



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

June 29, 2017

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

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am submitting the quarterly report related to the NRC's progress on certain licensing actions and right-sizing commitments as directed by the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2017.

To monitor the NRC's progress against its licensing goals and right-sizing commitments, the Joint Explanatory Statement directed the Commission to report consistent with the explanatory statement for Public Law 114-113: 1) "the on-board strength of full-time equivalent [(FTE)] employees, including any identified areas of critical skill shortages and targeted hiring strategies against these shortage areas"; 2) "actions taken to right-size the NRC in accordance with the recommendations of the Project Aim report, to include re-baselining assumptions and projection of FTEs and required budget authority"; 3) "progress to eliminate the backlog of pending licensing actions in the Office of Nuclear Reactor Regulation by 2017"; and 4) "progress to complete the licensing reviews of pending reactor license renewal applications (power and research reactors), combined license applications, early site permit applications, design certification applications, and uranium recovery applications (initial and renewal) against currently projected schedules."

The agency started fiscal year (FY) 2017 with 3,335 FTE. We implemented strategies such as voluntary early retirement authority, voluntary separation incentive pay programs, and very limited hiring to achieve appropriate reductions in staffing levels. We currently project a utilization of 3,251 FTE through the end of FY 2017 (projection based on known personnel actions as of pay period ending May 13, 2017).

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

The agency continues to make progress in implementing the re-baselining effort that has resulted in the NRC realizing \$48 million in savings between the FY 2017 and FY 2018 President's Budget to accommodate our anticipated workload. The results of the one-time re-baselining effort identified 150 activities that could be shed, deferred, or performed with fewer

resources to achieve further savings in FY 2017. To date, we have completed the actions necessary to shed the work associated with 143 of those activities. We continue to implement the remaining activities. These activities will be completed by the end of the first quarter of FY 2018. As reference material for your awareness, enclosed is a recent Project Aim Implementation Status Update, dated April 29, 2017 (Enclosure 1).

The staff has made progress in reducing the backlog of licensing actions, completing 95 percent within one year or less during FY 2016 and the first half of FY 2017. The backlog has gone from a high of 112 in 2014 to 10 at the close of FY 2016. The staff's progress in completing other licensing actions is reflected in the enclosed table (Enclosure 2).

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

Sincerely,



Kristine L. Svinicki

Enclosures:

1. Implementation Status Update – April 2017
2. Progress on Licensing Applications – Fiscal Year 2017 - Quarter 1

cc: Senator Patrick J. Leahy

Identical letter sent to:

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

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