

PART I: CAPITAL ASSET PLAN AND BUSINESS CASE (All Assets)

Agency: Nuclear Regulatory Commission (NRC)
 Bureau: N/A
 Account Title: Salaries and Expenses
 Account Identification Code: 31-0200-0-1-276
 Program Activity: Financial Management
 Name of Project: Fees Systems (Legacy)
 Unique Project Identifier: 429-00-01-01-01-2030-00
 (IT only)(See section 53)
 Project Initiation Date: 1982
 Project Planned Completion: December 2005
 This Project is: Steady State

Project/useful segment is funded: Fully
 Was this project approved by OMB for previous Year Budget Cycle? Yes

Did the Executive/Investment Review Committee approve funding for this project this year? Yes

Did the CFO review the cost goal? Yes

Did the Procurement Executive review the acquisition strategy? Yes

Is this investment included in your agency's annual performance plan or multiple agency annual performance plans? Yes

Does the project support homeland security goals and objectives, i.e., 1) improve border and transportation security, 2) combat bio-terrorism, 3) enhance first responder programs; 4) improve information sharing to decrease response times for actions and improve the quality of decision making? No

Is this project information technology? (See section 300.4 for definition) Yes

For information technology projects only:

a. Is this Project a Financial Management System? (see section 53.3 for a definition) Yes

If so, does this project address a FFMIA compliance area? Yes

If yes, which compliance area?

Financial Systems Requirements

b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)? Yes

If so, is it included in your GPEA plan (and does not yet provide an electronic option)? Yes

Does the project already provide an electronic option? No

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- c. Was a privacy impact assessment performed for this project? Yes
- d. Was this project reviewed as part of the FY 2002 Government Information Security Reform Act review process? Yes
- d.1 If yes, were any weaknesses found? Yes
- d.2 Have the weaknesses been incorporated into the agency's corrective action plans? Yes
- e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination? No
- e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified above as national critical infrastructures? Business essential system

SUMMARY OF SPENDING FOR PROJECT STAGES (In Millions) (Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)									
	PY-1 and Earlier	PY 2002	CY 2003	BY 2004					
Planning:									
Budgetary Resources									
Outlays									
Full Acquisition:									
Budgetary Resources									
Outlays									
Total, sum of stages:									
Budgetary Resources									
Outlays									
Maintenance:									
Budgetary Resources	.500	.584	.416	.471					
Outlays	.500	.584	.416	.471					
Total, All Stages:									
Budgetary Resources	.500	.584	.416	.471					
Outlays	.500	.584	.416	.471					

I. A. Project Description

1. Provide a brief description of this project and its status through your capital planning and investment control (CPIC) or capital programming "control" review for the current cycle.

The NRC is mandated by Federal regulation to recover a major portion of its annual budget. In order to achieve this requirement, fees are assessed in accordance with the License Fee Management Program for annual licensing activities and various services which include new licensing approvals, licensing amendments, topical reports, and reactor inspections. The Fees Systems provide an automated method of implementing this major Agency Program. Management reports and invoices are produced by this system which is used by Headquarters Program and Support Offices, as well as the four regional offices.

The type of expenditure associated with this project is categorized as a "Legacy System Application", Steady State, and it is in the operation phase of the CPIC process. Although inflexible and not easily adaptive to rapidly changing business and IT infrastructure needs, continued use of this legacy system is required until an improved solution can be implemented. A separate, companion Exhibit 300 is being submitted this year for a replacement fees system.

2. What assumptions are made about this project and why?

- In response to Commission decisions to capture more Agency cost directly attributable to licensees, the application systems will be expanded to capture more Program Offices for fee billing.
- The NRC does not anticipate any change to the current legislation that requires the NRC to recover a large percentage of the Agency's budget.
- The NRC will be required to bill owners of generally licensed devices that do not include a payment at the time of registration. It is expected that this will be a new requirement that must be automated through use of the Fees Systems.
- The License Fee Management Program will continue to support the NRC's license fee policies and regulations including the many complexities such as the small business entity certification process required by the Small Business Administration, biennial reviews of license fees as required by the Chief Financial Officers Act (CFO), exemptions, suspensions and terminations.
- The NRC will continue use of the legacy application systems for its License Fee Management Program until such time as a replacement can be developed and implemented.

