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NUCLEAR REGULATORY COMMISSION

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NUCLEAR REGULATORY COMMISSION

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BRIEFING ON PROPOSAL TO REALIGN
NRC REGIONS IV AND V

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PUBLIC MEETING

Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Friday, September 10, 1993

The Commission met in open session, pursuant to notice, at 9:00 a.m., Ivan Selin, Chairman, presiding.

COMMISSIONERS PRESENT:

IVAN SELIN, Chairman of the Commission
KENNETH C. ROGERS, Commissioner
FORREST J. REMICK, Commissioner
E. GAIL de PLANQUE, Commissioner

STAFF SEATED AT THE COMMISSION TABLE:

SAMUEL J. CHILK, Secretary

KAREN CYR, Office of the General Counsel

JAMES TAYLOR, Executive Director for Operations

PAUL BIRD, Director, Office of Personnel

JAMES MILHOAN, Administrator, Region IV

WILLIAM BRACH, Deputy Director, Industrial and Medical Nuclear Safety, NMSS

JAMES TURDICI, Assistant to the Financial Officer, OEDO

KENNETH PERKINS, Director, Division of Reactor Safety and Projects, Region V

ANTHONY GODY, SR., Acting Director, Program Management, Policy Development, and Analysis Staff, NRR

1 P-R-O-C-E-E-D-I-N-G-S

2 9:00 a.m.

3 CHAIRMAN SELIN: Good morning, ladies and
4 gentlemen. The Commission will be briefed this
5 morning by NRC regional staff on possible alternatives
6 in considering the realignments of Region IV and V.
7 Last spring, as the result of the fiscal
8 year 1994 and 1995 budget reviews, the Commission
9 recognized the need to identify ways to reduce the
10 cost of operating the government and to reduce the
11 size of the federal work force. In that context, we
12 considered a variety of cost savings and program
13 reduction ideas. For example, the Commission decided
14 to eliminate the uranium recovery field office in
15 Denver and transfer its functions to the Region IV
16 office and to Headquarters.
17 In addition, every Headquarters program
18 office, including the Commission itself, will be
19 required to reduce authorized full-time equivalents by
20 1995. You realize, of course, that soon there will be
21 no full-time equivalent budgeting, but there is a
22 correlation between people and money.
23 I'd like to stress one point. That is we
24 did request that the staff conduct a detailed study of
25 possible options for the realignment of Region V in

1 Walnut Creek. It is not that we have a certain bogy
2 that we're trying to reach. It's part of a general
3 feeling that we've got to continue and, if anything,
4 accelerate our emphasis on being as efficient as
5 possible, not saying we promised somebody, OMB or
6 anybody else, to get a certain savings in either
7 people or money, and if we did it someplace else we
8 wouldn't have to do it here. In other words, all of
9 these efficiency steps complement each other. They're
10 not competing with each other to see where the axe
11 falls, but rather we will do as many of them as seem
12 to make sense and still allow the agency to continue
13 to operate at its high level of efficiency and
14 effectiveness.
15 In examining the future of the Region V
16 office, we've tried to be thorough, to consider
17 thoroughly the views of the employees, especially
18 those employees in Region V and IV who would be
19 directly affected. As most of you know, I did visit
20 the Region V at the end of July. We met in a rather
21 long and I thought very productive meeting to listen
22 to their ideas and get their views on the study and,
23 in fact, a major part of what we'll hear this morning
24 is based on the ideas of the Region V employees on a
25 so-called Option 0, a super efficient way of

1 continuing to operate with more or less the same
2 functions but take into realization the smaller scale
3 and therefore reduce the staff but keep Region V as a
4 whole region.
5 The study group has looked at this and a
6 number of other ideas and is prepared to present their
7 results to the Commission. I'd like to stress that
8 this is an open process. The Commission has no more
9 in formation available to it at this point than will
10 be discussed today and that is on the table. Since so
11 many people are concerned, we want to make sure that
12 everybody knows that we're all working from the same
13 notebook.
14 Commissioners, do any of you --
15 COMMISSIONER REMICK: I just might add one
16 comment. Not only cost effectiveness or efficiency,
17 but of interest to me is the viability of the regions
18 to carry out their regulatory activities is something
19 we always have to consider also.
20 CHAIRMAN SELIN: Mr. Taylor, would you
21 proceed?
22 MR. TAYLOR: Good morning. With me at the
23 table are the study team members for this particular
24 part of the studies, and that's Bill Brach, to my far
25 left, from NMSS; Jim Milhoan, Regional Administrator,

1 Region IV; Ken Perkins, Director of the Division of
2 Reactor Projects in Region V; Jim Turdici from my
3 office; Paul Bird from the Office of Personnel; and
4 Tony Gody from NRR.
5 As the Chairman mentioned, we had done a
6 study which we provided to the Commission on June 18th
7 and as a result of the discussions the Chairman
8 mentioned, this is a supplement to that study and we
9 refer to it, since there were four options -- in the
10 previous study we dubbed this one Option 0.
11 The study does reflect a serious effort by
12 both Regions V and IV to look at efficiencies without
13 degrading our safety mission. I think they've worked
14 very hard to do that. There were many constructive
15 ideas and you'll hear some of them today from the
16 respective folks from the regions. Some of these
17 deficiencies may have broader application in other
18 regions and we will be further evaluating that.
19 This review was, I think, a very healthy
20 look at where we can save some resources and the study
21 in Option 0 suggests that we can save up to as many as
22 23 FTEs and on the other of $1 million annually.
23 To further discuss the initiative of
24 Option 0, I've asked regional representatives to give
25 most of the presentation. We'll begin with Ken

1 Perkins.

2 MR. PERKINS: Thank you.

3 Good morning.

4 CHAIRMAN SELIN: Good morning, Mr.

5 Perkins.

6 MR. PERKINS: There were a total of 16

7 suggestions that were received from regional

8 management and regional staff that were submitted to

9 the study group. One of these suggestions had already

10 been acted upon and that is the elimination of the

11 Region V deputy regional administrator, and was not

12 therefore evaluated by the study group. The study

13 group did evaluate the remaining 15 suggestions and

14 determined that ten of these would be implemented --

15 should be implemented within Region V as part of

16 Option 0.

17 The study group further determined that an

18 additional two suggestions which involved the use of

19 contractors to provide administrative services could

20 be implemented in Region V as part of Option 0,

21 assuming that reduction of FTE and increased

22 management flexibility are worth more than the added

23 expenditure in contract dollars.

24 The study group determined that the

25 remaining three suggestions should be referred to the

1 optimization of regional organization and functions
2 study group because these suggestions were of a more
3 generic nature.
4 As we go through our discussion of
5 evaluated suggestions for Region V this morning, I
6 will at times refer to Jim Milhoan for those
7 suggestions which the study group determined to be
8 applicable in Region IV.
9 As a benchmark for our discussions, I
10 wanted to point out that Region V in FY '93 is
11 currently at 100 FTE. Our baseline for FY '95 is 89
12 FTE. If all of the efficiency actions recommended in
13 this study are implemented, there would be a reduction
14 of an additional 14 FTE which would put Region V at 75
15 FTE under Option 0.
16 (Slide) If I may have the first chart,
17 please.
18 CHAIRMAN SELIN: It would also be some
19 reductions in Region IV.
20 MR. PERKINS: And Jim will address that
21 when it's his turn.
22 If you'll refer to the first chart in the
23 briefing package, the first suggestion that I wanted
24 to address this morning is that of consolidating the
25 emergency officer, the enforcement officer, allegation

1 coordinator and regional counsel functions to save one
2 FTE. In Region V we have already consolidated the
3 enforcement officer and allegation coordinator
4 function into one person. We've taken another look
5 now at the work load for that individual and also for
6 our regional counsel and determined that those
7 functions could be consolidated in one individual.
8 This would result in a net savings of one FTE.
9 CHAIRMAN SELIN: Can I just stop you for
10 a second and ask Mr. Milhoan a question?
11 If we went ahead with either of the other
12 options which still left a presence in the West Coast,
13 particularly Option 3, would it, in your opinion, make
14 sense to keep the regional counsel in Walnut Creek
15 carrying out these three functions? Would there be
16 any benefit in doing that, or maybe somebody else
17 wants to answer that, as opposed to consolidating
18 those in Arlington?
19 MR. MILHOAN: I'll try, then Ken may have
20 some additional perspective on it. In my opinion, it
21 would not be that attractive to do that from the
22 standpoint of the enforcement action, the conduct of
23 the enforcement action, my involving in the conduct of
24 the enforcement action, my dependence upon the
25 enforcement officer for preparation of that package

1 and my involvement in the package would make it not
2 that feasible to do that.
3 COMMISSIONER REMICK: Excuse me. Not that
4 feasible to keep it in Region V?
5 MR. MILHOAN: To keep the regional
6 counsel, that combined function in Walnut Creek.
7 COMMISSIONER REMICK: Thank you.
8 CHAIRMAN SELIN: Mr. Perkins?
9 MR. PERKINS: I don't really have anything
10 to add to that.
11 CHAIRMAN SELIN: Okay. Please continue.
12 MR. PERKINS: Okay. The other feature
13 that makes this an acceptable suggestion is that by
14 nature of the job, the regional counsel has a good
15 familiarity with the enforcement officer's activities
16 as well as the allegation coordinator's activities.
17 So, there would be a good marriage there from that
18 standpoint.
19 We believe that this efficiency would not
20 have a mission impact. It would have an effect on one
21 employee. One employee may need to be reassigned
22 elsewhere in the agency as a result of this efficiency
23 action.
24 The second suggestion for efficiency is to
25 reduce the state liaison officer function to reflect

1 the current work load, to save a half an FTE. The
2 shutdown of units in Region V has resulted in a
3 reduced work load in this area. The state liaison
4 officer function can be consolidated with the work
5 that is done in regional advisory committee
6 participation and also in emergency preparedness
7 inspections. This we see as a consolidation of work
8 load because of the reduced number of power reactors.
9 We do not believe that this efficiency action would
10 have a mission impact, nor would it have an effect on
11 an employee.
12 The third efficiency action and the fourth
13 efficiency action I'm going to deal with together.
14 They were submitted as two separate suggestions and
15 for that reason were written up in the report that
16 way. But combined, they have the effect of flattening
17 and consolidating the management in the Division of
18 Reactor Safety and Projects in Region V. The result
19 of this action would save two FTE.
20 CHAIRMAN SELIN: In V?
21 MR. PERKINS: In V.
22 CHAIRMAN SELIN: And a third FTE in IV?
23 MR. PERKINS: I'll refer to Jim, but yes,
24 the answer is yes.
25 CHAIRMAN SELIN: Ken, would this be

1 something that would make sense even under Option 3
2 where there's a regional field office to deal with
3 reactors?
4 MR. PERKINS: We would still want to
5 flatten the organization under Option 3.
6 CHAIRMAN SELIN: These functions would
7 stay in Walnut Creek under Option 3 --
8 MR. PERKINS: Yes.
9 CHAIRMAN SELIN: -- and they would be
10 susceptible for flattening?
11 MR. PERKINS: Correct. Actually, Mr.
12 Chairman, I did not answer that question precisely.
13 The projects functions would remain in Region V under
14 Option 3 and it would be conducive to flattening. The
15 safety functions would not remain in Region V in
16 Walnut Creek under Option 3.
17 CHAIRMAN SELIN: Okay.
18 COMMISSIONER ROGERS: You said two FTE
19 savings in Region V?
20 MR. PERKINS: Yes.
21 COMMISSIONER ROGERS: That differs from
22 the chart then?
23 MR. PERKINS: I'm dealing with 3 and 4
24 together. I've combined --
25 COMMISSIONER ROGERS: Oh, you're putting

1 3 and 4 together.

2 MR. PERKINS: I've combined my discussion

3 to 3 and 4 together because they're both flattening

4 activities.

5 COMMISSIONER ROGERS: Yes. Okay. Good.

6 MR. PERKINS: This adjustment reflects the

7 reduced work load in Region V. I believe it's

8 reasonable to state that we would have been looking at

9 doing something like this in the near term anyhow

10 because of the reduced number of reactors as of

11 January 4th of this year. We would still be able to

12 provide an adequate management oversight comparable to

13 that in the larger regions with this flattened

14 structure. This flattened management structure has

15 successfully been implemented in Region IV already.

16 There would be some impact in Region V from doing this

17 in that we would have reduced depth for responses to

18 emergencies. One of the ways that we have identified

19 that we can compensate for that is in the past we have

20 not involved our Office of Investigation people in

21 participating in emergency response and there's a

22 talent pool there that can contribute and their

23 contribution can help us increase our depth.

24 There would also be some impact in our

25 ability to provide the requested level of management

1 to attend counterpart meetings. Often times when a
2 counterpart meeting is arranged, a specific management
3 level is requested to attend. This may not always be
4 possible in Region V and we'd need some flexibility
5 there.
6 We believe, however, with the coordination
7 of management travel and with some level of
8 flexibility in our participation in these meetings,
9 that the impacts of this efficiency action could be
10 mitigated. This efficiency action would affect two
11 employees who would need to be -- who may need to be
12 reassigned elsewhere in the agency. This efficiency
13 action also had some applicability in Region IV and
14 Jim will address that.
15 MR. MILHOAN: Prior to discussing the
16 action item 3 on the chart concerning consolidation of
17 management structure in the Division of Reactor Safety
18 in Region IV, as Ken did I will summarize the study
19 group consideration of efficiency actions for Region
20 II.
21 The study group evaluated a total of 15
22 suggestions. The study group recommended four be
23 implemented in Region IV as part of Option 0. An
24 additional two suggestions which involves the use of
25 contractors to provide certain administrative support

1 functions was also evaluated. Performing these
2 administrative support functions contractually would
3 result in added cost to the government over performing
4 these functions with the NRC employees. Six other
5 suggestions were not recommended for implementation in
6 Region IV as discussed in the supplemental report
7 before you today. Lastly, the study group determined
8 three other suggestions should be considered as part
9 of the broader regional optimization study and those
10 are summarized in the report.
11 With respect to total FTE savings, I
12 believe it is appropriate to place this in context
13 today since we have already had significant FTE
14 reductions in Region IV between FY '93 and '95. In FY
15 '93, Region IV's budget was 144 FTE. In the baseline
16 FY '95 budget, Region IV's budget was 125 FTE, a
17 reduction of 19 FTE. Part of the 19 FTE reduction is
18 related to the uranium field recovery office
19 consolidation. If the entire Option 0 suggestions
20 were adopted, a further reduction of 9 FTE would occur
21 for a total of 28 FTE reductions from FY '93 in Region
22 IV.
23 With respect to Action Item 3, the
24 consolidation of management structure in the Division
25 of Reactor Safety in Region IV, a savings of one FTE

1 could be achieved.

2 Due to the reduction in region-based
3 inspectors in recent years, the study group believes
4 that the region could be adequately managed with a
5 further reduction or consolidation of sections in the
6 Reactor Safety Division. Previously this year we had
7 consolidated from five sections to four sections
8 because of the reduction in region-based inspectors.
9 However, because of further budget reductions, we see
10 now that there can be even further consolidation of
11 four sections into two groups where there would be one
12 supervisor for every six to seven reactor inspectors.

13 CHAIRMAN SELIN: Mr. Milhoan, let me ask
14 the question again because I'm not sure I asked it
15 very clearly. If we chose Option 3, have these
16 consolidations already been built into Option 3 or
17 would there be room for further reduction in Option 3
18 of a couple of FTE?

19 MR. MILHOAN: In my opinion there would be
20 room for further reduction in Option 3. As an
21 example, I was looking at Option 3 chart for Region
22 IV. Certainly with respect to the consolidation
23 within the Division of Reactor Safety I could take a
24 further look at that particular thing. So, I think
25 the answer is we could look at that from the

1 standpoint of further reductions. I don't think it
2 would be as much as Option 0, but I think there would
3 be some additional reductions that could be made.
4 CHAIRMAN SELIN: Thank you.
5 COMMISSIONER REMICK: Question to help my
6 understanding. Both Ken and Jim, you've referred to
7 in the case of contracting out certain services of the
8 greater cost to the government. Does that include
9 indirect costs of things like fringe benefit
10 considerations as well as the direct cost? It does?
11 Okay.
12 MR. PERKINS: Yes, it does.
13 COMMISSIONER REMICK: Thank you.
14 MR. MILHOAN: With the consolidation of
15 sections in the Division of Reactor Safety there would
16 be a moderate impact on management oversight and
17 flexibility of office coverage by managers. With
18 respect to the emergency response activities there
19 would be a reduction in the depth of management
20 available in responding to reactor events. However,
21 I feel that this reduction should not adversely impact
22 regional response. There would be less supervisory
23 time available for each employee. However, I feel
24 that the span of control appears workable. Two
25 individuals at the GG-15 level may have to be

1 reassigned. One of the two positions would be
2 reallocated to direct inspection activity, resulting
3 in a net one FTE savings. A Division of Reactor
4 Safety secretary would also need to be reassigned in
5 the consolidation effort.
6 Ken, I think, will go to the next one.
7 MR. PERKINS: Okay. The next deficiency
8 action is action number 5 which speaks to the
9 adjustment for PWR efficiencies in Region V to save a
10 half an FTE. Region V has been recognizing an
11 efficiency in PWR exam administration over the past
12 couple of years. This is largely a result of the fact
13 that in Region V we have only two PWR vendor types.
14 These are CE and Westinghouse. These two vendor types
15 are very closely related, very similar in
16 technologies.
17 As a result, there are some efficiencies
18 that can be gained in administering the exams for
19 PWRs. The examiner who had been performing this half
20 an FTE of PWR exam work is already cross qualified as
21 an inspector and would pick up a half an FTE half-time
22 inspection work. So, we believe because this reflects
23 a reduction in work load, that there would not be a
24 mission impact that would result from this action, nor
25 would there be an employee impact that would result

1 from this efficiency action.

2 COMMISSIONER REMICK: Ken, one of my past
3 concerns was concern in the small regions of license
4 examiners' career path. There seemed to be a tendency
5 if they wanted to proceed within the agency that
6 because there are only a few people in this small a
7 region in that area, if they wanted to develop their
8 career they had to move into inspection or something
9 else. Would this help from that standpoint? Would
10 this by the fact that they would be combining
11 inspection with operator licensing exams, assure them
12 maybe of greater opportunity without having to move
13 completely away from operator licensing?

14 MR. PERKINS: I believe that this would
15 open up more possibilities for them. So, there would
16 be a benefit from it.

17 (Slide) If I may have chart number 2,
18 please.

19 Efficiency action number 6 deals with the
20 consolidation in two positions, the functions that are
21 currently being performed by three individuals. These
22 are two management analysts and one program analyst
23 within the Division of Resource Management and
24 Administration. The result would be the savings of
25 one FTE. This consolidation of functions is possible

1 in Region V because of the reduced work load that has
2 occurred due to the shutting down of the three units
3 over the past few years. Because this is a reduction
4 in work load, there would not be a mission impact
5 associated with it. There would, however, be one
6 employee who would be affected and may need to be
7 reassigned outside of the region.
8 CHAIRMAN SELIN: May I ask the same
9 question? In the event that one chose Option 3, is
10 this savings available there? Have these people
11 already been consolidated in Option 3? See, I'm
12 trying to find a relative difference between Option 0
13 and Option 3.
14 MR. MILHOAN: In the present Region IV we
15 only have one management analyst. If we overlaid
16 this, I think there would be some additional savings.
17 I would have to take a look to the extent in which
18 there could be further consolidation of a work load.
19 But I would think there would be additional savings if
20 you overlaid that on Option 3.
21 CHAIRMAN SELIN: Is this a function that's
22 moved to Region IV in Option 3?
23 MR. PERKINS: This function is moved to
24 Region IV.
25 Jim, I think we would have to take a look

1 at that because I believe efficiencies have already
2 been taken in that in Option 3.
3 If we could move on to efficiency action
4 number 7, please. The reduced -- in this efficiency
5 action we reduce the amount of travel and word
6 processing support and realign some miscellaneous
7 activities within the Division of Resource Management
8 and Administration. We would save a total of 1.9 FTE
9 as a result of this efficiency action. In doing this
10 we would reduce the depth in our travel services and
11 support by 4/10ths of an FTE. The impact of doing
12 that would be that staff may at times have to make
13 their own reservations and may have to prepare their
14 own final travel vouchers. It would mean that rather
15 than continue with the 100 percent travel voucher
16 audit that we're currently doing, that we would go to
17 a sample audit approach.
18 CHAIRMAN SELIN: Which would be a good
19 idea under all options, right?
20 MR. PERKINS: This is consistent with
21 what's being done at Headquarters also.
22 COMMISSIONER de PLANQUE: Is it being done
23 in the other regions, the 100 percent audit or less?
24 MR. PERKINS: I don't believe I have that
25 information.

1 MR. TAYLOR: I'll have to get that. I'll
2 check that.
3 MR. PERKINS: This would be one of the
4 items --
5 COMMISSIONER de PLANQUE: So, potentially
6 that's something that could be done throughout.
7 MR. PERKINS: This would be one of the
8 items that we would expect the other study group to
9 take a look at for generic application.
10 The reduction of one -- there would also
11 be a reduction of one FTE in the area of word
12 processing. This is an adjustment that is possible
13 due to reduced work load and computerization of our
14 inspectors. We found that the work load on our word
15 processing unit has dropped noticeably now that all of
16 our inspectors have computers available to them.
17 And the miscellaneous realignment that I
18 spoke to you of would save approximately a half an FTE
19 because the computer program analyst function could be
20 consolidated with the management and resource analyst
21 that I spoke to you of earlier. This again is a
22 result of reduced work load.
23 This efficiency action number 7 we do not
24 believe would have Commission impact. It would affect
25 two employees who may need to be reassigned elsewhere

1 in the agency.

