

September 11, 2007

MEMORANDUM TO: Mary Givvines, Director  
Division of Financial Management

FROM: Reginald W. Mitchell, Director /**RA**/  
Program Management, Policy Development and Analysis

SUBJECT: REDUCTION OF WORK ACTIVITY CODES

The Office of Nuclear Reactor Regulation (NRR) is cognizant of the importance of internal management controls and supports the efforts to establish a new agency wide policy and criteria to be used to open, close, and manage time reporting codes. During the period of July 5-18, 2007, NRR discriminately closed selective Technical Assignment Controls (TACs) that were (a) opened prior to FY07 and have no hours charged, or (b) not used since FY06. 543 TACs were closed resulting in a 13% reduction of the NRR TAC inventory.

On July 12, 2007, NRR staff met with CFO staff to discuss the strategy for evaluating and reducing Time and Labor (T&L) reporting codes. During this discussion, it was noted by NRR, that to further reduce the NRR TAC inventory beyond what has been reported above, significant policy and budget changes would be required. Furthermore, it was noted that until new agency and office business rules were fully vetted, such reductions of the on the NRR TAC inventory would be impractical and potentially intrusive to NRR operations.

NRR typically employs TACs to support five general areas:

- a. Budget Structure
  - The internal NRR Budget is itemized using an extensive Planned Accomplishments (PA) code structure with multiple Activity Type levels. Staff hours are charged to TACs aligned to specific PA-Activity Type combinations.
- b. Fee Billing
  - Licensee fees are assessed via the staff hours charged to a specific TAC. **TACs may only be assigned to one docket at a time.** Therefore, if a project is requested by a single licensee for multiple dockets, multiple TACs must be created.
- c. Performance Metrics
  - There are multiple output measurements delineated in the NRR Operating Plan. Many of these metrics are reported based on the status of the TACs aligned to the specific programs.
- d. Scheduling and Tracking
  - NRR workload management is based on the scheduling of and staff assignment to specific TACs. Many reports are centralized by TAC number; not necessarily project title.

e. Cost Accounting

- In support of future planning and budget modeling, many high-profile projects or programs are authorized to create TACs specific to individual project steps.

These five areas in conjunction with NRR obligations to stakeholders create a dynamic environment that can lead to a relatively large TAC inventory.

In the CFO letter, "Management of Work Activity Codes," date August 29, 2007, 497 NRR TACs that contain eight or few hours were marked to be removed from the T&L System. NRR has closed 69 of these TACs (one of which is still open due technical issues of the central database) and an additional 47 TACs not listed. Of the remaining 428 TACs, NRR maintains that these TACs need to remain open to support specific internal business practices and programs.

Justification for specific TACs and rationale for retaining them is provided in the below groups:

GROUP 1 – FY2007 TACS

NRR business practices direct TACs to be immediately issued once a project has been assigned. While efforts might not start immediately, the TAC provides for scheduling and tracking support. Typically, projects have standard one-year completion goals. Some programs have up to two or three year completion goals. As such, NRR considers any TACs opened during FY2007 to be in-use regardless of the current charged hours.

TACs AFFECTED: MD3058 – MD5871  
Q0001 – Q0003

TOTAL NUMBER OF TACS: 257

GROUP 2 – PROGRAM SUPPORT

Rather than continually opening and closing TACs to support specific individual programs, NRR business practices support minimizing overhead efforts by allowing TACs to be opened for expected future use. Additionally, TACs supporting projects/programs may currently have reduced utilization rates due to waiting on pending responses and/or support from external shareholders. These TACs should remain open for consistency in project referencing/tracking and efficiency in maintaining performance metric reporting.

**INTERNATIONAL PROGRAM**

TACs AFFECTED: M40728 – M40769, MA0440, MA8506 – MA8511,  
MB6809, MB6910, MC3049, MC5855, MC5856, MC7894,  
MC7895

TOTAL NUMBER OF TACS: 40

**INSPECTION AND OVERSIGHT PROGRAM**

TACs AFFECTED: MB1549, MC9340 – MC9402, MD0519 – MD5021

TOTAL NUMBER OF TACS: 34

**RESEARCH AND TEST REACTOR PROGRAM**

TACs AFFECTED: M79509, M79548, M79549, M79564, M79572, M79576, M79578, M79589, M79586, M79593, M79601, M79606, M79651, MA6084, MA6998, MB5804, MB7181, MC3049, MD1722, MD1842, MD2788, MD2913, MD3034

TOTAL NUMBER OF TACs: 23

**ONGOING STAKEHOLDER PROJECT REVIEWS**

TACs AFFECTED: MA4468, MB0441, MB3948, MB4519, MB9837, MB9838, MC9791, MD0082, MD0088, MD0089, MD0103, MD0115, MD1587, MD1589, MD1590,