3. Provide any other supporting information derived from research, interviews, and other documentation.

The Fee Rule is published annually in the Federal Register which becomes the legal document for the Agency's License Fee Management Program. Amendments to the NRC's regulations identified in the Fee Rule require on-going system changes and continual maintenance and operation.

A yearly audit is performed by the Inspector General on the Agency's financial statement that includes a review of fees billed and collected. The audit ensures that the systems are accurately capturing and reporting billable cost data. Deficiencies that require system modification are funded for correction in a timely manner.

I.B. Justification (All Assets)

1. How does this investment support your agency's mission and strategic goals and objectives?

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
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NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
<p>1. Nuclear Reactor Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors.</p> <p>2. Nuclear Materials Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material for medical, academic, and industrial purposes</p> <p>3. Nuclear Waste Safety: Prevent adverse impacts from radioactive waste to the current and future public health and safety and the environment, and promote common defense and security.</p>	<ul style="list-style-type: none"> • We will make public participation in the regulatory process more accessible. We will listen to the public's concerns and involve our stakeholders more fully in the regulatory process. • We will communicate more clearly. We will add more focus, clarity, and consistency to our message; be timely; and present candid and factual information in the proper context with respect to the risk of the activity. • We will continue to enhance the NRC's accountability and credibility by being a well-managed, independent regulatory agency. We will increase efforts to share our accomplishments with the public. 	X	<p>These goals and strategies are indirectly supported by this initiative as detailed below.</p> <ul style="list-style-type: none"> • The Fees Systems implement fee billing based on the NRC's fee policies and regulations. Annually, the Fee Rule is published and made available for public comment. Modifications to the Fees Systems are often necessary to incorporate amendments to the Fee Rule based on public concerns. • Use of the Fees Systems enables OCFO to generate at least five different types of invoices with varying degrees of detail that are sent to approximately 6,000 licensees. Invoices are generated in accordance with a schedule which is developed on an annual basis to ensure that licensees receive their bills in a timely manner. • Time and labor, as well as contract cost and licensing action data is gathered electronically by the Fees Systems which reduce the potential for errors in the billing and reporting processes.
<p>4. International Nuclear Safety Support: Support U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation</p>	<ul style="list-style-type: none"> • We will strengthen collaborative processes for conducting business among support offices and between support and program offices. • We will strengthen our financial systems and processes to ensure that our financial assets are adequately protected consistent with risk and that our financial information is better integrated with decision-making. 	X	<p>This goal and strategies are indirectly supported by this initiative as detailed below.</p> <ul style="list-style-type: none"> • The fee billing process encompasses aspects of all the major program offices at the NRC. The Fees Systems enable the NRC to conduct mutual business in a timely, accurate, and efficient manner. Security measures to protect the financial assets associated with the Fees Systems will be strengthened and enhanced.
<p>NRC Corporate Management Strategy 1: Employ innovative and sound business practices</p>	<ul style="list-style-type: none"> • We will strengthen collaborative processes for conducting business among support offices and between support and program offices. • We will find new and better ways of doing business to increase effectiveness and efficiency of operations. 	X	<ul style="list-style-type: none"> • OCFO will consult with OCIO, other support offices, Program, and Regional offices as appropriate to integrate the fee billing process with applicable business, operational and technical needs. • To a great extent, use of the Fees Systems provides OCFO with improved operating efficiencies by reducing complicated information collection burdens. Reduced cost and increased quality result in productivity improvements and increased staff and licensee

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
			satisfaction.
NRC Corporate Management Strategy 3: Provide proactive information management and information technology services.	<ul style="list-style-type: none"> We will work jointly with program and support offices to integrate information technology and business planning as a means of achieving agency goals and strategies. We will make it easier for the staff to acquire, access, and use the information they need to perform their work. We will improve the ability of the NRC and external entities to conduct our mutual business electronically. 	X	<ul style="list-style-type: none"> Use of the Fees Systems provides an automated method of completing the fee billing process. When system processes are changed, training is provided to Program and Regional staff. Electronic data from various Program and Regional Offices are utilized by the Fees Systems. Electronic data also provides a primary source for accounts receivables and vendor information in the Core Financial Systems.

