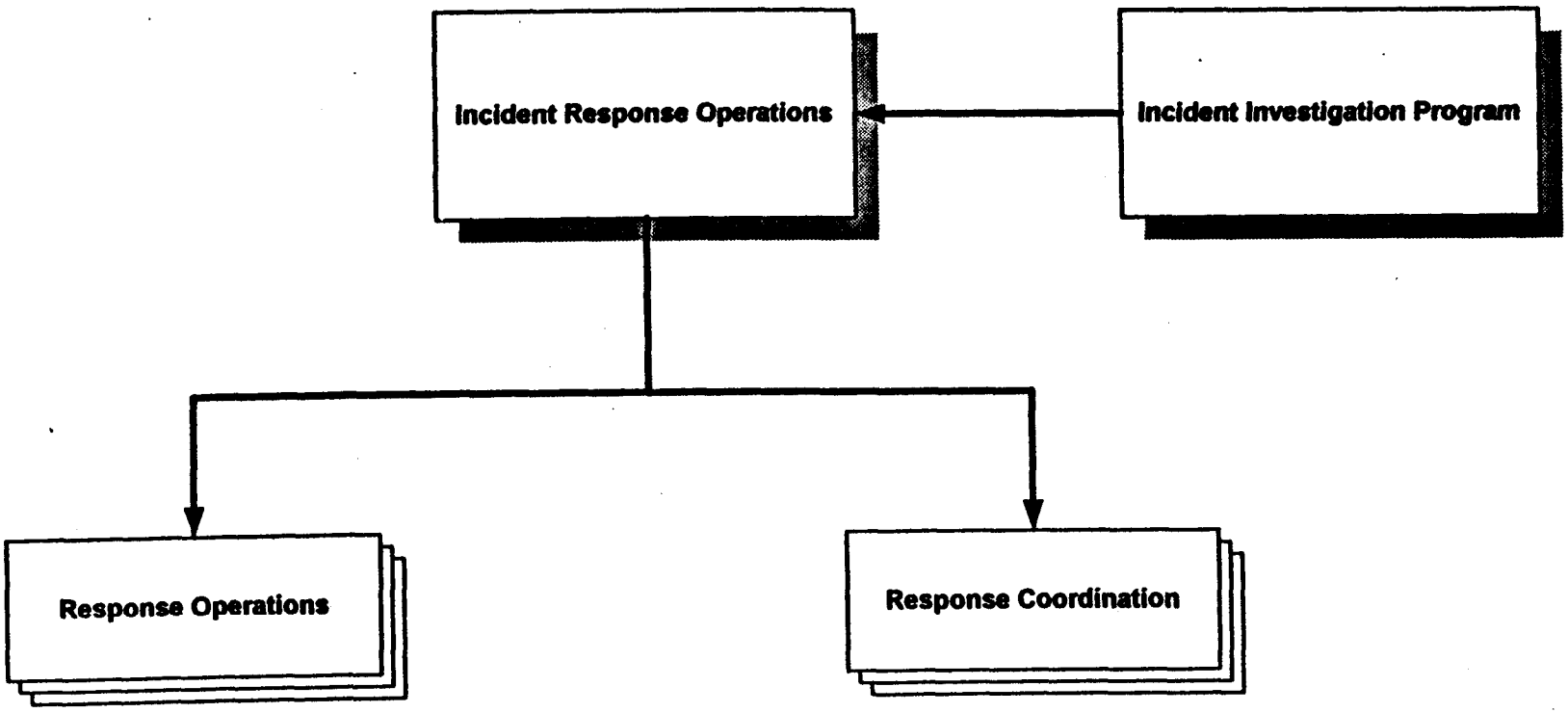
Technical Review Section

Conducts the technical safety reviews of commercial spent fuel transportation and storage cask designs under 10 CFR Parts 71 and 72. Conducts the safety reviews of interim spent fuel and high-level waste storage facilities under 10 CFR Part 72, including the licencing of nuclear utility specific facilities, private facilities, and a DOE centralized facility. Conducts the review of the Department of Energy (DOE) applications for storage and transport systems for the civilian high-level radioactive waste program.

Office of Executive Director for Operations



Incident Response Operations



Incident Response Operations

Develops and directs the NRC program for response to incidents, and is the agency incident response interface with Federal Emergency Management Agency (FEMA) and other Federal agencies. Also, develops and directs the NRC program for investigation of operational incidents. Exercises oversight of the regional response programs. Manages the NRC Operations Center. Receives, screens, and promptly disseminates operational event information reported to the Operations Center in support of NRR, NMSS, and the Regions, as appropriate, to provide for timely feedback to and action by the cognizant offices.

Response Operations

Manages the NRC Operations Center. Develops, maintains, and integrates NRC response plans, procedures, and training of personnel and organizations. Conducts exercises to achieve and test readiness objectives. Provides operational support and contract management for Headquarters response activities. Provides staff, procedures, and controls for the receipt of reports of reactor events, materials events, and other information at the Operations Center. Provides prompt feedback to NRR, NMSS, and the Regions regarding reported events that require immediate regulatory attention. Provides continuous shift manning of the Operations Center with systems engineers.

Response Coordination

Develops NRC policy, plans, program requirements, and procedures for the NRC response to incidents. Ensures that the NRC response is consistent with licensee responsibilities and is coordinated with Federal and State response activities. Serves as the agency focal point for incident response interface issues with FEMA and other Federal agencies. Provides response planning and procedural guidance to Regional offices and assesses Regional office response capabilities.

Incident Investigation Program

Develops NRC plans, procedures and training for the investigation of significant operational events involving reactor and material facilities licensed by the NRC. This program ensures that the investigation of significant events is performed in a manner that is timely, objective, systematic, technically sound, and independent of the NRC staff associated with the licensing and inspection of the effected facility; that factual information pertaining to the events is documented; and that probable cause(s) are ascertained. An NRC senior manager leads the IIT. Each IIT reports directly to the EDO and is technically and administratively supported by the Incident Response Operations staff. The program manager maintains and updates the roster of qualified Team Leaders and Team Members, and periodically provides specialized training to qualify roster replacements when needed.