2 Jim, I believe that this is one that had

3 application in Region IV.

4 MR. MILHOAN: Right. With respect to

5 Region IV, in the reduced Division of Resource

6 Management and Administration, or DRMA organization,

7 the DRMA secretary would be expected to serve as

8 backup for travel and cashier. With respect to the

9 word processing function, earlier this year I have

10 eliminated the word processing unit and reassigned

11 personnel within the region office. With regard to

12 the travel area, reduction in resources could be

13 achieved by reducing the auditing of travel vouchers

14 at a .5 FTE savings. I believe this is a viable

15 option in Region IV.

16 There would be some employee impact

17 associated with the implementation of this action in

18 that one employee may have to be reassigned elsewhere

19 in the agency. A part-time travel clerk could be

20 eliminated to achieve the FTE savings.

21 Ken?

22 MR. PERKINS: Okay. The next efficiency

23 action is Number 8 and this is another efficiency

24 action to consolidate management, this time in the

25 Division of Radiation Safety and Safeguards. Three

1 branches currently exist in that organization and they
2 would be combined into two branches. The savings
3 would be achieved due to reduce work load in power
4 reactors and to some extent in our materials
5 licensees.
6 It would result in some reduction in depth
7 again, in emergency response capability and I spoke to
8 you of some of the mitigation that's possible there
9 and also in our ability to provide the requested level
10 of management representation at counterpart meetings.
11 But we believe with effective coordination of
12 management travel and some flexibility with respect to
13 representation at meetings, that this impact could be
14 mitigated. The effect of this efficiency action would
15 impact one employee who may need to be reassigned
16 elsewhere in the agency.
17 COMMISSIONER ROGERS: How many people are
18 involved in the three branches right now? You don't
19 have that in --
20 MR. PERKINS: I'd have to take a quick
21 look for you. I don't have today's number. I can
22 tell you that the baseline number for '95 is 27 for
23 those three branches.
24 Kathleen, do you --
25 AUDIENCE: It's about 30.

1 MR. PERKINS: it's about 30 today.

2 COMMISSIONER ROGERS: About 30 in the

3 three branches and --

4 MR. PERKINS: Yes.

5 COMMISSIONER ROGERS: -- and you'd lose

6 one in consolidating it to two branches. Is that

7 right?

8 MR. PERKINS: Correct, and that would be

9 the branch chief. It'd be a GG-15 position that would

10 be saved.

11 CHAIRMAN SELIN: The same question. In

12 Option 3 would there be a possibility of doing the

13 same thing or is that no longer available for

14 consolidation?

15 MR. MILHOAN: Mr. Chairman, my quick look

16 at the Option 3 chart with respect to the DRSS

17 Division would show that the consolidations appear to

18 have already been achieved in that. But we would

19 probably have to take an additional look, but that's

20 my quick look at the chart with respect to the

21 employee/supervisor ratio.

22 CHAIRMAN SELIN: Just looking ahead a

23 little bit, when we're all done it would be very

24 useful to take a look at Option 3. Not so much Option

25 4 because if the office would close completely,

1 presumably the consolidation would be efficient in
2 Region IV. But in Option 3, how many of these
3 suggestions could be included in Option 3 also? So,
4 you'd be comparing apples to apples and an updated
5 Option 0 which you have here and an updated Option 3
6 to reflect some of the same savings.
7 MR. PERKINS: The next efficiency action
8 is efficiency action number 9, which would reduce the
9 level of personnel services to save 6/10ths of an FTE.
10 Currently, Region V has 1.9 FTE of personnel services.
11 A reduction of 6/10ths of an FTE can be achieved by
12 transferring the training coordinator function to the
13 Division of Resource Management and Administration's
14 secretary and eliminating some of the other personnel
15 responsibilities as a result of reduced work load in
16 the personnel area in Region V. As a result, we do
17 not believe that this efficiency action would have a
18 mission impact. However, it would affect one employee
19 who may need to be reassigned elsewhere in the agency.
20 This is another efficiency action that had
21 some applicability in Region IV.
22 MR. MILHOAN: With respect to Region IV,
23 the study group recommends reducing the level of
24 personnel service in Region IV by approximately a half
25 FTE. Region IV presently has three FTE devoted to the

1 personnel area, including training coordination
2 function. But the reduction of staffing and with a
3 significant reduction in recruitment, the
4 corresponding work load would also be reduced. With
5 the reduction in level of services, the personnel
6 function could still be accomplished, although it may
7 be at somewhat a reduced level, but still acceptable.
8 Implementation of this action may result
9 in one employee having to be reassigned elsewhere in
10 the agency since the full-time position would be
11 eliminated.
12 Ken?
13 MR. PERKINS: Okay. The next efficiency
14 action, number 10, is the one that I spoke to you of
15 in my introductory remarks, which is to eliminate the
16 Deputy Regional Administrator to save one FTE. This
17 decision had been implemented prior to the study group
18 and therefore was not evaluated. Because that
19 position is vacant, there would be no employee
20 affected.
21 COMMISSIONER de PLANQUE: Ken, are you
22 going on?
23 MR. PERKINS: I was.
24 COMMISSIONER de PLANQUE: Before you go
25 on, I noticed Doctor Murley's comment on this. Was

1 that discussed at all by your group?

2 MR. PERKINS: Yes, it was discussed.

3 COMMISSIONER de PLANQUE: Any reaction?

4 MR. TAYLOR: We believe that with

5 appropriate backup that the emergency response is

6 adequate in Region V. There is an alignment normally

7 to have another region backup a region that does have

8 an emergency. But we believe that it will work.

9 Do you want to add to that?

10 MR. PERKINS: We met with the Director of

11 AEOD who has primary responsibility for response

12 program to talk about the kind of actions that could

13 and would be taken to mitigate the impacts of not

14 having a Deputy Regional Administrator in Region V.

15 The kinds of actions that we are talking about is, as

16 Jim mentioned, each of the regions already has a

17 backup region identified. In Region V, we already

18 recognize that our threshold for calling our backup to

19 help us is sooner, would occur sooner than in the

20 larger regions. This would result in our more surely

21 or more certainly calling on our backup to help us in

22 a major emergency and would cause us to want to have

23 some site familiarization for key managers in our

24 backup region and perhaps some exercise participation.

25 In addition, we took a look at other

1 managers in Headquarters or elsewhere who have some
2 strong Region V knowledge and we're keeping track of
3 where those managers are so that if we need additional
4 support that we might seek it from them.
5 We also have decided that because of our
6 reduced size, it's worthwhile for us to periodically
7 do a check to assure ourselves that we have the right
8 qualified people to fill the emergency response
9 functions. We have taken a look at our depth charts
10 and gone over those with Mr. Jordan and have developed
11 a confidence that we could muster that first team
12 response and adequately fill it with qualified people.
13 But we do have to acknowledge that we would need
14 support early if there was a second shift type of an
15 event.
16 COMMISSIONER de PLANQUE: Tom Murley made
17 two additional points other than emergency. Did you
18 comment on those?
19 MR. PERKINS: The additional two points,
20 I think one of those was having a regional
21 administrator or deputy regional administrator with a
22 broad perspective to discuss issues with -- the
23 comment is one that has merit. As a deputy regional
24 administrator you develop a broader scope. The
25 regional administrator in Region V is considering

1 consolidating the functions of deputy with the
2 Division Director for Reactor Safety and Projects for
3 Power Reactors and with the Division Director for
4 Safeguards and Security for Materials and Fuel Cycle
5 Facilities. That may not go as far as Tom would
6 prefer, Tom Murley would prefer.
7 I'm sorry, I can't remember off the top of
8 my head the third.
9 COMMISSIONER de PLANQUE: The third was as
10 a training ground or as a development position for
11 regional administrator position.
12 MR. PERKINS: That is a valid comment
13 also, but by having the deputy regional administrator
14 functions consolidated with the two division
15 directors, it will certainly be developing us.
16 COMMISSIONER de PLANQUE: In the same
17 measure. Okay.
18 MR. GODY: As the NRR representative, Tom
19 Murley still feels the same way. The one thing here
20 is all of these accommodations that have to be made to
21 staying in for not having a deputy regional
22 administrator don't seem to be worth the risk. If
23 something goes wrong, in the case of an event, we're
24 talking about one FTE, one SES position. I think the
25 study group did consider this in depth and we put it

1 aside by saying this decision has already been made,
2 but the NRR's objection still stands. It does have
3 merit because one thing is it doesn't seem to be worth
4 the risk.
5 COMMISSIONER de PLANQUE: Okay. Thank
6 you.
7 COMMISSIONER REMICK: Ken, my
8 understanding that that position has already been
9 removed --
10 MR. TAYLOR: And held vacant.
11 COMMISSIONER REMICK: Held vacant, okay.
12 So, that's why you count it as one reduction under
13 Option 0.
14 MR. PERKINS: Yes.
15 COMMISSIONER REMICK: Okay.
16 MR. GODY: It's actually in the '95
17 baseline. That position is there.
18 COMMISSIONER REMICK: I see.
19 MR. GODY: That's why we put it in here.
20 COMMISSIONER REMICK: I see. Thank you.
21 MR. PERKINS: Okay. To move on, the 11th
22 efficiency action is to accomplish the health physics
23 mobile lab function by alternate means to save 3/10ths
24 of an FTE. The health physics mobile lab analyzes
25 solid, liquid and gaseous samples obtained at licensee

1 sites to provide independent verification of accuracy
2 and to assure that the proper values are being
3 provided. It requires that the region maintain
4 calibrated equipment, a qualified analyst and a
5 vehicle.
6 Region V would save 3/10ths of an FTE and
7 approximately $3,600.00 per year if these samples were
8 analyzed by a contract laboratory. The study group
9 believes that the dollar savings could be further
10 increased if these samples were analyzed by one of the
11 three larger regions. What we're talking about here
12 for Region V would be to have one of the larger
13 regions conduct these samples which would mean that
14 they would absorb somewhat less than 20 staff hours of
15 work a year in order to achieve this additional
16 savings.
17 COMMISSIONER de PLANQUE: Has anyone
18 checked, is this a viable option according to the work
19 load in the other regions?
20 MR. TAYLOR: It will be.
21 COMMISSIONER de PLANQUE: It is viable?
22 MR. PERKINS: No, it's being looked at and
23 that's why we first presented it as a contract
24 possibility and second as a -- we didn't get far
25 enough to have a conclusion, and second as a

1 possibility for being absorbed by one of the larger
2 regions.
3 COMMISSIONER de PLANQUE: Could you talk
4 a little bit more about the contractor versus the
5 region doing it given the need for independence or at
6 least perceived independence here?
7 MR. PERKINS: Okay. There are -- I think
8 I have the gist of the question. There are some
9 national labs, Department of Energy labs --
10 COMMISSIONER de PLANQUE: Yes.
11 MR. PERKINS: -- that are capable,
12 qualified and we believe ready to run these samples.
13 In Region V the range of the number of samples that
14 would need to be run per year is somewhere between 20
15 and 40 samples per year. The cost of analyzing these
16 samples, we did some checking on this --
17 COMMISSIONER de PLANQUE: I'm not so much
18 interested in the cost, just it would still be a
19 contractor laboratory doing this as opposed to a
20 federal employee group doing it?
21 MR. PERKINS: Correct.
22 COMMISSIONER de PLANQUE: Do you see any
23 down sides to that in terms of maintaining the
24 independent check by the regulatory agency?
25 MR. PERKINS: I think you could probably

1 achieve equal quality of analysis. There may be a --
2 COMMISSIONER de PLANQUE: A perception
3 problem.
4 MR. PERKINS: -- perception of
5 independence that would be gained if we had -- if we
6 continued to do it perhaps through one of the larger
7 regions.
8 COMMISSIONER de PLANQUE: When would you
9 know if it's viable to have this work done by one of
10 the other regions?
11 MR. PERKINS: This is one of the
12 recommendations that we would want the other study
13 group that's looking at generic efficiencies to
14 consider. So, it would be in the context of that
15 study and I don't have a date for you on that.
16 COMMISSIONER de PLANQUE: Okay.
17 MR. PERKINS: I'm sorry.
18 COMMISSIONER de PLANQUE: Thanks.
19 COMMISSIONER REMICK: On that point,
20 without taking sides on the advisability of doing it,
21 certainly I think there are contractors that could do
22 it. I wouldn't even limit it to national labs. There
23 are others that would have the capability, I'm sure,
24 in the region.
25 One disadvantage I could see, and that is

1 a region losing the familiarity of some of our own
2 people knowing how to count samples and do that type
3 of thing and depending on others. I'm not saying
4 that's an overriding consideration, but it's certainly
5 one that I can see as a disadvantage.
6 MR. PERKINS: Yes. We would still have --
7 your comment is certainly a valid one. We still,
8 however, would have our inspectors collecting the
9 samples. If it would work out, we would be relying on
10 one of the larger region's expertise to conduct those
11 analyses.
12 We believe that this efficiency action
13 would not have a mission impact, nor do we believe
14 that an employee would be affected by this efficiency
15 action.
16 Jim, I believe this is one you wanted to
17 address also.
18 MR. MILHOAN: In a similar manner to
19 Region V, the study group believes that the current
20 Region IV sample analysis program could also be
21 performed under contract by another region and similar
22 savings as to Region V could also be achieved of a .3
23 FTE and a cost savings of at least $28,000.00 per
24 year.
25 I might note that the number of samples

1 listed in the report is a very conservative number
2 with respect to cost estimates. I think it's listed
3 as 80 in Region IV. Going to the minimum number of
4 samples per the inspection procedure, we probably
5 could reduce that by one-half, which would make even
6 more cost savings than what's listed in the report.
7 No employee impact would result from implementation of
8 this action in Region IV since this was being
9 currently or is being currently handled as a part-time
10 activity.
11 Ken?
12 MR. PERKINS: (Slide) Okay. Can we have
13 chart number 3, please?
14 CHAIRMAN SELIN: Before you go on to this,
15 let me just ask you a question. The intent is not to
16 reduce FTE, the intent is to reduce spending. FTE is
17 a surrogate for spending. In fact, the reason the
18 government looks at FTE is they don't trust the budget
19 officers. They assume that if you cut budget one
20 year, you cut into travel or computers, what have you,
21 next year it slips back up again, whereas if positions
22 are abolished, they go. We are a better agency than
23 the average and I believe that if we set a long-term
24 budget objective we can control them.
25 So, the question, before you take the time

1 to go into this, is would you recommend that these FTE
2 be eliminated even though it cost a little more in
3 favor of management efficiency or, all else being
4 equal, you just as soon continue to do these internal?
5 Because if the answer is the second one, I don't think
6 you even need to take the time.
7 MR. PERKINS: Mr. Chairman, in Region V I
8 think there's a mixed answer. I think that we could
9 optimize savings because some of the contractual
10 services that I have in the next two efficiency
11 actions would, in fact, result in savings. Others
12 have a cost increase. For example, the contracting
13 computer program activities, which was number 13,
14 would actually save us money. I think we would want
15 to have the flexibility to proceed with those that we
16 identify could actually save us money.
17 CHAIRMAN SELIN: Is it fair to say that
18 from a financial point of view these steps are more or
19 less a wash, some are in and some are out? We're not
20 telling you how to run the region, we're trying to
21 figure out if we do the steps are the risks acceptable
22 to the agency.
23 MR. MILHOAN: Yes.
24 MR. PERKINS: Yes.
25 MR. MILHOAN: Mr. Chairman, I guess in

1 that regard with respect to contracting out, it
2 certainly is obvious that the performance of the
3 contractor would be a great factor on whether or not
4 the service was performed.
5 CHAIRMAN SELIN: What I'm getting at is it
6 sounds, if this is a budget review, that these steps
7 are sort of generally irrelevant to the budget. They
8 may make sense to do inside or outside and you'd be
9 trading off FTE for contracts, but that's not what
10 we're after today. What we're after today is sort of
11 the financial implications of different options.
12 MR. MILHOAN: I would say in this regard
13 that the study group charter had asked us to
14 concentrate with the significance on FTE savings.
15 CHAIRMAN SELIN: I understand that.
16 MR. MILHOAN: So, that's somewhat changed.
17 CHAIRMAN SELIN: It would be useful
18 considerations.
19 MR. MILHOAN: I would think even probably
20 a more useful consideration, other than contracting
21 these all out at once, would be the option, if an
22 employee, for example, left the agency and that
23 function was then available, of examining it on a case
24 by case basis the best route to go at that particular
25 point in time.

1 CHAIRMAN SELIN: The point I'm making is
2 that regardless of how you decide to go on these
3 things, you're neither going to increase nor decrease
4 the cost measurably of Option 0. So, Option 0
5 relative to Option 3 or what have you really wouldn't
6 be changed financially. It's a management piece, not
7 a --
8 MR. TAYLOR: The services still have to be
9 performed.
10 COMMISSIONER ROGERS: When you are
11 contracting out something like an analysis, it seems
12 to me that there has to be some kind of a periodic
13 check on the quality of the contractor's results.
14 Now, you might say that they should be on the in-house
15 results as well, but let's forget about that for the
16 moment. When you are contracting out, there has to be
17 from time to time some check to see that the quality
18 of the analyses is holding up. There's some cost
19 associated with that and I wonder if you'd thought
20 about that. That has to be done in some way from time
21 to time. I don't know how much it would cost, but
22 you've got a quality control function that -- you
23 might have a new quality control function that is
24 introduced when you start to contract out something
25 like analyses.

1 MR. PERKINS: I think in the Division of
2 Resource Management and Administration there would be
3 an added -- one of the FTE that's retained there is
4 for contract management and monitoring, to perform
5 that function. So that is a cost that you have to
6 incur if you do this by contract as opposed to
7 continuing to do it by staff.
8 COMMISSIONER ROGERS: Well, if you've
9 built it in, that's fine. I'm just raising a
10 question.
11 COMMISSIONER REMICK: You did say in the
12 case of the analyses that it would be a certified
13 laboratory. I think you used the word that the
14 national laboratories would be certified.
15 COMMISSIONER de PLANQUE: Are you talking
16 about NAVLAB certified?
17 MR. PERKINS: Yes. I'd have to -- I
18 believe that is our assumption, yes.
19 COMMISSIONER REMICK: Okay. I thought you
20 used the word "certified," but maybe I'm wrong.
21 MR. MILHOAN: I guess we'd have to
22 determine if they were qualified to do the work.
23 COMMISSIONER REMICK: Yes. Sure.
24 COMMISSIONER de PLANQUE: Are our own
25 people NAVLAB certified, by the way?

1 MR. MILHOAN: I don't know, but I doubt
2 it.
3 COMMISSIONER de PLANQUE: Before you go on
4 to the next chart, I tried to do the arithmetic, but
5 I'd like to make sure I have it correct. If you look
6 at the FTE savings for Region V, the subtotal there is
7 9.8. But I think I heard that seven people would need
8 to be relocated elsewhere in the agency. Is that
9 correct? I was trying to add them up as you went --
10 MR. PERKINS: I didn't take a subtotal at
11 this point.
12 COMMISSIONER de PLANQUE: I'm going to ask
13 the same for Region IV, Jim. So, start counting.
14 MR. MILHOAN: I excepted that.
15 MR. PERKINS: Seven, that's correct,
16 seven.
17 COMMISSIONER de PLANQUE: Seven and I got
18 four for Region IV.
19 MR. MILHOAN: I think that's correct.
20 COMMISSIONER de PLANQUE: Okay. So, of
21 the 12 FTE saved in the combined two regions, 11
22 people would have to be relocated elsewhere in the
23 agency.
24 MR. MILHOAN: Can I go back to Region IV?
25 COMMISSIONER de PLANQUE: Sure.

1 MR. MILHOAN: I think you double counted
2 with respect to Region IV.
3 COMMISSIONER de PLANQUE: Okay.
4 MR. MILHOAN: You would have one
5 associated with three, plus a division secretary which
6 is shown up in a later bullet. And then depending
7 upon how the two .5 FTEs is handled, that might be one
8 or two personnel, depending upon the combining of
9 functions of how you would accomplish that in the
10 details of implementation.
11 COMMISSIONER de PLANQUE: So, it probably
12 should have been more like two.
13 MR. MILHOAN: Up to two to three would be
14 affected in that option.
15 COMMISSIONER de PLANQUE: Okay. Thank
16 you.
17 MR. PERKINS: I missed one in my earlier
18 count. It's a total of eight.
19 COMMISSIONER de PLANQUE: Eight. Oh, I
20 missed it too. Okay. Thank you. So, we're still
21 talking about 11 people needing to be relocated
22 elsewhere in the agency, ball park.
23 MR. PERKINS: Ball park, yes.
24 CHAIRMAN SELIN: Elsewhere becomes the
25 largest branch in the agency.