2. How does it support the strategic goals from the President's Management Agenda?

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
Human Capital	X	Fees Systems use automated interfaces to gather, calculate, bill, and update the Core Financial Systems, and therefore human resources are freed from duplicative and heavily manual processes. To a great extent, many of the complexities associated with the License Fee Management Program are built into the software and thus do not rely on human knowledge that may be lost due to retirement.
Competitive Sourcing	X	Contractor services for maintenance and operational support of the Fees Systems are competitively bid.
Financial Performance	X	The Fees Systems provide daily financial billing and collection data to the Federal Financial System (FFS/DOI) in support of the Agency's financial statement. All fees collected are deposited to the U.S. Treasury as "miscellaneous receipts" and are not kept by the Agency to pay salary, benefit or other costs. Use of these automated application systems provide financial data to support the NRC's Strategic Plan (Strategic Arenas) and other federal financial requirements. Information provided by these systems also support monthly reports and year-end closing.
E-Government	X	Fees Systems use automated interfaces to gather, calculate, bill, and update the Core Financial Systems. Collections are obtained electronically from the bank, and electronically updated to the Core Financial Systems. Vendor data updates are also automated to the Core Financial System.
Budget and Performance Integration	X	Fees Systems provide Managers with timely feedback pertaining to the License

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
		timely feedback pertaining to the License Fee Management Program in an accurate manner as needed to more correctly measure performance of the program.

3. Are there any alternative sources in the public or private sectors that could perform this function?

With the many complexities and exceptions related to the NRC's License Fee Management Program, the collection and disbursement of monetary transactions will be achieved with continued use of the legacy Fee Systems; maintenance for which is provided by contractor support via the CISSCO Program, a competitively bid contract.

The NRC recognizes that these legacy application systems have reached their capacity to effectively implement changing requirements and utilize outdated technology. The Agency will begin review in FY 2003 for preparation of a CPIC Business Case to replace the Fees Systems. A separate 300 Exhibit, "Fees Systems Replacement," is being submitted this year to address that project. Our goal is to have performance-based contracts for that project during which all possible alternatives will be explored. Market research will be performed to identify a possible COTS product solution. Other government agencies will also be identified and queried to ascertain if an appropriate solution already exists. .

4. If so, explain why your agency did not select one of these alternatives.

An appropriate alternative solution will be identified and researched as part of the companion effort, "Fees Systems Replacement."

5. Who are the customers for this project?

The customers for this project include the U.S. Department of Treasury, individuals and program offices throughout the NRC, and the Office of Management and Budget. External customers are licensees that receive a fee-billable service from the Agency. This includes over 50 categories of persons required to be licensed as well as, where applicable, applicants for facilities, materials, import and export licenses, holders of certificates of compliance, registrations, quality assurance program approvals and government agencies licensed by the NRC.

6. Who are the stakeholders of this project?

There are many participants that have an interest in the legacy Fees Systems project. They include major program offices at the NRC such as OCFO, OCIO, the Office of Nuclear Material Safety (NMSS), the Office of Nuclear Reactor Regulation (NRR), the Office of National Safety Incident Response (NSIR) as well as the four Regional Offices, the U.S. Department of Treasury and the general public.

7. If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative.

This is not a multi-agency initiative, but information generated by the Fees Systems is electronically sent to the U.S. Department of Treasury via an automated interface with the Federal Financial System (FFS). Certain components of the Fees Systems reside on a mainframe computer facility that is managed by the National Institutes of Health (NIH), services are provided via a cross-servicing agreement. Depending on timing considerations modifications may also be required in order for the NRC to participate in multi-agency initiatives such as the Intergovernmental Transaction Portal (ITP).

8. How will this investment reduce costs or improve efficiencies?

Use of the Fees Systems, some of which were developed in the early 1980's, improved efficiencies by automating what were previously labor-intensive manual processes. Through the years, the Fees Systems have expanded to support additional legal requirements that would have otherwise been very costly to administer. Electronic collection methods and vendor updates have also been adopted. Business processes have been streamlined and integrated to a large extent which enables valuable staff time to be allocated to business operations rather than data management.