TOTAL NUMBER OF TACs: 15

**NEW REACTOR PROGRAM**

TACs AFFECTED: MB6281, MC1129, MC1131, MD1428, MD1429, MD1461, MD1483, MD1820, MD1847, MD1850, MD2785, MD3012, MD3013

TOTAL NUMBER OF TACs: 13

**OFFICE INSTRUCTIONS AND GENERIC COMMUNICATION PROGRAMS**

TACs AFFECTED: MB7040, MC4580, MD0123 – MD0135, MD1448, MD2334, MD2707, MD3032

TOTAL NUMBER OF TACs: 10

**10 CFR 170 PROJECT MANAGER**

TACs AFFECTED: MA7614, MA7623, MA7452 – MA7656

TOTAL NUMBER OF TACs: 9

**RULEMAKING PROGRAM**

TACs AFFECTED: M96466, MA8563, MB8489, MB9007, MC7643,

TOTAL NUMBER OF TACs: 5

**STANDARDS COMMITTEES AND FEDERAL INTERFACE PROGRAM**

TACs AFFECTED: MB4309, MC4291, MD2511

TOTAL NUMBER OF TACs: 3

**GROUP 3 – DIFFERING DATA**

Review of the list provided by the CFO staff for TACs that contain eight or fewer hours charged since FY2005 reveals inconsistent data results between NRR and CFO. In addition to being part of Group 2, nineteen TACs were found to have greater than eight hours charged since FY2005 and appear to be in active use. As such, these TACs should also remain open.

TAC #	HOURS SINCE 9/25/2005	
M93912	488.2	
MB2351	120.0	(Counted 3x on CFO list)
MB2469	10.0	
MB6157	1264.1	
MB7245	151.0	
MC1909	68.0	
MC5673	155.8	
MC5722	449.1	
MC6933	155.6	
MC7583	26.4	(Counted 2x on CFO list)
MD1432	146.0	
MD2126	188.0	
MD2175	61.7	
MD3056	23.5	
MD3057	28.5	
MD3058	76.5	

TOTAL NUMBER OF TACs: 19

#### RECOMMENDED COURSE OF ACTION

Since July 5, 2007, NRR has closed 659 TACs in support of the CFO business process improve study.

- NRR will continue to support CFO efforts to improve fee billing and T&L business processes at an Agency level.
- NRR will conduct a review of major program areas during FY2008 to improve internal Office business processes.
- NRR advises that until new Agency and Office business rules are fully established and the staff is trained and indoctrinated, further major reduction of NRR TAC inventory will be difficult and could impact Office operations.

Should your staff have any question, please contact Scott P. Wall, Senior Operations Manager, at 415-2855

TAC #	HOURS SINCE 9/25/2005	
M93912	488.2	
MB2351	120.0	(Counted 3x on CFO list)
MB2469	10.0	
MB6157	1264.1	
MB7245	151.0	
MC1909	68.0	
MC5673	155.8	
MC5722	449.1	
MC6933	155.6	
MC7583	26.4	(Counted 2x on CFO list)
MD1432	146.0	
MD2126	188.0	
MD2175	61.7	
MD3056	23.5	
MD3057	28.5	
MD3058	76.5	

TOTAL NUMBER OF TACs: 19

#### RECOMMENDED COURSE OF ACTION

Since July 5, 2007, NRR has closed 659 TACs in support of the CFO business process improve study.

- NRR will continue to support CFO efforts to improve fee billing and T&L business processes at an Agency level.
- NRR will conduct a review of major program areas during FY2008 to improve internal Office business processes.
- NRR advises that until new Agency and Office business rules are fully established and the staff is trained and indoctrinated, further major reduction of NRR TAC inventory will be difficult and could impact Office operations.

Should your staff have any question, please contact Scott P. Wall, Senior Operations Manager, at 415-2855.

#### DISTRIBUTION:

L. A. Reyes, EDO	K. D. Cyr, GC	W. McCabe, OCFO
V. Ordaz, OEDO	G. Peterson, OCFO	T. Grancorvitz, OCFO
T. Pulliam, OCFO	B. Holmes, OCFO	Dofat, NRR
T. Dietz, NRR	NRR R/F	

#### **ADAMS ACCESSION NUMBER: ML072540548**

<b>OFFICE</b>	PMDA/PFMB/WPT	PMDA/PFMB	PMDA
<b>NAME</b>	Dofat*	JMurphy*	RMitchell*
<b>DATE</b>	9/11/07	9/11/07	9/11/07

OFFICIAL RECORD COPY