1 MR. BIRD: I think we should say at this
2 point that given a time line some of this may not have
3 an impact because employees would be reassigned, they
4 would be promoted and moved to other jobs. So,
5 basically this is the maximum impact --
6 COMMISSIONER de PLANQUE: This is the
7 snapshot if you did it right now. So, the
8 implementation time would be important.
9 MR. BIRD: Yes, that's correct.
10 CHAIRMAN SELIN: And some people would
11 just quit too.
12 MR. BIRD: Right.
13 MR. PERKINS: Okay. If I could move
14 forward.
15 As we talked, the next two efficiency
16 actions deal with services that could be performed
17 contractually. The first is administrative support
18 services. Here we believe that in Region V we could
19 save 3.7 FTE by performing word processing, mail room,
20 reproduction, filing and the receptionist functions
21 through a contractor. To go to the question that you
22 were raising before, Mr. Chairman, of these the word
23 processing is one area that may still have -- may have
24 some added incentive to do contractually because of
25 the occasionally varying work loads and you may have

1 greater flexibility there, better management
2 flexibility.
3 We believe, as Commissioner Rogers was
4 pointing out, that it would be necessary to carefully
5 select the contractor to carefully delineate the
6 statement of work and to monitor closely the
7 contractor's performance. We wanted to point out that
8 implementing this efficiency action would add a
9 additional cost of $197,000.00 per year. Certain of
10 the administrative functions currently are being
11 performed by contractor in a satisfactory manner here
12 at Headquarters and that gave the study group added
13 reason to believe that this could be achieved
14 acceptably.
15 We don't believe that implementing this
16 efficiency action would have a mission impact. It
17 would, however, impact three employees who may need to
18 be reassigned elsewhere in the agency.
19 CHAIRMAN SELIN: The contractor would just
20 hire them and charge us more money for the same
21 people.
22 Why don't you go on to --
23 MR. PERKINS: This is efficiency action --
24 CHAIRMAN SELIN: I think you should move
25 on. This is not so central --

1 MR. PERKINS: All right. Item number 13
2 is the one that I mentioned earlier and this is the
3 contract computer program activities to save a half an
4 FTE. Region V is currently using contract labor for
5 data entry work activities. The scope of that
6 contract could be expanded to include this function.
7 We don't believe that implementing this efficiency
8 action would have a mission impact, nor would it
9 affect an employee.
10 Jim?
11 MR. MILHOAN: I think you should go on.
12 MR. PERKINS: (Slide) Okay. If I may
13 have chart number 4, please.
14 COMMISSIONER de PLANQUE: Can I just go
15 back one minute to those two items? Given that the --
16 this has been done at Headquarters and successfully to
17 some extent. In the regions where you have smaller
18 groups of people, do you have any problems connected
19 with security clearances?
20 MR. PERKINS: Not with security
21 clearances. There are some cases, I think, where you
22 would want to assure that you had an NRC person
23 overseeing or supervising in order to protect the
24 agency function.
25 COMMISSIONER de PLANQUE: Which leads me

1 to did you look to see that all this is consistent and
2 okay with respect to A-76 contracting out
3 requirements?
4 MR. PERKINS: Yes.
5 COMMISSIONER de PLANQUE: Okay.
6 MR. MILHOAN: I think we would have to do
7 that and I think the point also in the small region,
8 the contracting out function, you're contracting out
9 a smaller portion of the function so that the
10 efficiency of that contract, the performance of that
11 contractor is even more critical.
12 COMMISSIONER de PLANQUE: Yes. Thank you.
13 MR. PERKINS: Okay. To summarize for
14 Region V, the 12 actions evaluated above could be
15 implemented individually or as a group in Region V.
16 If all are implemented, the NRC could realize a total
17 annual savings in Region V of 14 FTE. This is 9.8
18 without contractual and an additional 4.2 with
19 contractual. 4.2 with contractual assistance for
20 administrative services types of actions.
21 CHAIRMAN SELIN: The overhead ratio that
22 you have here assumes you do the contractual and
23 doesn't count the contractors whose overhead --
24 MR. PERKINS: It does not, that's correct.
25 CHAIRMAN SELIN: So, don't do it now.

1 What would the factor be if we don't implement the --

2 MR. PERKINS: It would be about 49.

3 CHAIRMAN SELIN: Okay.

4 MR. PERKINS: That's a very crude

5 estimate. It was my estimate. The savings would be

6 14 FTE and $850,000.00 after a payback of one-time

7 cost, which would take about 1.7 to 2.2 years,

8 depending on the number of people that needed to be

9 relocated. These actions could bring Region V more in

10 line with the three larger regions with respect to the

11 percent overhead and with respect to the ratio of non-

12 supervisor to supervisor.

13 Our FY '95 overhead for the baseline would

14 be 51.7. Under Option 0 it would be 45.7. The larger

15 regions are currently running around 37.5. The Region

16 V non-supervisor to supervisor ratio for FY '95

17 baseline would be 3.9 and under Option 0 it would be

18 5.3. The larger regions are running around 5.0. So,

19 we show an improvement there.

20 The regional administrator believes that

21 the impacts associated with implementation of these

22 actions are manageable but would require some

23 management flexibility in such things as emergency

24 response and we've discussed this with respect to

25 being able to muster our first team but then calling

1 upon our backup region sooner. We'd also need
2 flexibility with respect to the level of management
3 participation in meetings where we may not always be
4 able to send the SES representative or the designated,
5 the requested manager, and with respect -- we would
6 also need flexibility with respect to the frequency in
7 assignment to special tasks like DETs, diagnostic
8 evaluation teams and incident investigation teams
9 because this would take an SES manager out of the
10 region for a few months, a couple to three months. We
11 would need to have someone rotate in perhaps as a
12 developmental rotation.
13 I mentioned this to provide you some
14 specific examples of the management flexibility that
15 would be necessary to implement Option 0 and to show
16 you that we're not seeking an open-ended agreement
17 here, nor a carte blanche. But there's some specific
18 things that would need to be taken into account. With
19 these types of management flexibilities, the regional
20 administrator believes that Option 0 can be
21 successfully implemented in Region V and that Region
22 V will still be able to successfully carry out our
23 mission and to meet our standards of performance.
24 Jim?
25 MR. MILHOAN: (Slide) May I have chart 5,

1 please?

2 Chart 5 provides a summary of FTE savings
3 Option 0 for Region IV. Chart 5 is taken from table
4 2 of the supplemental report you have before you. In
5 preparing for this meeting we noted an arithematical
6 error in the middle column of table 2 related to the
7 overhead figures of a half FTE. This has been
8 corrected on chart 5. The FTE savings in table 2 are
9 correct and the error does not affect the FTE savings
10 or report conclusions.

11 CHAIRMAN SELIN: The 54 goes with -- the
12 figures in parenthesis assume that we don't contract
13 out.

14 MR. MILHOAN: That's correct. That's
15 correct. And if you figure mine is about 100 people.
16 So, it would be a little less than one percent per
17 additional overhead FTE on calculating the 40.8 to the
18 other number.

19 The six actions described for Region IV
20 could be implemented on an individual basis or could
21 be implemented in a collective manner. If all six
22 actions are implemented, the savings are as listed on
23 the chart of 9 FTE, resulting in an estimated annual
24 dollar savings of approximately $98,000.00.

25 The implementation of four actions not

1 involving an administrative contract support, would
2 result in a reduction of two management supervisory
3 personnel, net reduction of one FTE, administrative
4 support staff one FTE, indirect inspection of .3 FTE.
5 The reduction of management supervisory
6 personnel and realignment of functions would bring
7 Region IV more in line with other regional offices
8 with respect to Region IV percent of overhead to total
9 staff ratio of 40.8 percent. Also, the Region IV
10 ratio of non-supervisory staff to supervisory staff
11 would be increased from the present 4.01 FY '95
12 baseline to 4.53 in Option 0. The difference in that
13 is with respect to a small section that I would have
14 in Region IV with respect to the oversight of the
15 consolidated URFO functions that I wanted to have a
16 smaller section until those functions were
17 consolidated and that was officially running. Then I
18 would look at consolidating that section back into the
19 DRSS alignment.
20 I believe that the mission impact of
21 adopting the identified actions in Region IV is
22 relatively minor, assuming efficient contractor
23 performance. There would be some decrease in
24 flexibility and management depth in support services
25 for regional activities. There should be no change in

1 regional performance standards. However, it is my
2 belief that any significant unanticipated workload
3 addition that might occur under implemented Option 0
4 would require additional resources in Region IV.
5 That concludes my remarks, Ken.
6 MR. PERKINS: Okay. Thank you.
7 (Slide) May I have chart number 6,
8 please?
9 In summary then, if the 13 suggestions
10 included in Option 0 are implemented as we discussed
11 in Region V and Region IV, the combined FTE savings
12 would be 23 FTE. The annual recurring dollar savings
13 would be $951,000.00. The one-time cost would be in
14 the range of $1.6 to $2.1 million depending on the
15 actual number of staff that opt for relocation.
16 The number of years to realize the dollar
17 savings range from 1.7 years to 2.2 years for the same
18 reasons. The dollar savings achieved at the end of
19 the first five years would range from $1.7 million to
20 $2.2 million.
21 The statistics are provided so that you
22 may compare the Option 0 to the earlier four options.
23 In closing, I should note that Option 0 would have the
24 least employee impact and Option 1, the total
25 consolidation option, would have the greatest employee

1 impact.

2 CHAIRMAN SELIN: Mr. Turdici, this chart

3 puts Option 0 at a disadvantage if you're looking at

4 dollars. You've done a chart --

5 MR. TURDICI: Could we have chart 6-A?

6 CHAIRMAN SELIN: Yes. I think it's fair

7 to show that chart also.

8 MR. PERKINS: Chart 6-A shows in

9 parentheticals the savings that would occur if

10 contracts were not employed under Option 0. That is

11 the last two efficiency actions were not used, 12 and

12 13.

13 CHAIRMAN SELIN: What I believe is missing

14 and what would be very useful if you could do it sort

15 of quickly is take a look at those efficiencies in

16 Option 0 which could also be applied to Option 3. I

17 mean in theory to any of the options, but Option 3 is

18 the most interesting for them because you still keep

19 some of the structure there so that Option 0 and

20 Option 3 could be compared on an apples to apples

21 basis.

22 COMMISSIONER de PLANQUE: Do we have this

23 chart?

24 CHAIRMAN SELIN: Yes. It was distributed

25 separately. It's in a separate -- it was after the

1 book was put together.

2 MR. TAYLOR: That concludes our

3 presentation, sir.

4 CHAIRMAN SELIN: Commissioner Rogers?

5 COMMISSIONER ROGERS: Just on that

6 business of with and without the contracts. It seems

7 to me the contract question is a mixed one in the

8 sense of some of it is a dollar savings and some of it

9 is not dollar savings. I wonder whether you shouldn't

10 break it out that way rather than just with contracts

11 and without contracts, with those contracts which

12 amount to dollar savings, but not those that cost

13 dollar savings as contrasted to those where there

14 is -- you know. You got the question.

15 MR. PERKINS: Yes.

16 COMMISSIONER ROGERS: I mean I think just

17 lumping those two together with and without contracts

18 still doesn't give you the proper picture from a

19 dollar point of view. I think that that's a more

20 interesting number, I think.

21 The other point is I guess a rather minor

22 one in a sense. I'm just generally concerned when we

23 reduce audit functions. I know that the proposal is

24 to do something we're already doing at the

25 Headquarters with respect to the audit of the travel,

1 but travel is always an area that one is a bit
2 concerned about with respect to audits. I wonder
3 whether there's been any comment on this by either the
4 in-house auditor or the IG's office.
5 MR. TAYLOR: We'll check that with them,
6 sir.
7 COMMISSIONER ROGERS: I mean it seemed to
8 me that we might just bounce that off somebody so it
9 doesn't come up later as a questionable change from an
10 auditor's point of view.
11 CHAIRMAN SELIN: Take a look at the
12 government-wide function. This used to be mandatory
13 for all travel vouchers and then GAO changed that two
14 years ago. So, we would presumably not want to be out
15 of step either way.
16 MR. TAYLOR: I think we're following.
17 We'll check that.
18 MR. MILHOAN: Commissioner Rogers, I've
19 had one in-house comment, obviously from my people,
20 which would say that by doing the 100 percent that you
21 head off potential problems down the line and may save
22 resources from heading off those potential problems by
23 the 100 percent audit.
24 COMMISSIONER ROGERS: The other just
25 general comment is it does seem to me that the process

1 that you used here to come up with Option 0 was a
2 really very fine process, to start to ask the regions
3 themselves how they might deal with efficiencies
4 rather than how they would respond to closing the
5 office as such. I think this approach is one that
6 ought to be carried out for every region. I don't see
7 any reason why the benefits that are starting to
8 emerge here from this kind of a look and suggestions.
9 I think some of the suggestions that were written as
10 accompanying the document from people were very
11 interesting. I know on a couple of visits I've had to
12 regional offices I happened to be there at a time when
13 there was a whole group of people together and
14 starting to suggest possible efficiencies and I think
15 trying to encourage suggestions from all staff members
16 in each of the regions as to how to do the job better
17 and more efficient. They know. They know where the
18 inefficiencies are and given just a slight opportunity
19 they're ready to tell you. I think that that's a very
20 salutary process and I just want to encourage it more.
21 But I think that the results here are very
22 interesting and I want to commend you for them.
23 CHAIRMAN SELIN: Thank you.
24 Commissioner Remick?
25 COMMISSIONER REMICK: I certainly agree

1 with what Commissioner Rogers just said. However, I
2 would not preclude Headquarters personnel from
3 suggesting improved efficiencies also.
4 First, I just want to say I want to
5 compliment the staff for a very clear presentation on
6 complex matters. It was certainly quite
7 understandable.
8 My only comment is that back before
9 actually the Commission decided to consider these
10 various options in visits to both Region IV and Region
11 V, personnel expressed concerned -- I'm talking about
12 senior personnel -- about the viability of their
13 regions as their was reduction in personnel in
14 carrying out their technical safety responsibilities.
15 Under Option 0 we're now talking about even further
16 reductions, I guess, and saying it's acceptable. I
17 assume that's because, as Ken very clearly pointed
18 out, he's going to be perhaps more dependent on
19 support from other regions and Headquarters. In a
20 conversation recently with Mr. Taylor, the awareness
21 that Headquarters is going to have to provide probably
22 more support than perhaps they have in the past, but
23 that this is possible.
24 Am I correct that even though we are
25 further reducing under Option 0 both regions, perhaps

1 technical depth and capability, we're still saying
2 that we have viable regions to carry out the safety
3 missions. At least that's what I hear you saying.
4 MR. TAYLOR: It would put the potential
5 for more people being sent out on a case bases from
6 Headquarters, but I think we're prepared to do that.
7 COMMISSIONER REMICK: Okay.
8 MR. TAYLOR: We do it today in many, many
9 cases.
10 COMMISSIONER REMICK: Yes. Thank you.
11 CHAIRMAN SELIN: Commissioner de Planque?
12 COMMISSIONER de PLANQUE: Yes. On the
13 costs, I assume the one-time costs are calculated
14 assuming almost immediate implementation and therefore
15 a number of people would need to be relocated. Is
16 that correct?
17 MR. TURDICI: That's correct.
18 COMMISSIONER de PLANQUE: If you were to
19 implement this in a way that I think Jim Milhoan or
20 someone was suggesting earlier as vacancies occur and
21 as issues come up, how dramatically would that change
22 the costs?
23 MR. TURDICI: Depending how the people
24 left the agency, it could affect it very dramatically.
25 COMMISSIONER de PLANQUE: Very

1 dramatically.

2 MR. TURDICI: Because the vast majority of

3 the one-time costs are tied into what we call

4 relocation costs.

5 COMMISSIONER de PLANQUE: Right.

6 MR. TURDICI: The other one-time costs are

7 minor compared to physically moving individuals.

8 COMMISSIONER de PLANQUE: Right.

9 MR. TURDICI: So, depending on how they

10 left the agency, it could dramatically affect that

11 number.

12 COMMISSIONER de PLANQUE: Okay. Would you

13 care to comment on implementation timing if Option 0

14 were to be the option of choice?

15 MR. TAYLOR: We have done a little

16 thinking about that. There are a number of people

17 when we were out there who indicated -- in Region V,

18 for example, who indicated they were available to be

19 transferred, some to Headquarters, as an example. We

20 would attempt to work that whole side very carefully

21 dealing with individuals. So, that would give a net

22 decrease in FTE in Region V. We might have to

23 reassign people across the organization, but that

24 would be the way we'd work it. I think we'd do it as

25 we have tried to do in URFO dealing with the

1 individuals.

2 Do you agree?

3 MR. PERKINS: Yes. I think that some of

4 those volunteers could be reassigned earlier. The

5 original study had made the statement that staff would

6 not be forced to relocate prior to the summer of '94

7 and I think we're still thinking along the summer of

8 '94. I think that's what he said. And that we would

9 expect to have it fully implemented by October of '95.

10 I think these kinds of time frames are achievable and

11 that the relocation of volunteers can bring some of

12 the savings earlier.

13 MR. MILHOAN: With respect to Region IV,

14 obviously in the administrative area there has not

15 been that much movement of personnel leaving the

16 agency. I can't anticipate what the movement would be

17 in the next few years. I can say with respect to the

18 technical area where we've had significant reductions,

19 for example, last year when I came into the office in

20 July of '92, I was at about 149 FTE. One year later

21 I'll be entering about 9 or 10 FTE less than when I

22 first arrived, through attrition of the personnel in

23 Region IV. How that would play out in the future,

24 it's hard to tell, but that's certainly an option that

25 should be considered.

1 COMMISSIONER de PLANQUE: Okay. I have no
2 further questions, but I too would like to compliment
3 you on the report. I think it was very well done.
4 CHAIRMAN SELIN: I want you to know that
5 you folks have done everything I hoped you might and
6 that I thought you said you would do when I visited
7 you six weeks ago. Congratulations on that.
8 MR. PERKINS: Thank you.
9 CHAIRMAN SELIN: If we could get those
10 figures on Option 3 or any of the other options to
11 which -- and the reason I choose Option 3 is because
12 it seemed to be the most similar in terms of where
13 savings were, the Commission will move as quickly as
14 we can. We really want to move quite quickly to make
15 a decision on this so you'd know where things stand
16 and not have to spend anymore time in limbo.
17 Thank you very much for your efforts.
18 (Whereupon, at 10:16 a.m., the above-
19 entitled matter was concluded.)
20
21
22
23
24
25

CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting of the United States Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON PROPOSAL TO REALIGN NRC REGIONS IV AND V

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: SEPTEMBER 10, 1993

were transcribed by me. I further certify that said transcription is accurate and complete, to the best of my ability, and that the transcript is a true and accurate record of the foregoing events.