9. List all other assets that interface with this asset. Have these assets been reengineered as part of this project? Yes X *, No _____. See the final bullet in this section.

The fees systems contain many internal and external interfaces:

- A majority of source manpower data is obtained from the Time & Labor module of the NRC's Human Resource Management System (HRMS).
- Certain data pertaining to Task Assignment Control (TAC) usage, staff and dockets are provided by the NRC's Reactor Program System (RPS).
- Inspection information as recorded on Inspection Reports is obtained from the NRC's Inspection Reports Tracking System (IRTS).
- Billing, payment and address related transactions are sent to the U.S. Department of Treasury via electronic transfer to the Federal Financial System (FFS/DOI).
- Address and materials fee information for various types of licensees are obtained from the NRC's License Tracking System (LTS), National Sealed Source and Device Registry System (NSS&DRS), as well as the Transportation Approval Package Information System (TAPIS) systems.
- Contract cost data is obtained from the NRC's Technical Assistance Program Support System (TAPSS) and Technical Assistance Program Support Systems/NMSS (TAPNM) systems.
- Collection data is obtained from the U.S. Bank's lockbox payment services and sent to the U.S. Department of Treasury via electronic transfer to the Federal Financial System (FFS/DOI).
- Internal interfaces, such as the sharing of billing address data, have been reengineered in the past as part of this project. The FFS interface for billing and vendor update has been modified in the past to accommodate Fees Systems requirements. However, reengineering of the external interfaces is currently not within the scope of this project.

I.C. Performance Goals and Measures (All Assets)

I.C. Performance Goals and Measures (All Assets)						
Fiscal Year	Strategic Goal(s)	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2002 2003 2004	Goal 1: Protect agency financial assets consistent with risk.	Current administrative and programmatic workload.	The CFO achieves the President's Management Agenda's standards for success for financial management.	TBD in September with year-end review.	Financial Management systems meet Federal financial management system requirements and applicable Federal	TBD in September with year-end review.

					accounting and transaction standards as reported by the agency head.	
2002 2003 2004	Goal 1: Protect agency financial assets consistent with risk.	Current administrative and programmatic workload.	Collect fees and other monies due the NRC in accordance with legislative requirements.	TBD in September with year-end review.	Collect approximately 100% of the amount to be collected through fees	TBD in September with year-end review.
2002 2003 2004	Goal 1: Protect agency financial assets consistent with risk.	Current administrative and programmatic workload.	Maintain administrative control of funds.	TBD in September with year-end review.	Allocation of funds are within established limits.	TBD in September with year-end review.
2002 2003 2004	Goal 2: Provide leadership to integrate financial and performance information into decision making.	Current administrative and programmatic workload.	NRC senior managers find financial/cost information timely and useful for decision making.	TBD in September with year-end review.	Financial systems provide timely and accurate financial information to internal and external customers.	TBD in September with year-end review.
2002 2003 2004	Goal 3: Provide high quality financial services.	Current administrative and programmatic workload.	Maintain fee services.	TBD in September with year-end review.	<p>Deliver accurate fee bills for Part 170 full cost within 30 days after close of calendar year.</p> <p>Deliver accurate fee bills for Part 171 monthly annual fees by the 15th of each month.</p> <p>Deliver accurate fee bills for Part 171 quarterly annual fees; 1st qtr. Within 5 days of appropriation, 2nd and 3rd qtr. within 10 days of start of the qtr., 4th qtrs. within 5 days of the Final Fee Rule effective date.</p>	TBD in September with 2003 year-end review.

I.D. Program Management [All Assets]

1. Is there a program manager assigned to the project? If so, what is his/her name? Yes, Carlson, Robert
2. Is there a contracting officer assigned to the project? If so, what is his/her name? Yes, Mona Selden
3. Is there an Integrated Project Team? Yes

3.A. If so, list the skill set represented.

The skill set includes systems analysis, accounting, software design and development, client services, enterprise infrastructure, hardware support, business and application expertise, project management, interpersonal skills, administrative, and leadership. The team consists of users, their managers, Program and Technical Managers, project management, subject matter experts, programmers, testers, documentation specialists, senior financial management, and other high level executives directly responsible for the Agency's financial performance including representatives from OCIO and OCFO.