Carol Lynch

Reporter's name: Peter Lynch

COMMISSION MEETING

SEPTEMBER 10, 1993

REPORT ON EVALUATION OF EFFICIENCIES ACHIEVABLE IN OPERATION OF REGION IV AND REGION V OFFICES

(OPTION 0)

SUMMARY OF SUGGESTED EFFICIENCY ACTIONS

Actions Not Involving Admin. Contractual Support	Region V FTE Savings	Region IV FTE Savings
1. Consolidate the Enforcement Officer/Allegation Coordinator Functions with the Regional Counsel Function	1.0	
2. Reduce the State Liaison Function to Match Existing Workload	0.5	
3. Consolidate/Flatten Management Structure in Division of Reactor and Safety Projects	1.0	1.0
4. Combine the Operating Licensing Section and the Reactor Safety Section within Division of Reactor Safety Projects into One Branch	1.0	
5. Adjust for Pressurized Water Reactor efficiencies	0.5	

Chart 1

SUMMARY OF SUGGESTED EFFICIENCY ACTIONS
(Continued)

Actions Not Involving Admin. Contractual Support	Region V FTE Savings	Region IV FTE Savings
6. Consolidate Work Activities Currently Being Performed by Two Management Analysts and One Program Analyst	1.0	
7. Reduce Travel and Word Processing Service, Realign Other Duties	1.9	0.5
8. Consolidate Three Branches Within Division of Radiation Safety and Safeguards Into Two Branches	1.0	
9. Reduce Level of Personnel Services	0.6	0.5
10. Eliminate Deputy Regional Administrator Position in Region V*	1.0	
11. Accomplish the Health Physics Mobil Lab (Van) Function by alternate means	0.3	0.3
SUB-TOTAL =	**9.8**	**2.3**

Chart 2

SUMMARY OF SUGGESTED EFFICIENCY ACTIONS
(Continued)

Actions Involving Admin. Contractual Support	Region V FTE Savings	Region IV FTE Savings
12. Contract Administrative Services e.g., Word Processing, Mail, Reproduction, Filing, Telecommunications and Receptionist Services	3.7	5.0
13. Have Data Entry Contractors Perform Computer Programmer Activities	0.5	1.7
SUB-TOTAL	**4.2**	**6.7**
GRAND TOTAL	**14.0**	**9.0**

Chart 3

REGION V FTE ANALYSIS-OPTION 0

	FY-95 BASELINE	FY-95 OPTION 0	FTE SAVINGS
NRR FTE	29	28.2	0.8
NMSS FTE	8	8	0
OTHER DIRECT	6	4.5	1.5
OVERHEAD	46	34.3 (38.5)	11.7 (7.5)
TOTAL REGION V	89	75.0 (79.2)	14.0 (9.8)
OVERHEAD RATIO	51.7%	45.7%	

Chart 4

REGION IV FTE ANALYSIS-OPTION 0

	FY-95 BASELINE	FY-95 OPTION 0	FTE SAVINGS
NRR FTE	47	46.7	0.3
NMSS FTE	16	16	0
OTHER DIRECT	6	6	0
OVERHEAD	56	47.3 (54.0)	8.7 (2.0)
TOTAL REGION IV	125	116.0 (122.7)	9.0 (2.3)
OVERHEAD RATIO	44.8%	40.8%	
BOTH REGIONS	214	191.0 (201.9)	23.0 (12.1)

Chart 5

OPTIONS COMPARISON

	OPTION 0	OPTION 1	OPTION 2	OPTION 3	OPTION 4
FTE SAVINGS FROM FY-95 BASELINE	23	39	25	33	19
ANNUAL RECURRING SAVINGS	$.951M	$4.2M	$2.8M	$3.5M	$2.1M
ONE-TIME COSTS (Range)	$1.6-2.1M	$7.5-9.8M	$5.9-7.7M	$6.6-8.9M	$3.6-4.8M
YEARS TO REALIZE SAVINGS (Range)	1.7-2.2	1.8-2.3	2.1-2.7	1.9-2.5	1.7-2.3
SAVINGS ACHIEVED AFTER 5 YEARS (Range)	$1.7-2.2M	$7.0-9.3M	$3.6-5.4M	$5.2-7.4M	$3.7-4.8M

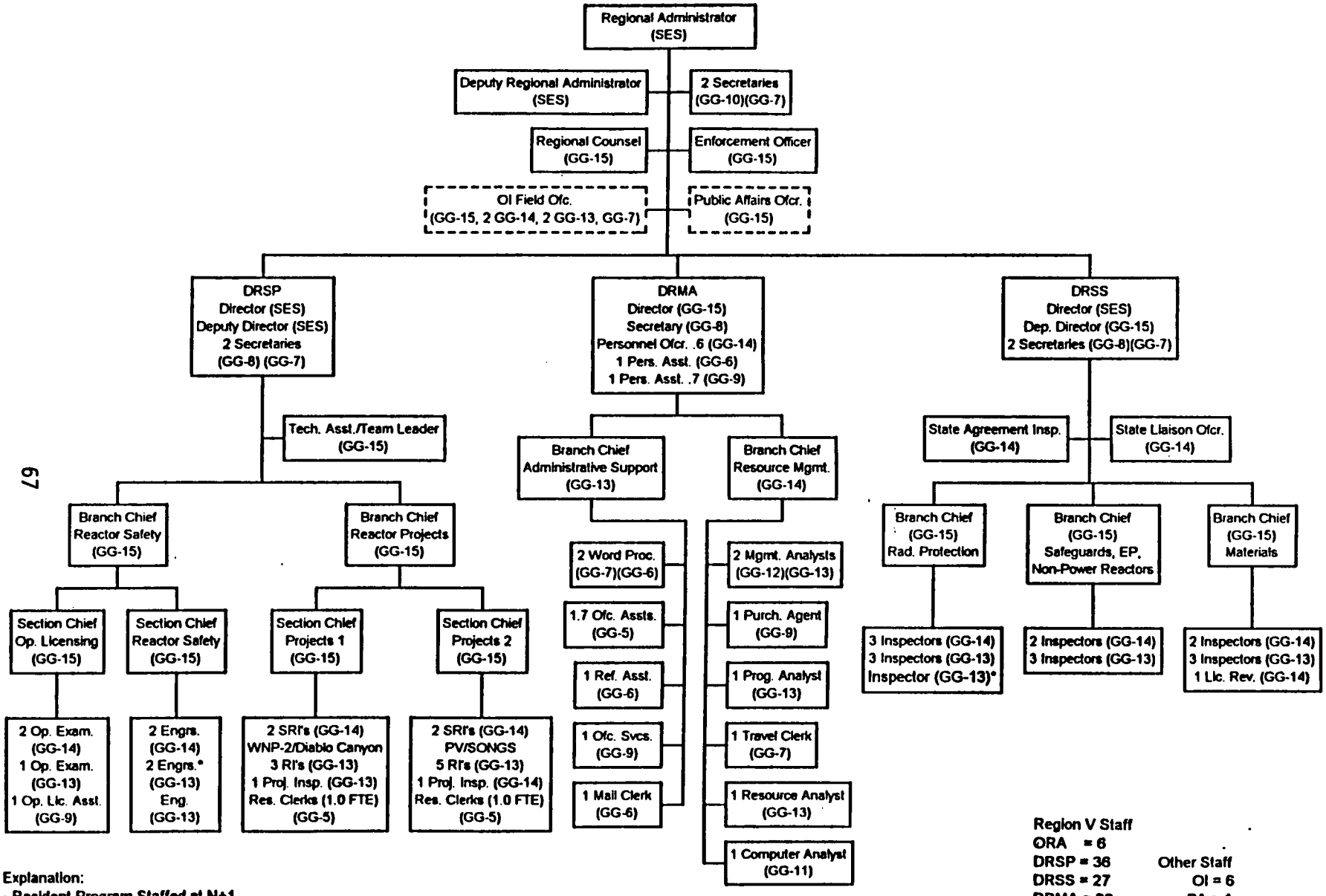
Chart 6

COMPARISON OF STAFFING RATIOS

STAFFING RATIOS	BASELINE	OPTION 0	OPTION 1	OPTION 2	OPTION 3	OPTION 4
OVERHEAD/TOTAL STAFF %:						
Regions I-III Average	37.5%					
Region IV	44.8%	40.8%	38.3%	39.4%	38.7%	42.7%
Region V	51.7%	45.7%	na	45.4%	na	43.1%
NON-SUPERVISORY STAFF TO SUPERVISORY STAFF RATIOS						
Regions I-III Average	5.0					
Region IV	4.0	4.5	5.4	5.0	5.4	4.3
Region V	3.9	5.3	na	4.5	na	4.8

Chart 7

REGION V FY-95 BUDGET BASELINE



Region V Staff
ORA = 6
DRSP = 36
DRSS = 27
DRMA = 20

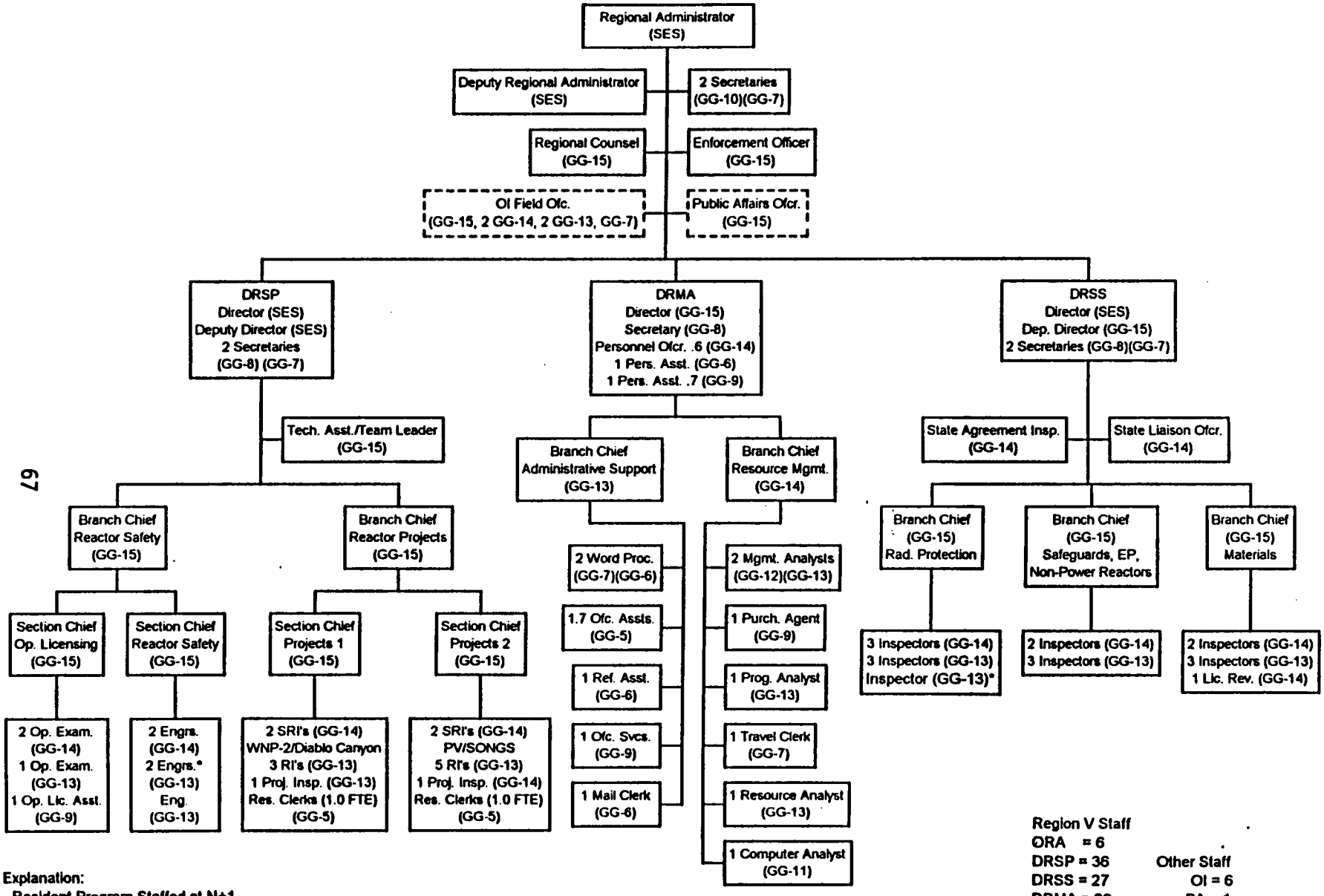
Total = 89

Other Staff
OI = 6
PA = 1

Total = 7

Explanation:
- Resident Program Staffed at N+1
*These direct labor FTE are budgeted as overhead, but historically have been used as direct labor positions.

REGION V FY-95 BUDGET BASELINE



Region V Staff
ORA = 6
DRSP = 36
DRSS = 27
DRMA = 20

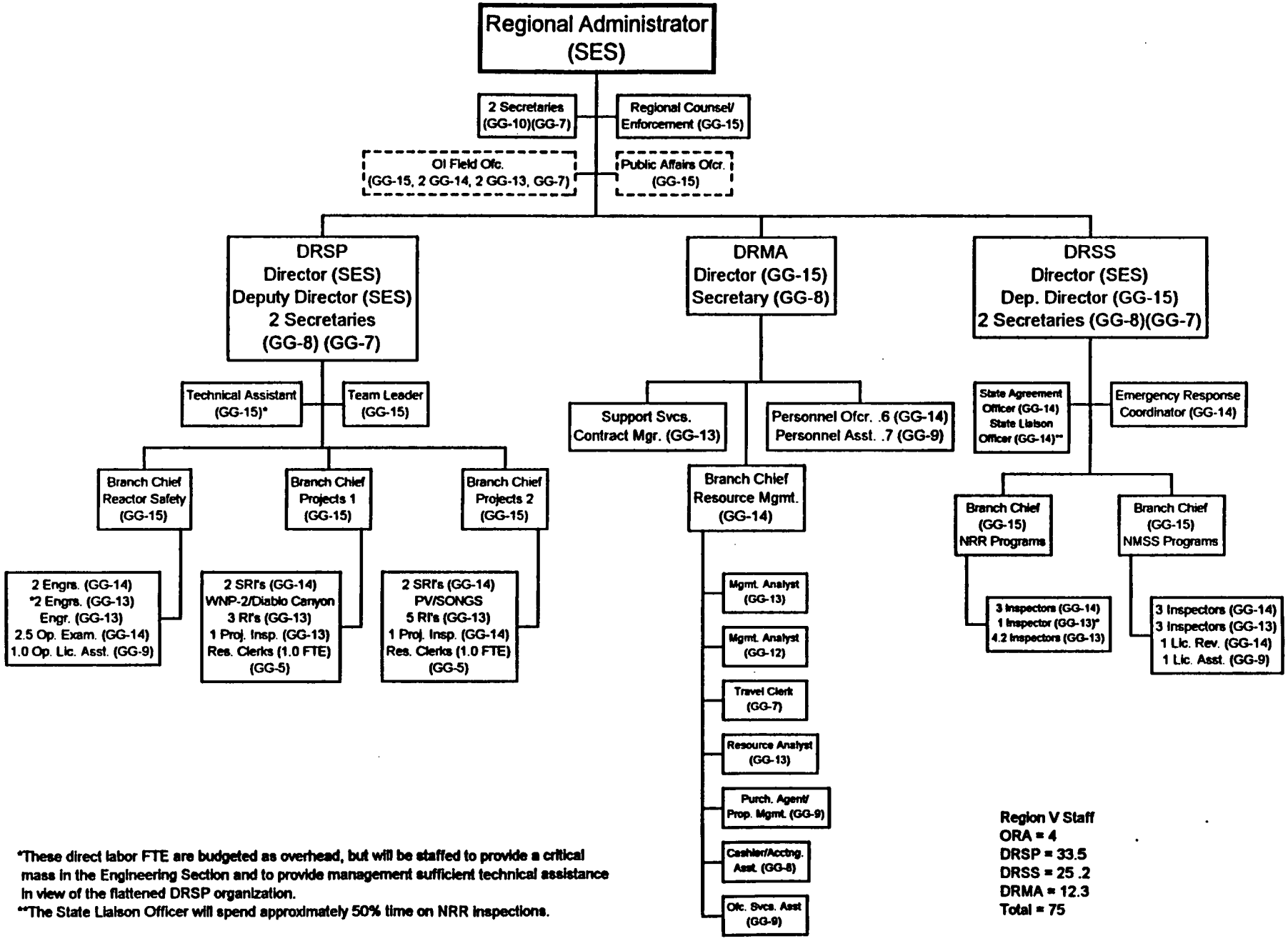
Total = 89

Other Staff
OI = 6
PA = 1

Total = 7

Explanation:
- Resident Program Staffed at N+1
*These direct labor FTE are budgeted as overhead, but historically have been used as direct labor positions.

REGION V F - OPTION 0

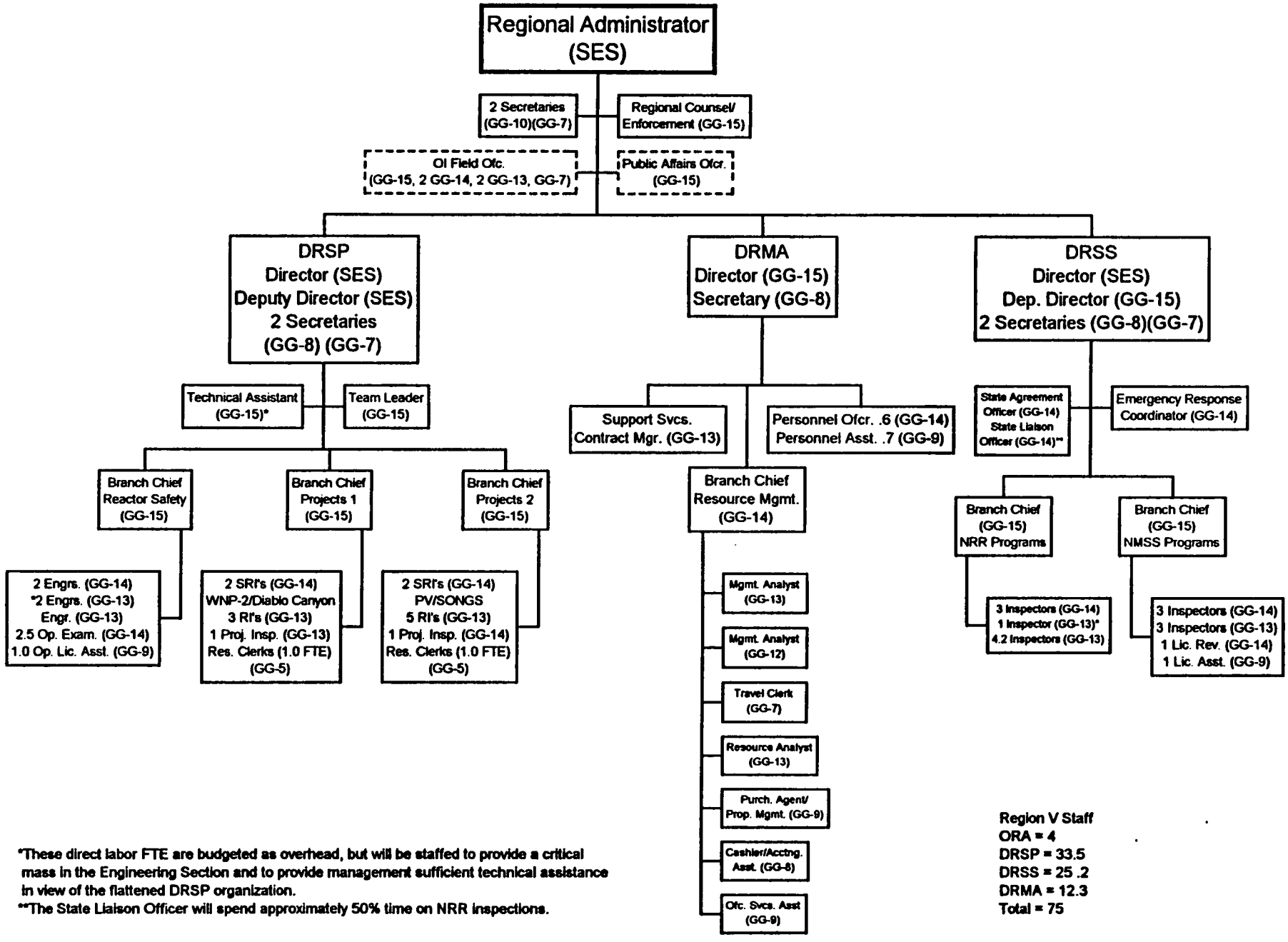


*These direct labor FTE are budgeted as overhead, but will be staffed to provide a critical mass in the Engineering Section and to provide management sufficient technical assistance in view of the flattened DRSP organization.

**The State Liaison Officer will spend approximately 50% time on NRR inspections.

Region V Staff
ORA = 4
DRSP = 33.5
DRSS = 25 .2
DRMA = 12.3
Total = 75

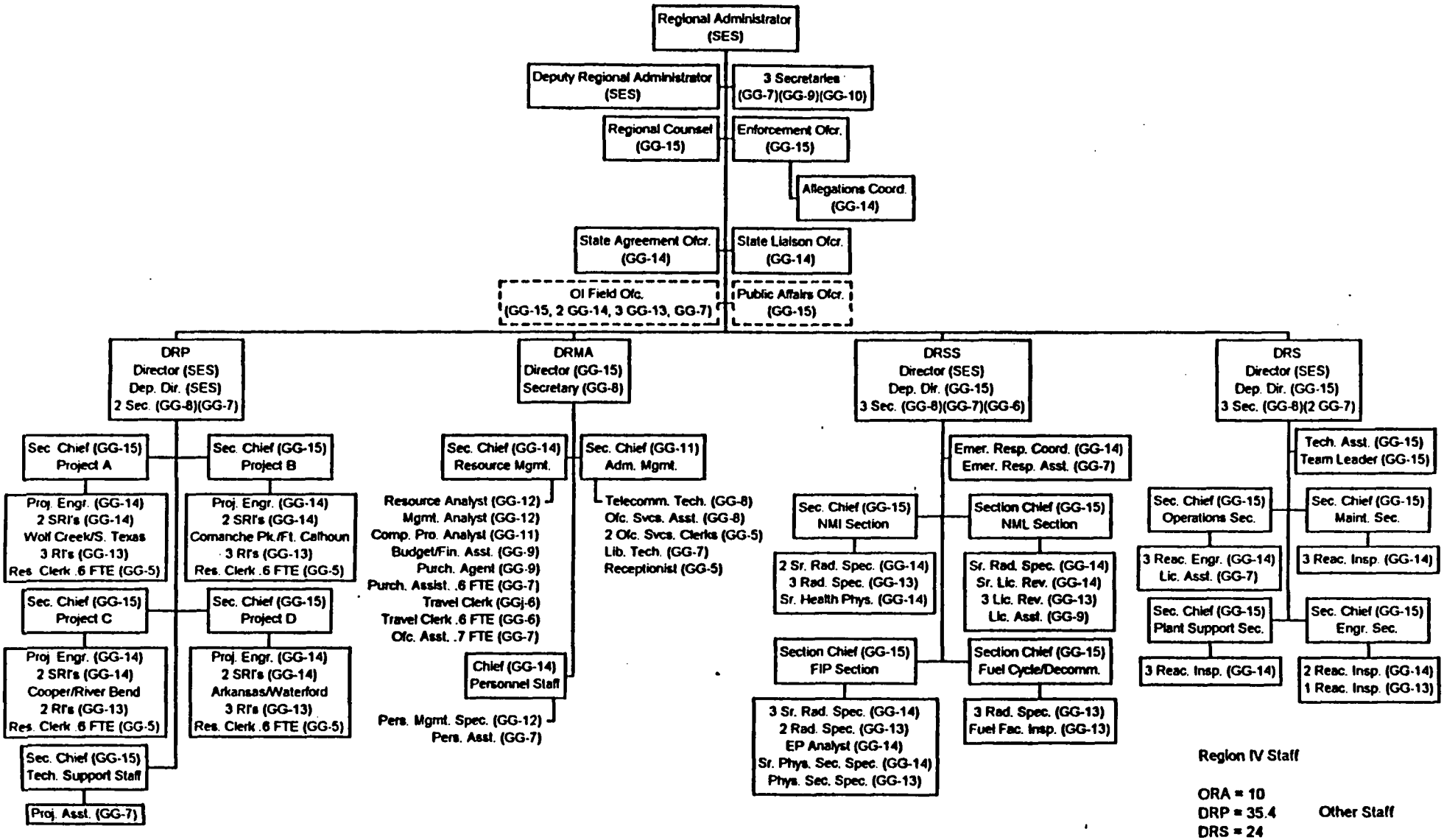
REGION V FY-95 - OPTION 0



*These direct labor FTE are budgeted as overhead, but will be staffed to provide a critical mass in the Engineering Section and to provide management sufficient technical assistance in view of the flattened DRSP organization.
**The State Liaison Officer will spend approximately 50% time on NRR inspections.

Region V Staff
ORA = 4
DRSP = 33.5
DRSS = 25 .2
DRMA = 12.3
Total = 75

REGION IV F BASELINE



Region IV Staff

ORA = 10
DRP = 35.4
DRS = 24
DRSS = 35
DRMA = 20.9

Total = 125.3

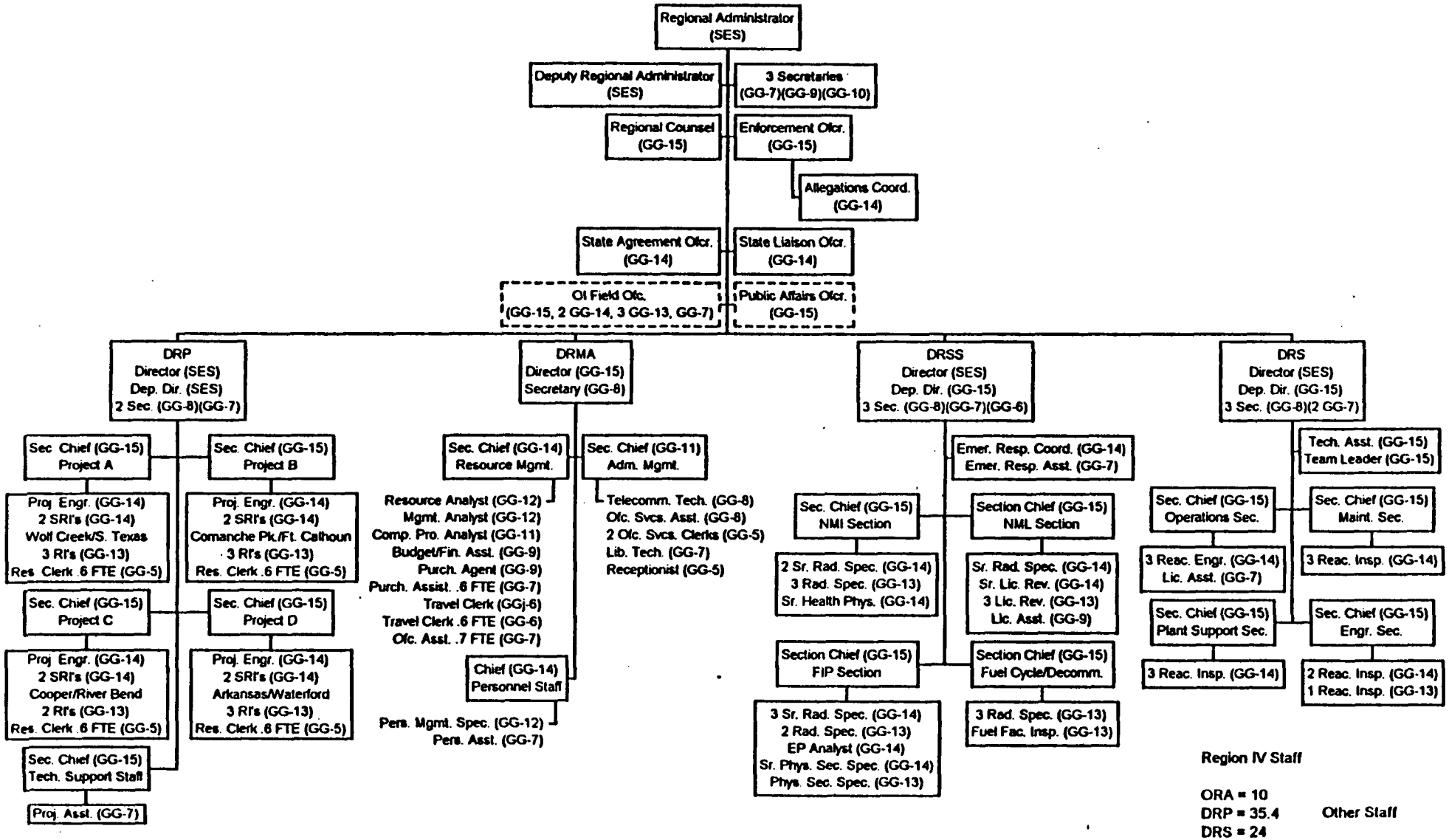
Other Staff

OI = 7
PA = 1

Total = 8

Explanation:
- Resident Program Staffed at N+1

REGION IV FY-95 BASELINE



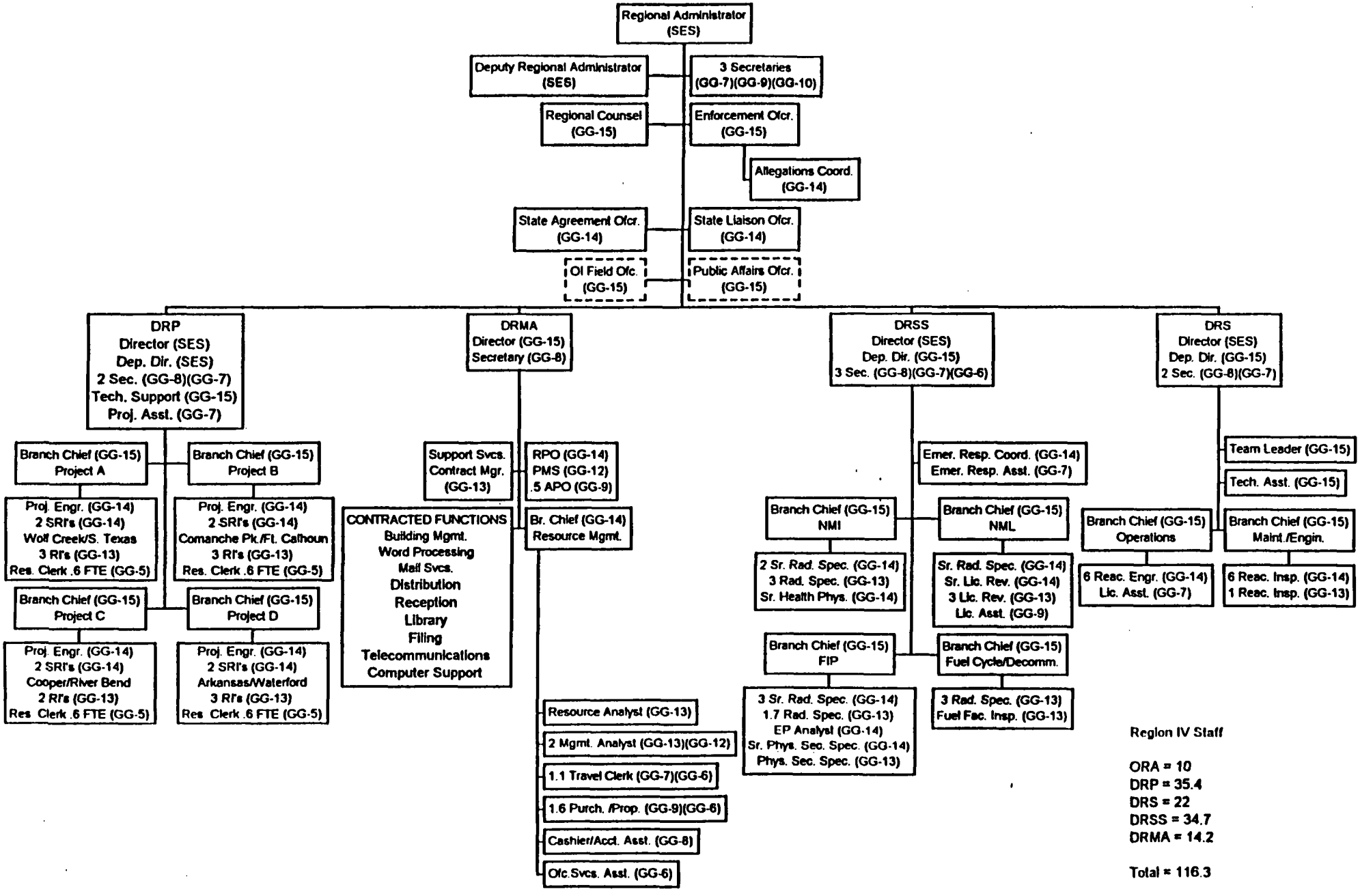
Region IV Staff

ORA = 10	
DRP = 35.4	Other Staff
DRS = 24	
DRSS = 35	OI = 7
DRMA = 20.9	PA = 1
Total = 125.3	Total = 8

Explanation:
- Resident Program Staffed at N+1

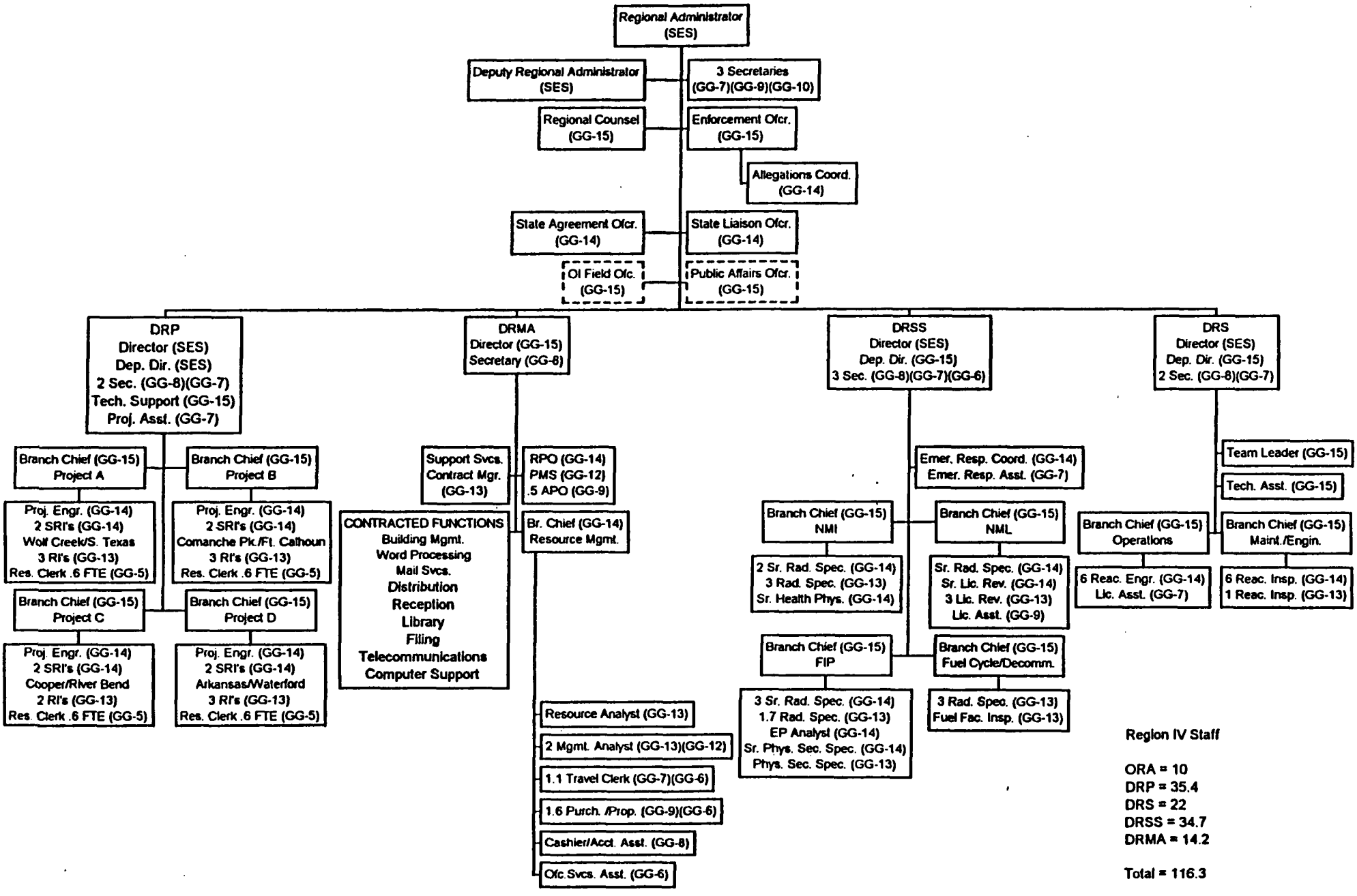
Appendix 5

REGION IV I OPTION 0



Appendix 5

REGION IV FY-95 OPTION 0



Region IV Staff

ORA = 10
DRP = 35.4
DRS = 22
DRSS = 34.7
DRMA = 14.2

Total = 116.3

Region V Realignment Study

June 10, 1993

Region V Realignment Study

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REGION V REALIGNMENT STUDY

Executive Summary

At the request of the Commission, the Executive Director for Operations established a Study Group to evaluate the feasibility of realignment or elimination of the Region V office in Walnut Creek, California. Four Options were evaluated:

(1) Consolidation of Regions IV and V into a single regional office that would be located in Arlington, Texas.

(2) Reducing Region V to a staff of approximately 25-30 full-time equivalent positions (FTEs) (including residents) focusing on the reactor program. The remainder of the current reactor program, and all other functions would be consolidated in Region IV.

(3) Reducing Region V to a staff of approximately 25-30 FTEs, as above, but the office would be structured as a field office of Region IV, rather than a separate regional office.

(4) Maintaining a Region V office able to administer the reactor program but transferring the materials, fuel facilities, decommissioning, investigations, and state agreement programs to Region IV.

In all cases evaluated, maintaining an organization adequate to protect the public health and safety was the primary consideration. Differences between Options revolve around cost effectiveness and mission enhancement or degradation issues.

A trend of reduced workload and attendant budget reductions have decreased the size of both of the NRC's two smaller regions, Regions IV and V. These reductions have led to questions of the continued cost effectiveness of maintaining two separate offices. The Fiscal Year 1995 (FY-95) levels of technical resources available for NRC programs in the two regions, while adequate to protect the public health and safety, do not provide as broad a base of technical expertise as is available in the large regions. As a result, it is more difficult to provide the additional regional attention necessary when more than one plant is experiencing problems or when unforeseen events require unplanned resources. In summary, the two smaller regions lack the bench strength of the large regions to respond to certain out-of-the-ordinary circumstances, and they would need to call on Headquarters or another region for assistance sooner than required by the large regions. On the other hand, the small regions provide additional senior management oversight of key activities (over and above that available in the three large regions) due to a fewer number of licensees.

The table at the end of the Executive Summary summarizes the key aspects of the Options evaluated. Additionally, it should be noted that the FTE savings identified throughout this study are almost exclusively overhead savings. FTE savings are related either to the FY-95 baseline or to the FY-93 allocation

level. There is a decrease, unrelated to the study, of 30 FTE for Regions IV and V combined from the FY-93 allocation level to the FY-95 baseline.

The Study Group evaluation of the four Options is as follows.

Option 1

This Option would consolidate all Region V activities into Region IV in Arlington, Texas. It offers the most straightforward, effective, and efficient management strategy of the Options in that all aspects of the mission would be administered from one location with a technical work force large enough to provide an improved flexibility to the unplanned, and a more robust and greater depth emergency response capability. It also offers the largest overall cost savings over the long-term. To obtain those savings requires the greatest initial dollar outlay due to one-time separation and relocation expenses. In addition, it would have significant negative impact on the largest number of Region V employees (approximately 85-95).

This Option also has some short- and long-term disadvantages. There are uncertainties and short-term disruptions to be anticipated during any transition. There would be added travel and response times to sites and events, as well as time zone differences. There would also be a loss of full-time management and external interface presence on the West Coast, with a possible reduction in Agency credibility as a result.

The exercise of this Option would ultimately result in an annual savings of

about 39 FTEs (69 from the FY-93 budget) and would require a one-time cost of between $7.5 to $9.8 million. If the Agency actually realizes this 39 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.8 to 2.3 years with annual savings of $4.2 million and long-term projected dollar savings of between $7.9 and $9.3 million in 5 years and $28.0 and $30.2 million in 10 years.

Under this Option, as with the other Options, the National Treasury Employees Union (NTEU) would be entitled to negotiate with NRC management on the impact and implementation of the Commission decision. Such negotiations could affect the timing of some aspects of implementation depending on the bargaining issues and the parties' ability to reconcile any differences.

Option 2

This Option would maintain a regional office in Walnut Creek with limited responsibility for the power reactor program [25-30 FTEs staff including residents]. The Study Group believes Option 2 is the least desirable of the Options. While the concept of retaining a limited scope and smaller Region V office is feasible, 25-30 FTEs appears insufficient to make this Option workable. However, to retain consideration of what is believed to be the intent of this Option, Option 4 was added for evaluation.

Option 2 would offer less cost savings than Option 1. The retention of a West Coast office has the advantage of management and public affairs presence while consolidating most regional functions in Arlington, Texas. One-time costs

would remain high. Cost savings would be significantly reduced, and negative personnel impact would affect a potential 65-75 personnel as opposed to the 85-95 associated with Option 1.

This Option would present a major management challenge in terms of retaining clear lines of authority, responsibility and accountability. While the Region V Regional Administrator would be responsible for regional power reactor program activities, he or she would be heavily dependent on support from Region IV. Coordination activities and Headquarters interface as well as inspector interactions with licensees would be confused, blurred, and ripe for inefficiencies and error. The Study Group could find few positive attributes with this Option.

The exercise of this Option would ultimately result in an annual savings of about 25 FTEs (55 FTE from the FY-93 budget) and would require a one-time cost of between $5.9 and $7.7 million. If the Agency actually realizes this 25 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 2.1 to 2.7 years with annual savings of $2.8 million and long-term projected dollar savings of between $3.6 and $5.4 million in 5 years and $17.7 and $19.5 million in 10 years.

Under this Option, as with the other Options, the National Treasury Employees Union (NTEU) would be entitled to negotiate with NRC management on the impact and implementation of the Commission decision. Such negotiations could affect the timing of some aspects of implementation depending on the bargaining issues and the parties ability to reconcile any differences.

Option 3

This Option would establish a Region IV field office in Walnut Creek with limited responsibility for day-to-day activities of the power reactor program. Option 3 offers greater cost savings than Option 2, but less than Option 1. The retention of a West Coast office retains the advantage of limited management and public affairs presence while consolidating most regional functions in Arlington, Texas, under a single management.

Similar to Option 2, one-time costs would be high in that a potential 75-85 personnel would be directly affected and would be subject to relocation costs, severance pay,and/or personal hardships. Administrative cost savings would be less than that obtained with Option 1 due to the need to continue rent of office space in Walnut Creek, California, along with associated administrative costs needed to support the field office.

This Option would eliminate most of the management and program implementation challenges inherent in Option 2 since most work responsibilities would be assigned to Region IV. However, it poses some management and communications problems and complicates the implementation of the reactor inspection program by geographically removing field office personnel from the regional office where the majority of the inspection, management, and administrative resources needed to implement the program reside. In spite of these potential difficulties, based on Region IV experience with the Comanche Peak and URFO Field Offices, the Region IV Administrator believes this Option is manageable and has the advantage of retaining a NRC limited presence on the West Coast.

The exercise of this Option would ultimately result in an annual savings of about 33 FTEs (63 FTE from the FY-93 budget) and would require a one-time cost of between $6.6 and $8.9 million. If the Agency actually realizes this 33 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.9 to 2.5 years with annual savings of $3.5 million and long-term projected dollar savings of between $5.2 and $7.4 million in 5 years and $22.7 and $25.0 million in 10 years.

Under this Option, as with the other Options, the National Treasury Employees Union (NTEU) would be entitled to negotiate with NRC management on the impact and implementation of the Commission decision. Such negotiations could affect the timing of some aspects of implementation depending on the bargaining issues and the parties ability to reconcile any differences.

Option 4

This Option would retain a separate Region V office of approximately 60 FTE dedicated to the reactor inspection program and all its support functions. The materials, fuel facilities, decommissioning, and state agreement programs would be consolidated in Region IV in Arlington, Texas. Region IV would be required to manage the assigned new programs with little increase in overhead. This Option maintains a West Coast management and public affairs presence. The Region V organization reflects the absolute minimum number of management and administrative personnel necessary to support the power and non-power reactor programs. As such, minimal administrative support would be provided to the management and technical staff, and some current Headquarters support

requirements might need to be relaxed.

The FTE savings associated with this Option are about one-half that of Options 1 and 3.

Negative impact on personnel and one-time relocation costs are greatly reduced from that which would be experienced in Options 1, 2, and 3, and the management and program implementation problems inherent in Option 2 are significantly reduced. A certain amount of confusion with the public, the media, and State and local governments could occur since both Regions IV and V would be regulating licensees in the same geographic area.

The exercise of this Option would ultimately result in an annual savings of about 19 FTEs (49 FTE from the FY-93 budget) and would require a one-time cost of between $3.6 and $4.8 million. If the Agency actually realizes this 19 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.7 to 2.3 years with annual savings of $2.1 million and long-term projected dollar savings of between $3.7 and $4.8 million in 5 years and $14.3 and $15.4 million in 10 years.

Summary Comparison of Options

A summary comparison of the four Options evaluated is contained in the following table and associated footnotes. This comparison addresses program impact, initial one-time costs, long-term cost savings, and employee impact.