4. Is there a sponsor/owner?

Yes

Sponsor / Owner Name

Carlson, Robert

Part II: Additional Business Case Criteria for Information Technology**II. A. Enterprise Architecture****II.A.1 Business****A. Is this project identified in your agency's enterprise architecture? If not, why?**

Yes, the Fees Systems project has been identified in the NRC's in-progress Enterprise Architecture (EA).

B. Explain how this project conforms to your departmental (entire agency) enterprise architecture.

The Fees Systems project falls within the scope of the NRC's baseline EA. As such, this system supports the performance of the business functions identified in the Agency enterprise business model, documented in the NRC publication, "NRC Enterprise Model," provides data required by the NRC's services to citizens revenue collection business area and internal operations/infrastructure financial management business area. The Fees Systems utilize legacy software and databases that are outdated technology still in use. A separate funding request is being made for development of a replacement for the Fees Systems that will be aligned with the NRC's future application and technology standards as specified in the NRC's existing technology planning documents. As legacy applications using outdated technology, the Fees Systems are likely to be part of the NRC's EA migration planning. Although the NRC's existing technology planning documents are being updated, the current documents identify some core technology needs. These core technology needs are in the process of being updated and expanded through an evolving organizational EA governance process that will ensure that all current and future technology needs are vetted by NRC business managers to validate links to NRC business drivers for the identified technologies. When fully functional, the NRC's integrated EA and CPIC processes will enable the NRC to apply the same sound risk management strategies to its IT investments that have long characterized the NRC's core business operations. The NRC has also provided the Federal Enterprise Business Reference Model (FEBRM) with high level business functions and subfunctions derived from the NRC Enterprise Model. The NRC is working to uncover additional internal cross-cutting initiatives and has begun to look at other-agency business processes and State business processes to identify potential areas for collaborative efforts.

Over the past years, NRC has developed various architectural components of an EA. These components were delineated and enclosed in a letter from the NRC during the FY 2003 budget process. Taken together, these items include all components of an EA. However, the NRC has recently chosen to rely on the principles and practices of EA presented in the Federal CIO Council's "Federal Enterprise Architecture Framework," FEAF, to revitalize its EA program, fully integrate and align the EA with the CPIC process, update all existing EA artifacts, support sound project and change management utilizing the System Development and Life-Cycle Management (SDLCM) Methodology, and identify and foster understanding of how existing and future information technology can better support current and future NRC business activities and operations. The NRC has recently staffed an Agency EA position to energize the program and is beginning to take the steps necessary to ensure agency-wide utilization of its EA. For example, NRC is currently working on EA strategy and planning documents that will ensure a sustained and fully integrated EA process and avoid the start-stop-resume cycle that has been a problem in past NRC EA endeavors. The NRC is now in the process of identifying the updates necessary to NRC Management Directive 2.1, "Information Technology Architecture," and NRC Management Directive 2.2, "Capital Planning and Investment Control," to fully integrate all needed changes in NRC's management processes. Purposeful business thinking, systematic technical analysis, careful political orchestration, change management and communication and outreach will underlay all future NRC EA efforts. The component-based architectural approach taken from the FEAF will enable the component focus necessary to achieve quick gains while the revamped NRC EA process develops over time and reaches the level of maturity necessary to more effectively address business problems. The FEAF will provide the necessary foundation and support to link business investment and technology.

C. Identify the Lines of Business and Sub-Functions within the Federal Enterprise Architecture Business Reference Model that will be supported by this initiative.

The FEA BRM Lines of Business supported are Revenue Collection (Service to Citizens) and Internal Operations/Infrastructure. The FEA BRM Subfunctions supported are Other Revenue Collection and Financial Management.

D. Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture.

This initiative supports the Revenue Collection Line of Business by providing an automated method of generating invoices for various fee billable services provided by the NRC for licensees. All revenue collected is deposited to the U.S. Treasury as "miscellaneous receipts." The Fees Systems also produce a number of reports which support the Financial Management subfunction of the Internal Operations/Infrastructure Line of Business.