SUMMARY COMPARISON OF OPTIONS

Type of Impact	Option 1	Option 2	Option 3	Option 4
· Program implementation	See Note 1	See Note 2	See Note 3	See Note 4
· Impact on NRC West Coast presence	Major	Moderate	Moderate	Minor
· Estimated FTE annual savings	39	25	33	19
· Estimated one-time cost in millions of dollars	$7.5-9.8	$5.8-7.7	$6.6-8.9	$3.6-4.8
· Payback time in years	1.8-2.3	2.1-2.7	1.9-2.5	1.7-2.3
· Estimated savings at the end of five and ten years in millions of dollars (See Note 5)	$7.0-9.3 $27.9-30.2	$3.6-5.4 $17.7-19.5	$5.2-7.4 $22.7-25.0	$3.7-4.8 $14.3-15.5
· Employee impact				
· No. employees affected	88	68	79	43
· No. employees estimated to relocate	68	53	62	34
· No. employees estimated that would leave the Agency	20	15	17	9

Note 1 - This Option provides more depth and breadth of technical expertise in the expanded Region IV office; which could have a positive impact on program implementation.

Note 2 - This Option results in significant management and program implementation problems and would have the most adverse impact on program implementation of the four Options evaluated.

Note 3 - This Option does not have many of the management and program implementation problems associated with Option 2. There remain some management and program implementation challenges associated with this Option which may be balanced by the retention of a West Coast presence.

Note 4 - This Option basically retains the status quo for the reactor program. The impact on the materials, fuel facilities, decommissioning, and state agreements programs would be the same as discussed in Option 2. Some confusion with the public, the media, State governments, and other agencies would result because both Region IV and Region V would be regulating NRC licensees in the same geographic area and agreement state functions would be split between the two regions.

Note 5 - These estimated savings would result only if the Agency reduces the total staff by the number of FTEs identified as estimated FTE annual savings, by October 1995.

Introduction

Study Group Charter

On March 30, 1993, the Secretary of the Commission issued COMSECY-93-012 (Appendix 1), directing the staff to conduct a study of possible alternatives for the realignment of Region V. The Commission provided that the evaluation address impacts associated with the reassignment of staff and also anticipate any union contract considerations.

That same day, the Executive Director for Operations (EDO) issued a memorandum (Appendix 2) which appointed a Study Group to evaluate the feasibility of a realignment or elimination of the Region V Office. In this memorandum, the EDO identified members of the Study Group and specified three Options to be evaluated in the Study.

On April 20, 1993, the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research (DEDR), issued a memorandum (Appendix 3) which supplemented the March 30, 1993, EDO memorandum. This memorandum directed the Study Group to provide to the National Treasury Employees Union (NTEU) and employees of Regions IV and V copies of the Study Group Draft Report, for their review and comment, as-soon-as-possible after a briefing of the EDO. The Study Group is to evaluate submitter's comments for consideration in the final report.

Study Group Members

- Paul E. Bird, Director, Office of Personnel
- Bobby H. Faulkenberry, Deputy Regional Administrator, Region V
- Ben B. Hayes, Director, Office of Investigations
- John M. Montgomery, Deputy Regional Administrator, Region IV
- James Turdici, Assistant to the Chief Financial Officer, Office of the EDO

Bobby Faulkenberry and John Montgomery were directed to share lead responsibility in the overall study effort. Jim Horn was initially identified to be the representative on the Study Group from the Office of Personnel; however, Mr. Horn was subsequently replaced by Paul Bird.

Numerous personnel from Region IV, Region V, and NRC Headquarters, including Peter Rabideau from the Office of the Controller (OC), assisted the Study Group in the collection and analysis of the data.

Options Evaluated

Four Options were evaluated in the conduct of this Study. In his March 30, 1993 memorandum, the EDO directed that three Options be evaluated. The Study Group initially agreed that there were significant management problems associated with implementation of Option 2 and, therefore, requested and received authorization from the EDO to evaluate Option 4 as a more viable Option.

- Option 1 - Consolidation of Regions IV and V into a single regional office located in Arlington, Texas.

- Option 2 - Reducing Region V to a staff of approximately 25-30 FTEs (including Residents) and limiting the mission to a portion of the Power Reactor Program. The remainder of the current Power Reactor program, along with the Office of Investigations (OI), nonpower Reactor, decommissioning, fuel facilities, enforcement, State agreements and liaison programs, and materials programs would be consolidated in Region IV.

- Option 3 - Reducing Region V to a staff of approximately 25-30 FTEs (including Residents), as in Option 2, but structured as a field office of Region IV, rather than a separate regional office.

- Option 4 - Reducing Region V to a staff of approximately 60 FTEs (including Residents) with all reactor programs remaining in Region V. All other programs including fuel facilities, decommissioning, State agreements, materials and OI would be consolidated in Region IV.

Approach Used in Conduct of Study

In the course of its review, the Study Group obtained input from Region II, Region IV, Region V, Office of Nuclear Reactor Regulation, Office of Nuclear Material Safety and Safeguards, Office of Analysis and Evaluation of Operational Data, Office of Enforcement, Office of State Programs, Office of Information Resources Management, Office of Investigations, Office of Public Affairs, Office of Personnel, Office of the General Counsel, and Office of the Controller. For each Option evaluated, the Study Group addressed the following subject areas:

- Impacts on mission accomplishment
- Interfaces with licensees, the public, the media, State and local governments, Federal agencies, and internal NRC interfaces
- Incident/Emergency Response
- Employee Impacts - Short-term and Long-term
- Impact on Costs, to include travel, transportation, FTEs, relocation, and administrative support
- Positioning for the future

The impact on mission accomplishment, including: 1) performance of Incident/Emergency Response; 2) performance of inspection, licensing, and enforcement activities; and, 3) interfaces with licensees, the public, the media, State and local governments, Federal agencies, and internal NRC interfaces was determined by obtaining opinions from senior management officials in Region IV, Region V, and the affected Headquarters offices.

Impact on Region V personnel was made through personal contact with each Region V employee, followed up by obtaining written information from an employee survey, which was evaluated by the Study Group.

One-time and recurring costs were determined for each Option and reviewed for completeness and accuracy by the Study Group and by Peter Rabideau, Director, Division of Budget and Analysis, OC.

The amount of time allowed for the study required the Study Group to primarily focus on the Options presented and to develop assumptions to expedite data collection and analysis. The Study was initiated on March 30, 1993. Data collection was performed during the period of April 1-23, 1993, and data analysis and review was performed during the period of April 23-28, 1993. The Draft Study Report was prepared and revised during the period of April 28 - May 10, 1993, in preparation for briefing the EDO on May 13, 1993.

Assumptions Used in Conduct of Study

The estimates of FTE staff savings from implementation of the various Options

are based upon the following assumptions:

- FY-95 FTE allocations for Regions IV and V as provided for in the FY-94 budget submission provided the baseline for the study, with the exception of a five additional FTE reduction [three FTE reduction in Region IV and two FTE reduction in Region V] in the NMSS materials program which is attributed to current and anticipated workload reductions.

- The Region V resident inspector offices would be staffed to N+1.

- The current functions and regional boundaries for Regions I, II, and III would remain unchanged with the possible exception of proposing transfer of responsibility for the Grand Gulf plant from Region II to Region IV. FTEs associated with any such transfer are not included in the estimates used in the study.

- URFO functions would have been transferred to Region IV and Headquarters by the time of implementation of any of the Options.

- No licensee facility would be regulated by more than one regional office.

- The Study Group considered the Commission's direction included in COMSECY 93-012 regarding other regional boundaries and workload. The Study Group's initial assessment was that it could anticipate significant management and interface disruptions with any of the existing Options regarding Regions IV and V, and that any attempt to significantly alter

other regional boundaries would result in similar disruptions in the affected regions without significant FTE savings. The Study Group defers to the June 1987 study entitled "Comprehensive Review of Regional Operations, Organizations, and Management" which evaluated regional boundaries, workloads, and office locations.

- In determining estimates of FTE savings for the purpose of this study, the Study Group restricted itself to identifying only those positions which were included in the FY-95 regional budgets and which could be eliminated while maintaining overhead ratios similar to those which exist in the three large regions. The exceptions are OI and NRR as described below.

  Some number of Headquarters FTE can reasonably be expected to be used in support of individual regional offices. Even though the study group did not thoroughly evaluate the extent of this headquarter's support and the resulting amount of Headquarter's FTEs that could be saved through implementation of Options evaluated, NRR has stated that about four FTE could be saved with implementation of Options 1 and 3.

- Except for the Region V, Option 4 organization, the constraint on maintaining a certain overhead ratio restricted the Study Group from identifying additional FTE savings which might be gained through innovative management, leaner overhead, or savings associated with modifications to Headquarters program requirements. We felt that such actions, while possibilities, are beyond the scope of this study, and if

pursued, should be pursued separately and for all regional programs. We address this issue further under recommendations.

- The ratio of direct labor (FTE/power reactor facility, and FTE/materials licensee for materials program purposes and FTE/management and administrative overhead) for the expanded Region IV organization, would be within the range of the current ratios of Regions I, II, and III, unless otherwise evaluated for feasibility.

- While maintaining existing office alignments (status quo) has not been explicitly identified as a separate option, it is identified both organizationally and in terms of FTEs as the baseline from which the other options were developed. The Study Group assumes that maintaining the status quo is an alternative available to the decision makers.

History/Overview

In 1961, the Atomic Energy Commission (AEC) established the current NRC regional office boundaries. Over the years, from the early 1960's through the late 1980's, the regional offices continued to increase in size and continued to assume additional work function responsibilities. In the late 1980's through the present, the growth of regional offices has stabilized and in some cases the number of FTE staff years budgeted for regional office work has decreased, primarily due to the permanent shutdown of power plant facilities and the termination of materials licenses. For example, in FY-86 Region V was budgeted 114 FTEs; while in FY-95, it is budgeted 89, a decrease of 25 FTEs or 22 percent. Region IV in FY-86 was budgeted 142 FTEs; while in FY-95 it is budgeted 125, a decrease of 17 FTEs or 12 percent.

A significant increase in regional responsibilities occurred during the period of 1982 through 1984 with the implementation of the Commission's Regionalization Policy. This policy was placed into effect to improve coordination of licensing, inspection, and enforcement actions; place NRC activities closer to State and local governments and the public; strengthen incident response capability; and, upgrade the status of regional administrators. Among the more important functions that were delegated to the regions during this period were reactor operator licensing, materials licensing, evaluating licensee emergency preparedness, carrying out the Agreement States Program, performing quality assurance (QA) licensing reviews, performing safety evaluations of emergency preparedness (EP) and safeguards licensing actions, and reviews of physical security plans.

In general, over the years, the regionalization of work functions has proved to be cost effective and has significantly improved relationships with State and local government officials and with licensees. In addition, it has significantly improved the Agency's capability to respond to events and to assist States in their handling of events. Also, regionalization has resulted in significant improvement in the Agency's capability to handle public affairs activities.

However, as previously stated, both of the small regions would have lost enough workload and FTEs by FY-95 that the original concept of two geographical locations with small regional office staffs to cover the western half of the United States has been called into question.

Evaluations of Options

Evaluation Summary

The following summarizes the Study Group's evaluation of the four Options. For complete details on each Option, see the discussion under the respective Option.

Option 1 would provide the most straightforward, effective and efficient organizational alignment. The new alignment would regulate 12 power reactor sites (19 units) and approximately 970 materials licensees. This compares to the 20 plus power reactor sites regulated by each of the large regions and in the materials area is approximately equal to the workload of Region II, which has the smallest workload of the large regions. This Option would provide a broader base of technical resources to accomplish various aspects of the mission. Headquarters would have one less region to deal with programmatically, resulting in some benefit to consistency. On the other hand, this Option requires additional travel time on the part of NRC personnel and would require an adjustment by most Region V licensees to dealing with a regional management located in another time zone. There would be a loss of NRC management and public affairs presence on the West Coast which could have a negative effect on the NRC mission.

Option 2 would provide the most complex and confusing organizational alignment. Responsibility for the power reactor program would remain in Walnut Creek, under the management of a Regional Administrator, but all other program responsibility would be transferred to the Region IV Administrator in

Arlington, Texas. In addition, The Region V administrator would have to rely on Region IV to provide at least half of the resources necessary to fulfill the power reactor program responsibilities. Communication and coordination difficulties could be significant. In addition, external confusion over the assignment of responsibility for any given aspect of mission accomplishment could be high.

Like Option 1, Option 3 would assign all mission responsibility to the Region IV Regional Administrator. However, a field office in Walnut Creek headed by an SES manager would be retained to provide day-to-day oversight of the power reactors presently regulated by Region V. Implementation of this Option would retain some of the broad base depth of technical resource benefits of Option 1, but would increase the management challenge of maintaining smooth communication and coordination. Region IV's Regional Administrator believes these potential difficulties are manageable. Most of the negative mission impact associated with loss of management and public affairs presence, as would occur with implementation of Option 1, would be eliminated.

Like Option 2, Option 4 would retain a regional office and Regional Administrator in Walnut Creek. The Walnut Creek region would retain the responsibility for and the resources necessary to accomplish the power reactor, nonpower reactor, and state liaison functions. The other programs would be transferred to the Region IV Arlington location. There should be no impact on the power reactor program, and the pros and cons regarding the materials program are identical to Options 1 and 3. As with Option 2, there could be external confusion over responsibility issues since two regions would

share regulatory responsibility for parts of the NRC mission within the same geographical area. In particular, the NRC states program function would be split between two regions, with attendant communication and coordination difficulties.

Option 1 - Consolidation of Regions IV and V into a Single Regional Office located in Arlington, Texas.

The implementation of this Option would result in the greatest amount of FTE and dollar savings. The combined Region IV/V organizational structure is the most effective and efficient as compared to the other three Options. On the other hand, implementation of this Option results in the most severe personnel impact, and would deprive the Agency of NRC management presence in the far western states.

This Option involves taking the Region V FY-95 budget baseline organization (Appendix 4), merging it with the Region IV FY-95 budget baseline organization (Appendix 5), resulting in a Region IV organization as shown in Appendix 6.

The exercise of this Option would result in an annual Agency savings of about 39 FTEs [69 FTE from the FY-93 budget].

Impact on Mission Accomplishment

Under this Option, Region IV would be aligned and staffed similar to the three large regional offices but would be somewhat smaller. The overall ratio of power reactor sites to regional SES managers would be somewhat reduced, bringing the combined Region IV organization more in line with the ratio in the large regions, but still providing a greater ratio than the large regions.

The degree of senior regional management involvement in individual plant issues may decrease, and meetings with senior licensee personnel would decrease. These have always been the principal benefits of a small region.

Off-hours communications with licensees about plant issues are likely to increase between the regional office and Region V licensees due to the time zone change. Experience indicates that licensees often make these notifications late in the work day.

There would be an increase of management and inspector travel under this Option.

On the other hand, having a larger, consolidated inspection staff presents a significant positive benefit to the reactor inspection program. The benefits are derived from the broad base depth of technical expertise available to address issues and flexibility in inspection planning and event and emergency response and more assurance of consistent application of the program.

Having a larger licensee population provides benefits to a combined Region IV/V. For example, the regional staff would experience a broader spectrum of licensees, providing a better rounded view of licensee performance overall. In addition, having a larger number of sites within the region provides a greater flexibility in implementing the NRC's rotation policy for the resident inspector staff.

The time zones change would negatively impact regional interactions with

licensees but would provide a positive impact with Headquarters and other regions interactions. Specific management actions such as adjusting the resident inspector first 40-hour work schedule could minimize this time zone impact.

Short-term safety benefits could result from inspectors having a "fresh look" at the plants from the other region and by the cross-fertilization of inspection techniques and experiences between the combined regions. During the same 2-year period, however, there would be some significant startup costs associated with dislocation of employees from physical moves, establishing new relationships with licensees, and establishing inspector familiarity with licensed facilities.

NRR currently has to interact with five regions; under this Option, that number is reduced to four regions of approximately equal size with obvious benefits accrued in terms of policy and program development, management time, travel time, communications, and program support. In addition, NRR Projects is already aligned to support a combined region.

The disadvantages associated with implementing the power reactor inspection program under this Option primarily relate to the loss of NRC management presence on the West Coast, employee dislocation, the time zone change, impact on licensees and others, and increased management/supervisory travel. Conversely, some significant positive benefits may accrue from implementing this Option, including reduced overhead to support the inspection staff. FTEs have been included under this Option to offset the estimated increase in

reactor inspection travel time.

With regard to the materials, fuel facilities, nonpower reactors, OI, state agreement and liaison, and decommissioning programs, these can be managed as well from either the Region IV Arlington, Texas office or from the Region V Walnut Creek, California office. However, there are a number of both positive and negative program implementation impacts that could occur as described below.

The current Region V materials program includes seven States and the Pacific Trust Territories. Five of the States are agreement States. Region V has 260 active licensees. The region has typically processed about 200 licensing actions each year, and conducts about 115 inspections each year. The combined Region IV - Region V program would have approximately the same workload as Region II.

Consolidation of the Region V materials program in Region IV would provide more assurance of consistent application of the materials program throughout the combined Region IV. In addition, the program offices would have one less region to communicate with.

The coordination and planning of inspections should not be affected and the interface with NRC Headquarters should be improved with the Region IV location because of travel and time zone considerations. Some additional travel time between the NRC regulators and licensees would be experienced.

The review and evaluation of inspection results and development of enforcement actions would not be affected; however, management attention and oversight of activities would be affected with the expanded scope of activities and travel requirements for the DRSS Director. This would make the need for a SES-level deputy an important consideration and would be consistent with the three large Regions. The internal management and communication issues are not expected to be significantly affected other than the increased scope of responsibilities which would be similar to the large regions.

Direct inspection effort could have been affected by increased travel time in a similar manner as the power reactor program. To ensure there would be no impact to the direct inspection effort, FTEs have been included under this Option to offset the estimated increased travel time.

The larger base of employees would be a positive impact with more expertise available and more opportunity for cross training and development. The ability to respond to changing organizational challenges should be enhanced with the increased depth/breath of personnel.

Interfaces with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces

A disadvantage of consolidation is elimination of an NRC presence in the western states with closer proximity to the licensees and the general public. The resident inspectors would remain the one exception. Exercise of this Option would mean that one regional office would cover over one-half the area

of the contiguous United States, plus Alaska, Hawaii, and Guam, and would be by far the largest region. Also, the Region IV Arlington, Texas office is two time zones away from the West Coast states, three time zones away from Alaska and five time zones from Hawaii.

The degree of regional interface with licensees, the public, the media, State and local governments, and regional Federal agencies would in some cases decrease. Because of the large land area involved, and because of the long travel distances to some of the States (Hawaii 3800 miles and Alaska 3100 miles) and some of the power reactor sites (WNP-2 and Diablo Canyon 1700 miles), some States and some licensees may perceive a lack of local NRC management presence. Also, with the large number of States contained within the region it would be more difficult for senior NRC managers to maintain as frequent contact with State and county officials and maintain the current level of interface that now exists.

Conversely, internal NRC communication and interface activities would be enhanced in that Headquarters program offices would have one less regional office to coordinate with and the time zone difference would improve. Also, since all of the Regional Offices would be more equal in size (number of licensees and number of regional staff), it should be easier to maintain uniformity in the way regional work activities are performed.

Incident/Emergency Response

The impact on emergency response functions of a consolidated Region IV are as follows. First, there would be some additional travel time required to provide initial site team response to three of the Region V reactor sites (Palo Verde is approximately equidistant from Regions IV and V). However, if charter jets are used, as currently provided for, that time is estimated to be within the Agency acceptability guidance of 6 hours and is not significantly different from the Region IV estimates for response to Wolf Creek or Cooper. Therefore under emergency response conditions, it is anticipated that Headquarters would have to remain in the initial activation mode for San Onofre, Diablo Canyon, and WNP-2 for up to 2-3 hours longer than is the case today, but no longer than is already expected for several other plants nationwide which have response times in the 5-6 hour timeframe. In addition, as is already part of Agency practice, in any significant reactor event, the staff would call upon the residents from the other West Coast sites for an immediate limited response to any site that had a major problem. Response to WNP-2 and Diablo Canyon from Region IV would be unique, however, in that the use of charter jets would be the only way the 6 hour guidance could be accomplished. For all other plants nationwide, the use of charter jets would be considered on a case-by-case basis if conditions were such that use of commercial transportation would significantly delay response.

Second, there may be some short-term degradation in knowledge and familiarity with the four Region V sites from an emergency response perspective, depending upon the actual number of key technical personnel and managers that accepted a

transfer to Region IV. There would be two less senior SES managers in the Agency qualified to serve as a Director of Site Operations, thereby reducing the overall Agency capability in this area from 13 to 11.

Event response at a level below activation of the formal Agency procedures would also be adversely affected by the additional travel time required, although time sensitivity is not as important for events of this type. Response to materials events might take somewhat longer or more reliance might need to be placed on assistance from the agreement States in response activities for Federal facilities located in those States or nearby.

In a combined Region, emergency response interface activities would increase in number from those handled by Region IV today due to the additional Federal regional offices and State and local authorities to deal with. The combined region would interact with four of the ten FEMA regions. However, the amount of time and personnel that the combined region would be able to devote to each FEMA regional assistance committee in evaluation of biennial exercises, review of State and local emergency plans, State and licensee meetings, and special workshops would remain unchanged.