E. Was this project approved through the EA Review committee at your agency?

Yes, funding for FY 2004 maintenance of the Fees Systems has been approved through the EA Review Committee. However, maintenance of these legacy application systems predates implementation of the CPIC process at the NRC.

F. What are the major process simplification/reengineering/design projects that are required as part of this initiative?

In the past, several significant modifications were made to simplify processes. However, the overall design of these systems remained the same and thus required no reengineering. Future simplifications will entail further automation of additional program offices such as the Office of Nuclear Security and Incident Response (NSIR), the Office of Research, the Advisory Committee on Reactor Safeguards (ACRS), and the

Office of General Counsel (OGC). NSIR and Research have been partially automated, but further modification is needed in order to eliminate the current paper-based manual process of collecting fee data that pertains to their staff.

Additionally, each year the NRC's budget reporting structure changes to some extent. Modifications to the Fees Systems are often required in order to correctly identify fee billable activities. Other simplifications include automating the billing of general licensees that do not submit a payment with their annual registration and depending on the timing, modifications to accommodate the NRC's participation in joint efforts such as the Intergovernmental Transaction Portal (ITP).

G. What are the major organization restructuring, training, and change management projects that are required?

Restructuring of the organization is not applicable.

F. What are the Agency lines of business involved in this project?

The lines of business at the NRC that are involved in this project include those associated with financial management. OCFO is responsible for all of the NRC's financial management activities that include administering the Agency's License Fee Management Program.

G. What are the implications for the agency business architecture?

There are no implications for the Agency business architecture since the Fees Systems are already in use at the NRC and are currently in Steady State of their life cycle. The Fees Systems will continue to be harmonized with Agency business architecture, utilizing official sources of data, in a manner consistent with Agency business practices.

II.A.2 Data

A. What types of data will be used in this project?

The fees systems use NRC personnel time/labor and contractor cost data for fee billing purposes. Licensee application information is also utilized. No new data requirements are anticipated.

B. Does the data needed for this project already exist at the Federal, State, or Local level? If so, what are your plans to gain access to that data?

Sources for fee billing data do not reside outside of the NRC IT environment. Depending on the timing, however, it may be necessary to make the modifications required to allow the NRC to participate in joint efforts such as the Intergovernmental Transaction Portal (ITP). If so, that will likely be achieved through the use of electronic data transfers.

C. Are there legal reasons why this data cannot be transferred? If so, what are they and did you address them in the barriers and risk sections above?

The Fees Systems rely on certain propriety data that cannot be transferred or accessed by the general public or unauthorized individual entities. Security Plans are in place to prevent unauthorized access or release of propriety/sensitive data. OCFO also relies upon guidance provided by OCIO in the efficient use and integration of appropriate information technologies. A portion of those responsibilities involve computer security administration, which is handled by OCIO computer security staff.

- D. If this initiative processes spatial data, identify planned investments for spatial data and demonstrate how the agency ensures compliance with the Federal Geographic Data Committee standards required by OMB Circular A-16.**

The Fees Systems do not process any spatial data.

II.A.3 Application and Technology

- A. Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc.**

The Fees Systems are using outdated technology, but are still in use at the NRC. These application systems are named in the Agency's application layer of the application architecture that is kept in the IT portfolio management database. A replacement is in the early planning stages because we realize that the existing legacy systems will not be in compliance with the technology layer of the EA.

- B. Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain.**

All of the hardware infrastructure requirements are included in the Technical Reference Model under the Legacy category.

II. B. Security and Privacy

NOTE: Each category below must be addressed at the project (system/application) level, not at a program or agency level. Referring to security plans or other documents is not an acceptable response.

II.B.1. How is security provided and funded for this project (e.g., by program office or by the CIO through the general support system/network)?

The underlying NRC network IT security and physical security infrastructure are centrally provided and funded by the NRC. Program Offices also receive assistance from OCIO in developing and maintaining a Security Plan, Risk Assessment, Business Continuity Plan, security testing, security training and system certification/accreditation. The Program Office (OCFO) will fund the remaining costs and those costs associated with building in security controls and features within the applications. Security within the application is currently provided via user access control, system specific edits and controls, manual verification and integrity checks, as well as through the system architecture.

A. What is the total dollar amount allocated to security for this project in FY 2004?

\$67,000

II.B.2 Does the project (system/application) meet the following security requirements of the Government Information Security Reform Act, OMB policy, and NIST guidance?**A. Does the project (system/application) have an up-to-date security plan that meets the requirements of OMB policy and NIST guidance? What is the date of the plan?**

Yes. The project has a Security Plan meeting the requirements of OMB policy and NIST guidance. The Plan is dated October 1999, and is in the process of being updated. The updated Security Plan will be completed by April 30, 2003 and reviewed each year thereafter as required by GISRA.

B. Has the project undergone an approved certification and accreditation process? Specify the C&A methodology used (e.g., NIST guidance) and the date of the last review.

Yes. The project has undergone an approved certification and accreditation process, dated September 1999. The methodology was based on NIST and Agency management directives. Recertification and accreditation will be completed by April 30, 2003 and each year thereafter as required by GISRA.

C. Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed?

Yes. Tests of the management, operational and technical security controls were most recently conducted in March 2003 as part of the recertification process. The process will be repeated each year thereafter in accordance with GISRA requirements.

D. Have all system users been appropriately trained in the past year, including rules of behavior and consequences for violating the rules?

Yes. Annual security training is provided and required of all system users. This training covers rules of behavior and consequences for inappropriate use or access. The system User Guides also clearly identify systems as government owned.

- E. How has incident handling capability been incorporated into the system, including intrusion detection monitoring and audit log reviews? Are incidents reported to GSA's FedCIRC?**

The necessity for incident handling has been mitigated by limiting access to these Fees Systems to a small number of users. This control is further accomplished by use of a custom workstation desktop available only to this limited user group. Cross-serviced systems currently have documented incident response procedures.

At the Agency level, incident response is covered annually in the required security training and is further discussed in the agency management directive on system security. Incidents are required to be reported to the CIO, and to GSA's FedCirc.

- F. Is the system operated by contractors either on-site or at a contractor facility? If yes, does any such contract include specific security requirements required by law and policy? How are contractor security procedures monitored, verified, and validated by the agency?"**

Certain segments of operational support are conducted by contractors both on-site and off-site. Agency contracts have been revised to include security clauses as required by recent legislation. Security access compliance is controlled by an Agency official and this includes access to buildings, the LAN, NIH, and its architecture.

- II.B.3 How does the agency ensure the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access?**

Security is monitored through multiple approaches. Firewall protection filters suspicious or unauthorized access. Also utilized are keystroke tracking, sniffer software, virus detection software, audit logs and review, password protection, and least privilege access on Agency desktops, LAN accounts, and remote access.

- II.B.4 How does the agency ensure that the handling of personal information is consistent with relevant government-wide and agency policies.**

The NRC abides by the provisions in the Privacy Act of 1974 and has conducted a comprehensive review of all its Privacy Act Systems of Record. Consistent with Agency policies, sensitive/personal information is protected via 1) notices on agency policy for protecting and storing records with personal information including system generated media, 2) control of access levels to systems containing or transferring sensitive data, and 3) controlling access to hard copy files and reports.

- II.B.5 If a Privacy Impact Assessment was conducted, please provide a copy to OMB.**

The Fees Legacy system contains personal information about individuals. A Privacy Impact Assessment is attached to this Exhibit 300.

II. C. Government Paperwork Elimination Act (GPEA)

- II.C.1 If this project supports electronic transactions or record-keeping that is covered by GPEA, briefly describe the transaction or record-keeping functions and how this investment relates to your agency's GPEA plan.**

This project supports inter-agency transactions such as billing and vendor related transactions that are electronically sent to the Agency's core accounting system (FFS). Full compliance with the GPEA requirements will be addressed as part of the Fee Systems Replacement project, for which a separate Exhibit 300 was submitted.

II.C.2 What is the date of your GPEA plan?

The Agency's GPEA plan is dated August 2002.

II.C.3 Identify any OMB Paperwork Reduction Act (PRA) control numbers from information collections that are tied to this investment.

There are no PRA control numbers tied to this investment.