A combined larger region would provide a broader base of technical expertise and management experience to draw upon in any given emergency. The larger overall number of personnel provides a greater probability that adequate numbers of the right people are always available to fill all emergency response positions at any given time.

Employee Impacts - Short-term and Long-term

Information on employee impacts has been developed from a number of sources: an employee survey conducted in Region V; comments by employees at the periodic staff meetings on this subject; and unsolicited written and verbal comments by individual staff members. In short, nearly all Region V employees have expressed strong concerns about the possibility of an Agency decision which would result in their relocation.

Financial concerns regarding relocation are almost universal. Nearly all Region V staff have expressed a concern about the hardship associated with potential moving expenses that are not reimbursable. Employees have also expressed concerns related to the San Francisco east bay area housing and real estate market.

For most employees, the single largest investment is their home. It is widely recognized that the economy in California has been in a recession for the past few years. As a consequence, real estate values in some areas have fallen. For example, in Contra Costa County where 71 percent of Region V employees reside, the average price of homes sold in 1993, year to date, is 4 percent less than the average price during the same period in 1992. Real estate values in other parts of the San Francisco bay area have also been significantly affected by the announced military base closings. Any adverse financial impact will be the greatest for employees who have not owned their homes for more than a few years.

Even though Region V is relatively small, rather significant attrition has occurred in the recent past. Seventeen employees, or 18 percent of the work force, have been hired in the past 15 months (ten of these in the past six months.) All but three of these new employees required geographic moves. They would be particularly hard hit by another relocation.

Out-of-pocket expenses associated with the recent refinancing of homes may also present a significant hardship. Refinancing can cost several thousands of dollars and is estimated to take two to four years to recoup the one-time costs.

Leaving the Walnut Creek area results in a loss of the 8 percent high cost of living pay adjustment for employees, and a resultant perception of loss of real income. The most significant employee impact occurs under Option 1 where all 88 of the employees assigned to Region V in Walnut Creek would be offered transfers. Under this Option, 22 percent, or 20 employees assigned to Region V in Walnut Creek, indicate that the negative personal impacts would be so severe that they would opt to leave the Agency.

Another major area of concern among Region V employees relates to family responsibilities. In responding to the survey, 22 percent of the Region V staff indicated that they have responsibility for caring for elderly family members who have long-term ties to the bay area. Geographic relocation would make execution of these responsibilities problematic for some and impossible for others. Other staff have joint custody of children. Geographic relocation of these employees would obviously cause a major upheaval in these

arrangements.

Some staff have children who are college age and are either in California universities or are about to enter them. These employees have expressed concern about potential additional financial burden, or having to change decisions concerning college location.

In addition, a large percentage of the Region V staff have spouses who also have careers. In responding to the survey, nearly 50 percent of the employees indicated that problems associated with two-career families would represent significant challenges for them. In a number of instances employees' spouses have a long tenure and are heavily vested with another local employer's retirement system. Geographic relocation would mean loss of this security and investment. Other employees have spouses who own local businesses or spouses with a California professional accreditation or license which is not transferable. In some cases, the financial hardships are such that the family unit would have to be separated for an extended period of time.

There are also at least four employees for whom health care would be the most significant personal hardship. Continuity of care for those who require unusual medical attention (whether it be for the employee personally, or a parent, spouse, or child) is a major concern for these employees.

Another concern came from supervisory GG-15s, who were concerned that there might not be comparable positions available to them at whatever new location they might be assigned. A broader spectrum of employees was concerned about

the nature of equivalent jobs they might be offered at a new location.

The study group evaluated the employee comments and attempted to provide some reasonable estimates of the financial hardships associated with forced geographical relocation. Because of the large uncertainties associated with such estimates, primarily due to the fact that actual expenses are so individualized and dependent on residence and family idiosyncrasies, the group has provided ranges or in some cases recent examples as the best information available. What is clear is that geographical moves involving the sale of a personal residence and the physical move of a family result in out-of-pocket expenses that are never reimbursed. These amounts may vary from a couple of thousand dollars to many thousands of dollars, depending on the individual circumstances. These expenses remain one of, if not the most, significant hurdle for many people, in making a judgment whether to move or not.

There is also a significant emotional and stress-related factor associated with geographical relocation, particularly when it is unwanted. The family disruptions of leaving community and friends, uprooting children from schools, spouses from their jobs, parents or other family members from long-term health care, and the uncertainties associated with a new job and new expectations, all takes a toll on the employee and the family.

In summary, the closure of the Region V office requiring the relocation of significant numbers of regional personnel, would have a significant negative impact, both personally and financially, for these individuals.

Impact on Costs, to Include Travel, Transportation, FTE, Relocation, and Administrative Support.

FTE

FTE savings were calculated by comparing the baseline FY-95 budgets and organization charts for the existing Regions IV and V against the proposed FTE alignment for a combined region as shown in Appendix 6. Final FTE savings were adjusted to reflect the offset required to compensate for lost time associated with inspector and management travel. In most Options, an additional reactor and materials inspector was added to compensate for the travel distances. The summary of this analysis is shown in Appendix 7.

Salaries and Benefits

The FTE savings estimated were then converted to annual dollar savings by multiplying the estimated number of FTEs saved (discussed above) by the average value of salary and benefits provided by the Office of the Controller for Region V staff. This average value is $80,000. Thus, under Option 1, the estimated 39 FTE equates to approximately $3.1 million in salaries and benefits savings. The FTE salary and benefit savings is the most dominant figure in deriving net recurring savings.

Travel

Additional travel costs would be incurred with implementation of any of the consolidation Options. The increased costs generally fall into one of three categories: reactor inspection; materials inspection; and management and support trips associated with licensee activities. The additional travel dollars were calculated by identifying the number of trips typically made to each destination and multiplying this by the cost increase due to traveling from Region IV instead of Region V. Lost staff time associated with the increased length of travel is addressed under FTE considerations above. The increased costs under Option 1 are estimated as:

Reactor inspection	$291,000
Materials inspection	$37,000
Management trips	$35,000
Cost subtotal	$363,000

These increased costs, however, are offset by savings resulting from travel by Headquarters employees to Region V (for such purposes as program reviews, mandatory training, administrative and management travel) as a result of the elimination of redundant functions through consolidation. These savings are estimated as:

Headquarters savings	$ 85,000
Regional redundant functions	$ 61,000
Savings subtotal	$146,000

The net travel cost increase if Option 1 is implemented is estimated as $217,000. Similar computations were made for each Option.

Administrative Costs and Savings

The consolidation of Regions IV and V under Option 1 in Arlington would affect administrative costs on both a one-time and recurring basis. The one-time administrative costs would be associated with preparation of new space in Region IV and transportation of furniture and equipment from Region V. These items are estimated at $45,000 and $50,000, respectively, for a total of $95,000.

Recurring administrative support savings generally fall into two categories: 1) rent and 2) services and supplies. Under Option 1, all rent expenditures in Region V would be saved and additional square footage for office space in Region IV would be required at 120 square feet per person (based on FTEs transferred from Region V less the projected available space in Region IV). 44 Region V positions would transfer. There are currently 27 available offices in Region IV. Office space would have to be acquired for the 17 remaining positions at 120 square feet per person. The resultant 2040 square feet at $16 per square foot would cost $32,640. The final result is a net annual savings for rent under Option 1 of $711,360.

It should be noted, however, that the General Services Administration (GSA) anticipates that the buy-out for the remainder of the Region V lease would cost $476,000 annually until December 1998. Thus, although NRC would achieve

savings, the government would continue to incur these costs through 1998 if GSA could not find other government tenants to use the space. This would be true to one degree or another for any of the Options considered. These potential costs to GSA have not been reduced from the Agency projected savings as displayed throughout the study.

Calculation of the long-term savings for other administrative support such as supplies and services involved calculation of the Agency-wide average figure for these types of support services. The amount of administrative support per person was computed to be $5,300 and is consistent with regional experience and covers a vast array of services, supplies, equipment, etc. The increased cost to Region IV for absorbing the additional 44 FTEs in the region and 13 resident staff is estimated at $302,100. Thus, the overall savings from administrative support if Option 1 were to be implemented is estimated at $1,010,000 or roughly $1 million.

Relocation

One-time costs can be divided into four categories: Relocation, Severance Pay, Transfer of Equipment, and Administrative Costs. Relocation costs are the dominant cost of the study and are the most difficult to determine because of the uncertainty of employees' decisions when making a move. A range of costs is provided due to this uncertainty.

The estimation of relocation costs involves a number of variables. The first variable relates to the number of people who will accept transfers. Region V

conducted a personnel survey which in part addressed this issue. The results of the survey were used as one of the data points in the evaluation. The survey results indicate that 78 percent of the staff would transfer. However, Appendix 10 reflects a range of costs from 65 percent to 80 percent of the staff transferring. Under Option 1 the entire staff would be offered transfers. Thus, the number of employees who would move ranges from 58-71. It was assumed that 5 percent of the staff do not own real estate, and costs for their relocation were estimated at $52,000 per employee. $250,000 was identified as the average price of homes in the Contra Costa and Solano county areas.

The second significant variable concerning relocation estimates relates to the percentage of employees who would use the relocation service versus handling the real estate transactions independently. It was again decided a range was appropriate for this factor. The range presented assumes from 50 percent to 80 percent of the employees would use the relocation service. Based on all of these assumptions, it is estimated that the one-time employee relocation costs if Option 1 is implemented would range from approximately $7.1 million to $9.1 million.

Severance Pay

Estimates for costs associated with severance pay are directly linked to the variables discussed above related to relocation. Survey results indicated that 22 percent of the Region V staff would not transfer. However, to be consistent with the ranges estimated for relocation transfers (65%-80%), 35

percent to 20 percent were considered for leaving the Agency. A number of these employees who would not accept transfers are eligible for Optional or early retirement. Based on the survey, 8 of the 20 could retire. The percentage of the retirement eligibles was used as a constant for all Options. The remaining staff, ranging from 7-12, would be entitled to severance pay. The average severance pay used in the calculation was $32,000 (based on a recent analysis by the Office of Personnel). This yielded a severance pay range estimate if Option 1 is implemented of $352,000 to $608,000.

Cost Summary

In summary, estimated one-time costs consist of personnel relocation, severance pay, transfer of furniture and equipment and rather minor administrative items. The vast majority of the one-time costs stem from personnel relocation. The estimate for recurring savings is primarily driven by the salaries and benefits associated with FTE savings and savings in leasing office space. These are offset to a limited extent by increased travel and ongoing administrative support.

The exercise of this Option would ultimately result in an annual savings of about 39 FTEs (69 FTE from the FY-93 budget) and would require a one-time cost of between $7.5 and $9.8 million. If the Agency actually realizes this 39 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.8 to 2.3 years with recurring savings of $4.2 million and long-term projected dollar savings of $7.0 and $9.3 million in 5 years and $27.9 and $30.2 million in 10 years.

Positioning for the Future

This Option provides the least flexibility and highest future cost if workload were to unexpectedly change and increase to the extent that a West Coast NRC regional office could otherwise be justified. It is difficult to postulate such an increase in the reactor program over the next 10 years. Even if one were to speculate that additional power reactor construction would occur, the number of such plants would have to exceed 8-10 before the consolidated Region IV's workload reached or exceeded that of the three existing large regions. It is similarly difficult to imagine a large enough increase in materials licensees to anticipate such a workload increase that would justify moving the material inspection or licensing programs back to the West Coast unless the NRC assumes additional responsibilities; such as the regulation of non-reactor produced isotopes. The Study Group did consider the possibility that added attention to the State agreement program regulation of materials licensees might be required; however, we do not believe any reasonably anticipated changes would alter our conclusion that the program could still be administered from the Region IV Arlington, Texas location. At worst, travel costs would increase some amount due to this possibility.

Last, we considered the potential need for a West Coast office to support construction of the proposed high-level-waste storage site at Yucca Mountain. Such an office could, of course, be located at the existing Region V Walnut Creek location, if it were available. Alternatively, however, such an office might better be located at or nearer Yucca Mountain or in space on the West Coast where the Department of Energy (DOE) is or would be administering the

repository program.

Option 2 - Reducing Region V to a Staff of Approximately 25-30 FTEs (including Residents) and limiting the mission to a portion of the Power Reactor Program. The remainder of the current Power Reactor Program, along with the OI, Nonpower Reactor, decommissioning, fuel facilities, enforcement, State agreements and liaison, and materials programs would be consolidated in Region IV.

The Study Group believes that this Option would result in significant management and program implementation problems and as a consequence is not considered viable. The most serious problem involves assigning the Region V Regional Administrator the responsibility for conducting the Power Reactor Inspection Program, but not providing management control over a large portion of resources needed to implement the program.

This Option involves taking the Region V budget baseline organization (Appendix 4), reducing it to the minimum staff required to manage a portion of the Power Reactor Inspection Program, and expanding the Region IV baseline organization (Appendix 5) to provide the resources needed to perform all other current Region V work functions, including the remainder of the Power Reactor Inspection Program. Implementation of this Option results in a Region V organization as shown in Appendix 8, and a Region IV organization as shown in Appendix 9.

The exercise of this Option would ultimately result in an annual savings of about 25 FTEs.

Impact on Mission Accomplishment

Option 2 presents considerable program management challenges which are likely to result in a noticeable negative impact on the Power Reactor Inspection Program. The overall difficulty arises from the fact that responsibility for management and implementation of the Power Reactor Inspection Program would remain in Region V, while roughly half of the inspection resources to conduct the program would reside in Region IV. The coordination required to plan and implement the inspection program, and to fulfill other program responsibilities, such as the Systematic Assessment of Licensee Performance (SALP), enforcement actions, plant performance reviews, licensee meetings, allegations, and MIPS would be significant. Coordination and communication difficulties would undoubtedly occur, which would result in an overall weaker implementation of the Power Reactor Inspection Program at Region V sites. The time zone differences and the geographic distances between Region IV and Region V would make it more difficult to meet the greater need for effective coordination and communication activities.

Region IV would provide significant staff support necessary for specific inspection activities, while Region V would retain primary responsibility for the oversight and quality of the inspection program. While long-range planning of routine inspection activities could probably be accomplished with a reasonable degree of effort, the conduct of reactive inspections would be much more difficult. For emerging issues, Region V would have to rely almost exclusively on Region IV resources in the operator licensing, emergency planning (EP), radiation protection (RP), and security areas. In the

engineering area, Region V would have a very limited capability beyond the resident staff to focus on emerging issues. In responding to Region V short lead-time requests for resources, Region IV's response would likely be heavily influenced by the need to fully implement the inspection program at Region IV sites, for which Region IV is directly accountable. For larger reactive efforts, such as Augmented Inspection Teams, Region V would have to rely heavily on Region IV resources on short notice.

The implementation of the SALP process in Region V would require considerable effort on Region IV's part, and a significant degree of coordination. While the overall SALP effort would remain the responsibility of Region V, Region IV would provide all of the input in the operator licensing, EP, RP, and security areas, and a significant portion of the input in the engineering area. The results of team inspections led by Region IV personnel would need to be factored into SALPs. Region IV would have to provide at least a DRSS manager to be a SALP Board member and more likely other Region IV personnel would travel to Region V to participate on the Board. Likewise, Region IV personnel might also be requested to attend the SALP meetings with licensees. The overall quality and timeliness of SALP reports would be difficult to maintain due to the regional division of resources and oversight personnel that contribute to the SALP process.

Under this Option, all inspection reports for Region V sites would be signed out by Region V managers, however, with 50 percent of the inspection resources in Region IV, Region IV first-line supervisors would be required to do the first-level reviews of the work of their inspectors. The review and

resolution of comments on draft reports would be complicated by the geographical separation of the inspector and the manager signing out the report. Likewise, specific preparations for inspections would require additional effort between Region V managers and Region IV managers and inspectors to review and approve inspection plans.

Processing of routine allegations requires that allegation boards be held to assess the allegation and to determine a course of action. Region V would have to depend on the Region IV Attorney, Allegation Coordinator, and/or Enforcement Officer to telephonically support all allegation boards, estimated to be roughly 200 boards per year. In many instances, Region IV technical staff would be requested to support allegation boards and to provide inspection followup of allegations. Virtually all EP, RP, and security allegations would require Region IV inspection effort. Region IV would also have to support drafting of correspondence that relates to allegations. The absence of an Allegation Coordinator in Region V would require each Region V branch chief to assume that function in his/her Branch, with a corresponding decrease in efficiency and continuity. The overall quality of allegation files and the timeliness of allegation followup would likely decline.

Routine enforcement items would remain the responsibility of Region V. Escalated enforcement could either be coordinated through the Region IV enforcement officer or directly addressed by Region V with the Office of Enforcement (OE). If the Region IV enforcement officer's participation is included, the coordination efforts would be increased over that needed with an enforcement officer located in Region V. If Region V dealt directly with OE,

the interface would probably occur at the branch chief level in Region V, resulting in a decrease in continuity in dealing with escalated actions in that there would not be a single point of contact. Region IV personnel would be required to travel to Region V for enforcement conferences and to coordinate enforcement package preparations for actions resulting from their inspection activities.

Under this Option, Region V would not have a Team Leader or the capability to plan and execute team inspections. Region V management would define team inspection schedules and focus, but would rely heavily on Region IV to staff the teams and to often provide the Team Leader. Likewise, specific team planning and report writing would often occur in Region IV, although in all cases Region V management would be the final approval authority for team reports. Finalizing team reports, in particular, would require substantial coordination between the regions and would likely require Region IV team leaders to travel to Region V for several days to finalize the report before issuance.

Regional Resident inspector meetings usually occur about three times per year. The meetings have been an opportunity for the staff to be trained in various areas, usually requiring presentation support from Headquarters. The meetings have also been an opportunity for the resident and projects inspectors to meet with the EP, RP, and security inspectors. Based on the small Region V size with this Option and the limited Region V resources available to coordinate the meetings, it may no longer be efficient to hold them in Region V. An alternative would be to have Region V participate in Region IV resident

meetings; however, this would require virtually the entire Region V technical staff to travel to Region IV for each meeting to accomplish the same training previously completed in Region V. In either case, additional inefficiencies would be introduced.

This Option would maintain Region V as the sole NRC region having inspection authority and responsibility over Region V power reactor sites. Region V would remain the licensees' point of contact on all inspection issues. Region V's ability to promptly interact with licensees on certain technical issues on a daily basis would be significantly complicated by having 50 percent of the Region's technical resources in Region IV. While these difficulties could be overcome, it is likely that routine discussions with licensees would often be delayed because Region V managers would not possess the level of knowledge of issues that comes from interacting daily and directly with Region IV inspection personnel. Regardless of the degree of coordination between the regions, routine interactions with Region V licensees would be less efficient, less informed, and may result in a level of dissatisfaction on the part of the licensees. An added point of confusion for licensees would be that licensees would find that they frequently speak to Region IV personnel at the inspector/first-line supervisor level, and to Region V at the management level. Communications with Headquarters personnel would also be complicated for the same reasons.

There would also be some negative impact on implementation of programs other than the power reactor program, which would be fully performed and managed by Region IV personnel. The principal effects on the implementation of these

programs would be the additional travel time to licensee sites, and more difficult communications with licensees and State officials because of time differences, as has been discussed in Option 1.

The impact upon the emergency response/event response program is discussed in the paragraph entitled Incident/Emergency Response.

Interface with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces

For the reasons discussed in Option 1, the degree of interface with licensees (especially materials licensees), the public, the media, State and local governments, and Federal agencies would be affected. In addition, this Option would result in confusion with the public, the media, State and local governments, and possibly some Federal agencies because both Regions IV and V would be regulating NRC licensees in the same geographical area. It would be particularly difficult for States and counties in that they would have to coordinate with Region V on power reactor matters including power reactor emergency response programs, and would have to coordinate with Region IV on materials and agreement state matters including materials and fuel facilities emergency/event issues.

Internal NRC communication and interface activities would be complicated, especially in the area of power reactor enforcement, in that both Region IV and Region V personnel would probably be involved in significant enforcement issues. Headquarters counterparts would probably need to coordinate with both

Regions IV and V with attendant time zone limitations on those issues involving both region's personnel.

Incident/Emergency Response

This Option would create major problems in incident/emergency response as related to power reactor events. Region V would be responsible for the power reactor program, however, with only about 33 total staff, including the resident inspection staff. There would be one less senior SES manager in the Agency qualified to serve as a Director of Site Operations, thereby reducing the overall Agency capability in this area from 13 to 12. Region V would not have the capability to perform regional emergency response functions as defined by the current NRC plan. The full response capability (base and site teams) would have to be the responsibility of Region IV. Region IV personnel would have some degree of familiarity with Region V power reactor facilities since the EP, RP, security and engineering inspections would be performed by Region IV staff. However, the day-to-day knowledge of Region V power reactor facilities (both management and inspector) would be located in Region V, and would not be available to Region IV except through telephone communications.

The Region IV Incident Response Center would keep up-to-date information related to Region V power reactor facilities, which would also be kept in Region V.

The small technical and management staff located in Region V could assist the base team in Region IV via telephone communications, or be sent to the power

reactor site to assist the resident inspectors until the site team could respond from Region IV. All health physics and security responders would be dispatched from Region IV. The Region IV emergency response coordinator would include these concepts into the Region IV emergency response plans and training. The Region IV emergency response coordinator would also be responsible for Region V staff training. In total, this would require added coordination and result in confusion.

Employee Impacts - Short-term and Long-term

As discussed under Option 1, employee impacts associated with this Option are considered significant. While these impacts are estimated to be the greatest under Option 1 because the largest number of employees would be affected, these same types of concerns and hardships would be felt under Option 2. Under Option 2 the small Region V office would consist of 33 staff, 13 of whom are at the resident sites. This means that 20 of the 88 staff currently assigned to the Walnut Creek office would remain in Walnut Creek. The remaining 68 staff would be offered reassignments and it is expected that roughly 78 percent of these, or 53 staff, would transfer. It is estimated that the remaining 15 staff members would either retire or leave the Agency.

Impact on Costs, to Include Travel, Transportation, FTE, Relocation, and Administrative Support.

The methodology used for estimating the savings and costs associated with Option 2 is basically the same as described for Option 1. The principal

differences in costs are mainly attributable to two factors: 1) the number of people transferred from Region V and 2) the number of positions increased in Region IV. Appendices 7 and 10 reflect the changes associated with these factors and the associated savings and costs.

The exercise of this Option would ultimately result in an annual savings of about 25 FTE (55 FTE from the FY-93 budget) and would require a one-time cost of between $5.9 and $7.7 million. If the Agency actually realizes this 25 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 2.1 to 2.7 years with recurring savings of $2.8 million and long-term projected dollar savings of $3.6 and $5.4 million in 5 years and $17.7 and $19.4 million in 10 years.

Positioning for the Future

In contrast to Option 1, this Option could allow for expansion of an NRC West Coast office to accommodate any new power reactor construction and operations, as well as other program additions including an increase in the materials program and support of the proposed Yucca Mountain facility.

Option 3 - Reducing Region V to a Staff of Approximately 25-30 FTE (including Residents) as in Option 2, but Structured as a Field Office of Region IV, Rather Than a Separate Regional Office.

Option 3 is a variation on Option 1 in which an NRC management and reactor program office presence is maintained on the West Coast through the maintenance of an NRC field office in Walnut Creek, California. Implementation of this Option would retain most of the technical resource benefits of Option 1, but would result in some additional management and program implementation challenges.

In this Option, the field office would be manned by an SES-level director reporting to Region IV. This manager would be supported by two project section chiefs, four project engineers/reactor engineers, two administrative support personnel, and a public affairs officer. The field office would be responsible for the day-to-day oversight of the resident inspection program at Palo Verde, San Onofre, Diablo Canyon, and WNP-2 sites. The approach would be to minimize program support and administrative functions retained in the field office, avoid duplication of functions, and maximize dependence on Region IV while maintaining those administrative and program support functions necessary to support the field office. The models used for this approach include the Uranium Recovery Field Office and the former Office of Special Projects, Comanche Peak Projects Division Field Office. Each of these field offices was headed by an SES field office director with program and administrative support provided by Region IV and/or Headquarters.

This Option involves taking the Region V FY-95 budget baseline organization (Appendix 4), merging it with the Region IV FY-95 budget baseline organization (Appendix 5), resulting in a Region IV organization as shown in Appendix 11. The field office portion of the organization as shown in Appendix 11 would be located in Walnut Creek, California.

The total FTE savings that are estimated with the exercise of this Option is 33 FTE (63 FTE from the FY-93 budget).

Impact on Mission Accomplishment

Option 3 provides many of the advantages associated with Option 1. Some of these include a broader base of technical expertise and added flexibility in resident rotations and inspection planning. Some of the time zone concerns associated with Option 1 are reduced, particularly regarding day-to-day oversight of the power reactor facilities.

However, communications and coordination of inspection program functions would be more difficult under this Option. Much of the communication and coordination activities between the field office personnel and the regional office would be via telephone. The need for additional communication and coordination could also extend to the State liaison function when day-to-day oversight of power reactor facilities would lie in the field office while the State counterpart function for reactors resides in Region IV.

As with Option 2, roughly half of the inspection resources to conduct the

Region V site program would reside in the Region IV Arlington office. The amount of coordination required to plan and implement the inspection program, and to fulfill other program responsibilities, such as SALP, enforcement actions, plant performance reviews, licensee meetings, allegations, and MIPS would be increased. Some coordination and communication difficulties could be expected, at least during transition. The time zone differences and the geographic distances between Region IV and the field office would make it more difficult to meet the greater need for effective communication efforts and Headquarters communication would be further complicated.

Coordination and scheduling of inspections between the Region, and the field office would require additional management effort. For emerging issues, the field office would have to rely on resources in Arlington, Texas for the engineering, operator licensing, EP, RP, and security activities.

Extensive participation of field office and Region IV personnel would be required to conduct plant performance reviews. In order to effectively rank the plants in the region and the field office together, the comparison would be made at the Director, Division of Reactor Projects (DRP) level with input from the Division of Reactor Safety and the Division of Radiological Safety and Safeguards, as well as from DRP personnel in Arlington, Texas and the field office.

The implementation of the SALP process would require some additional coordination. The overall SALP effort would be conducted in the Region IV Arlington office.

Under Option 3, inspection reports would be handled similar to the way they are currently handled in Region IV. Reports initiated by the projects staff would be signed out by the Field Office Director or the region. Reports initiated by the other divisions would be signed by the cognizant Division Director and would require concurrence by Field Office personnel. This concurrence process may involve a minor delay to accommodate the time zone and geographical factors but the NRC's Wide Area Network should minimize any such delays. Inspection plans would be handled in much the same manner. Required interface activities with the field office and/or residents would be handled by telephone. Processing of allegations would be performed in the Region IV Arlington office. The same would apply to enforcement activities with the additional complication that field office personnel would be required to travel to Arlington to attend escalated enforcement conferences. Enforcement coordination would be conducted by telephone with resident and Field Office personnel.

Interface with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces

Under this Option, day-to-day interface with licensees should be minimally affected. Retaining a public affairs presence and SES manager on the West Coast should minimize any impact on NRC interface with the public or the media. Some effects may be felt by Federal, State, and local agencies since the State liaison and agreement program personnel, who provide the day-to-day contact, would reside in Arlington. Internal interfaces would be less complex with four, rather than five regions to deal with, with the exception of

day-to-day power reactor issues, which would require increased coordination due to the need for coordination with both the Arlington regional office and the Walnut Creek field office.

Incident/Emergency Response

As in Option 2, the proposed staffing levels within the field office would not support full response capabilities. Therefore, formal emergency response would be directed from the Region IV Arlington office. Additionally, the Study Group does not believe that reliance should be placed on the field office for more than partial first-line response functions, which is already otherwise available from the resident inspectors at other Region V sites.

In an emergency, some staff of the field office would be available to support regional office response activities and, under ideal conditions, could dispatch 2-3 inspectors and 1 supervisor to the affected site while maintaining some office coverage for the unaffected plants. While this Option would increase the breadth of technical expertise for emergency response as in Option 1, Base Team depth at Region IV would not be as enhanced because critical regional office functions (i.e., the cognizant section chief and project engineer) would be located in a remote field office. There would be two less senior SES managers in the Agency qualified to serve as a Director of Site Operations, thereby reducing the overall Agency capability in this area from 13 to 11.

Response times to potential incident sites (current Region V power reactors)

would be the same as discussed in Option 1. However, since the focus of the field office activities is on reactor projects, there would be some small number of management and technical staff available in the field office that could be dispatched to an incident site to assist the resident inspectors during the early phases of event response.

Employee Impacts - Short-term and Long-term

Exercise of this Option would result in impact on 79 employees versus 88 employees for Option 1.

Under this Option the field office would consist of about 22 people, 13 of whom would be located at power reactor sites. This means that 9 of the 88 currently assigned to the Walnut Creek office would remain in Walnut Creek. The remaining 79 staff would be offered reassignments and it is estimated that 78 percent of these, or 62 staff, would move. It is estimated that 17 staff members would either retire or leave the Agency.

Impact on Costs, to Include Travel, Transportation, FTE, Relocation, and Administrative Support.

The methodology used for estimating the savings and costs associated with Option 3 is basically the same as described for Option 1. The principal differences in costs are mainly attributable to two factors: 1) the number of people transferred from Region V and 2) the number of positions increased in Region IV. Appendices 7 and 10 reflect the changes associated with these

factors and the associated savings and costs.

The exercise of this Option would ultimately result in an annual savings of about 33 FTE (63 FTE from the FY-93 budget) and would require a one-time cost of between $6.6 and $8.9 million. If the Agency actually realizes this 33 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.9 to 2.5 years with recurring savings of $3.5 million and long-term projected dollar savings of $5.2 and $7.4 million in 5 years and $22.7 and $25.0 million in 10 years.

Positioning for the Future

The impact for this Option is the same as stated in Option 2.

Option 4 - Reducing Region V to a staff of approximately 60 FTE (including residents) with all reactor programs remaining in Region V. All other programs including OI, fuel facilities, decommissioning, State agreements, and materials would be consolidated in Region IV.

This Option involves the transfer of all Region V programs to Region IV, with the exception of the power, nonpower reactor, and state liaison programs which would remain in Region V. The OI field office would be located in Region IV with a smaller satellite office in Region V. The resulting Region V organization would be as shown in Appendix 12, and the resulting Region IV organization would be as shown in Appendix 13. The Region V organization reflects the absolute minimum number of management and administrative personnel necessary to support the power and non-power reactor programs. As such, minimal administrative support would be provided to the management and technical staff, and some current Headquarters support requirements might need to be relaxed. With the exercise of this Option there would be a net FTE savings of approximately 19 FTE (49 FTE from the FY-93 budget).

This Option provides for a Region V office to be maintained in Walnut Creek, California, as is the case in the previously discussed Option 2. However, by maintaining a larger staff and retaining all of the reactor program implementation capability within Region V, many of the management and program implementation problems inherent in Option 2, would not exist.

Impact on Mission Accomplishment

This Option maintains a significant NRC presence in the western United States, with the resources necessary to fully and independently conduct the reactor inspection and operator licensing programs, and provides the ability to maintain present response capability to reactor events and emergencies at western facilities. Program activities such as SALP, inspection planning, enforcement, allegations, management meetings, and team inspections, as related to power and nonpower reactors, would all continue to be carried out as they are currently being performed.

The total number of supervisors in the Region V organization decreases to reflect the reduced level of administrative support and the transfer of the materials, fuel facilities, decommissioning, and State agreements programs. Also, the number of supervisors involved in the oversight of the power reactor program would decrease slightly with the loss of a deputy SES administrator.

The impact on the materials, fuel facilities, decommissioning and state agreement programs would be the same as that discussed under Options 1, 2 and 3.

Under this Option, with the overall reduced management staff, the region's ability to meet all existing Headquarters support requirements, such as attending sponsored workshops and counterpart meetings, would decrease. As an example, one Region V section chief would be responsible for EP, RP, and security, while in the larger regions a separate section chief is assigned to each area. Because of this reduced management staff, some existing programmatic guidance and requirements might have to be modified.

This Option retains the ability to perform all anticipated reactive inspection efforts, including AITs. As has been the case in the past, Region V would continue to request specific technical support from Headquarters for detailed followup of significant events.

Interface with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces

The degree of interface with licensees, the public, the media, State and local governments, and regional Federal agencies would remain the same as that which currently exists for all activities associated with power and nonpower reactors.

The degree of interface with licensees, the public, the media, State and local governments, and regional Federal agencies, for all activities associated with materials, fuel facilities, decommissioning, and State agreement programs, would be affected as discussed in Options 1, 2 and 3.

Also, as discussed in Option 2, this Option would result in confusion with the public, the media, and State and local governments since both Regions IV and V would be regulating NRC licensees in the same geographical area and the state agreement and liaison functions would be split between the two regions.

Incident/Emergency Response

This Option provides sufficient resources to maintain the current Region V

incident response center, to support an emergency response coordinator, and to provide for staff training.

For reactor events all base team and site team functions could be supported by Region V under this Option. The requirements for a regional Base Team and those for a site team could be met, but because of the reduced size of the Region the depth at each position would be limited. The reduced Region V would have no problem handling minor or less complex events with available resources. However, for those events in which the Agency goes to expanded activation for a sustained period of time, i.e., more than one shift, the reduced number of staff and managers would become limiting. This limitation would be particularly notable in protective measures and the health physics expertise, and would eventually affect senior management and other technical staff. The result would be that the reduced region would need to call on Headquarters or another region for support earlier than would a larger region. There would be one less senior SES manager in the Agency qualified to serve as a Director of Site Operations, thereby reducing the overall Agency capability in this area from 13 to 12.

Region V, under this Option, could support Region IV's response to materials and fuel facility incidents.

Employee Impacts - Short-term and Long-term

This Option would result in a negative impact on the least number of employees of the four Options evaluated.

Under this Option, the Region V office would consist of about 58 people, 13 of whom would be located at power reactor sites. This means that 45 of the 88 staff currently assigned to the Walnut Creek office would remain in Walnut Creek. The remaining 43 staff would be offered reassignments and it is expected that roughly 78 percent of these, or 34 staff, would transfer. It is estimated that the remaining 9 staff members would either retire or leave the Agency.

Impact on Costs, to Include Travel, Transportation, FTE, Relocation, and Administrative Support.

The methodology used for estimating the savings and costs associated with Option 4 is basically the same as described for Option 1. The principal differences in costs are mainly attributable to two factors: 1) the number of people transferred from Region V and 2) the number of positions increased in Region IV. Appendices 7 and 10 reflect the changes associated with these factors and the associated savings and costs.

The exercise of this Option would ultimately result in an annual savings of about 19 FTE (49 FTE from the FY-93 budget) and would require a one-time cost of between $3.6 and $4.8 million. If the Agency actually realizes this 19 FTE savings by October 1995, it is then estimated that the one-time costs would be recovered in 1.7 to 2.3 years with recurring savings of $2.1 million and long-term projected dollar savings of $3.7 and 4.8 million in 5 years and $14.3 and $15.4 million in 10 years.

Positioning for the Future

The impact of this Option is the same as stated for Option 2.

Regional Employee Comments

In accordance with the DEDR memorandum of April 20, 1993 (Appendix 3), the Study Group requested and received comments from the Region IV and Region V employees regarding the May 24, 1993 Draft Report. These comments are included as Appendices 14 and 15 to this report.

The Study Group reviewed these comments and made selected changes to the report. Additionally, the Study Group determined that there were a number of common concerns that can be summarized as follows.

Limited Scope of Realignment Study

A number of employees expressed concern that the study did not encompass other potential areas of savings such as FTE reductions in other Headquarters programs, program overlaps, redefining regional boundaries, etc.

Their concern was that other options for achieving savings exist and are not currently being investigated, that could trim the Agency in small increments without the necessity to close Region V. The closing of a region is considered a radical approach to achieve an FTE savings versus a general trimming of other Agency programs such as overhead.

The Study Group did not address the above defined issues in its study because they were not a part of the EDO Study Charter (Appendix 2), and because of time constraints, however, we have recommended further study of Agency-wide

overhead.

Geographic Imbalance

Some employees expressed concern that there is an obvious geographic area imbalance, relative to the number of states per region, if Region V is consolidated within Region IV.

The Study Group agrees that a consolidation of Region V within Region IV would result in a significant geographic imbalance, and believes this concern is expressed in the discussion of Option 1 under the heading of "Interfaces with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces."

Status Quo Consideration

Some employees were concerned that the "Status Quo" was not addressed and evaluated as a separate option in the report.

The Study Group explained to the employees, during the two staff meetings that the Study Group held with Region V employees, that the Status Quo will be considered in the decision making process and that it is a bona fide option which could be selected. In addition the Study Group revised the report, as a result of these concerns, and added statements under the sections "Assumptions used in Conduct of Study", and "Conclusions and Recommendations."

Lack of NRC Presence on the West Coast

Several employees believe that for Options 1, 2, and 3 the lack of significant NRC presence on the West Coast is not given sufficient weight in the draft report.

Even though the Study Group did not revise the report because of this expressed concern, the Study Group believes that NRC West Coast presence is a significant issue which should be recognized by the EDO and Commission. The Study Group believes that this issue is addressed in the discussion of each Option under the heading of "Interfaces with Licensees, the Public, the Media, State and Local Governments, Federal Agencies, and Internal NRC Interfaces."

Conclusions

As summarized in the Summary Comparison of Options (Page 9), adoption of any of the four identified options results in FTE and dollar savings. We believe that retaining the status quo, as well as adopting any of Options 1, 3, or 4 would accomplish our mission of adequate protection of the public health and safety. The Study Group believes that only Option 2 would result in such negative mission and management impacts as to be excluded from further consideration.

Any decision to depart from the status quo should be based on a weighing of factors that includes 1) the necessity of such a step in lieu of possible alternate cost cutting measures that don't entail extensive employee relocations 2) the pros and cons associated with mission accomplishment 3) the loss of NRC presence on the West Coast 4) the effect on our people including the potential long term morale and human relations impact, and 5) the efficiencies to be gained from the option, and the probability that those efficiencies would actually be realized. While the Study Group has done its best to evaluate these factors, we are not in a position to effectively evaluate the first factor, which we believe is a significant decision consideration.

A recommendation to adopt any of the study options should depend on the necessity that the EDO and Commission feel exists in a tightening budget climate where existing and possible additional pressures to downsize and become more efficient may dictate precedent setting management measures. The

Study Group is not in a position to make an informed evaluation of this issue and therefore has concluded to qualify our recommendations and to identify the most significant considerations we believe should go into a decision.

Another important issue, developed after publication of the draft report, is the overall long-term employee reaction to the prospect of the NRC adopting a practice of large scale employee relocation. We do not believe it should be viewed necessarily as a stumbling block to taking needed actions, but we do believe this is a concern that should be considered. This comment is made with the recognition that during the early 1970's the AEC did relocate Region IV from Denver to Arlington and Region I from Newark to King of Prussia.

The Study Group further concludes that any decision consider the following.

- Option 1 would provide the greatest potential savings from the standpoint of efficiency. It represents a straightforward management approach with clear lines of authority and responsibility. Some mission enhancements could result. This is the preferred option of the Region IV administrator. However, it represents the most radical change, with the greatest initial cost, greatest number of affected employees, and a potential decrease of credibility and public satisfaction through loss of West Coast presence. If this became the preferred option, we believe it would be particularly important to quickly communicate with other governmental entities, licensees, and the public to provide assurances that the NRC has no intention of letting the mission suffer and to solicit views of what actions we could take under the new organization to

continue smooth interactions and communications.

- Option 3 would provide the second highest potential savings and second highest cost and personnel impact consequences. Its pros and cons are similar to Option 1 with the following differences. It provides a middle ground in terms of maintaining a management presence on the West Coast. It presents an additional management challenge in overseeing a field office, but the Region IV Regional Administrator believes this option is manageable.

- Option 4 would provide the least potential cost savings with the least cost and personnel impact. It maintains the largest NRC presence on the West Coast. It would present some external relation challenges in that both Region IV and V would regulate in the present Region V geographical area, although in different functional areas, and the state program would be split between the two regions, resulting in some possible external confusion over responsibility and accountability.

The Study Group conclusions are consistent with responses received from the staff as contained in Appendix 16.

Recommendations

- If it is determined that the status quo should not be maintained for budgetary reasons, and FTE savings is the dominant consideration, the Study Group recommends that Option 1 be implemented since it results in (1) the highest potential FTE and long term cost savings; and (2) the most straight forward, simplest organizational approach which would result in the fewest number of management and program implementation problems.

  If Option 1 is considered to be unacceptable, the Study Group believes that both Options 3 and 4 are viable options with cost saving benefits and either could be successfully implemented.

- It is extremely important to provide a prompt decision so that people can eliminate the continuing uncertainty in their lives. We believe this is an important issue regarding the effective implementation of any decision. We also believe it important to have a clear, equitable, and prompt plan, with appropriate agreement by NTEU, as to how assignments would be made to all bargaining-unit personnel.

- The Study group was asked to identify any other areas for likely cost savings. While we felt it was beyond the scope of our study and time constraints to look at the rest of the Agency, clearly a study of overhead in other parts of the Agency is a logical next step if additional FTE and cost savings are necessary. This may also be

important as a fairness issue with many employees.

- If the decision is made to adopt any option, we believe it extremely important to provide a comprehensive transition plan to include temporary mechanisms to maintain program delivery as people move, support services to employees, active outreach to external constituents to maintain services and allay concerns, and management attention to address affected employee trust, confidence and resultant teamwork and morale.

- Lastly, we recommend that any decision adopting other than the status quo, address the Agency necessity underlining the decision. At present, Region V employees do not fully understand why they seem to have been singled out. They feel the narrow scoping of the study effectively eliminated other potential cost savings options that would have less impact on people.

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

OFFICE OF THE SECRETARY

'93 MAR 31 AM 10:33

March 30, 1993

MEMORANDUM FOR: James M. Taylor
Executive Director for Operations

FROM: Samuel J. Chilk, Secretary

SUBJECT: COMSECY-93-012 - PROPOSED STUDY OF REGION V REALIGNMENT

The Commission (with all Commissioners agreeing) has agreed that the staff should conduct a detailed study of possible alternatives for the realignment of Region V. The evaluation should address any impacts associated with the reassignment of staff (including SES) and also anticipate any Union contract considerations. The study should include a discussion of other alternatives such as:

- consolidating the Region IV and V offices in Arlington, Texas, but have a deputy run a small satellite office (much like the URFO office) in California which would report to the Regional Administrator in Region IV, and

- consider a possible realignment of regional responsibilities to provide a better workload balance among the regions.

The staff has forwarded SECY-93-078 dealing with plans to close the Uranium Recovery Field Office (URFO). The alternatives considered during the proposed study should take into account the plans for closure of the URFO. (RV/RIV) 9300056

cc: The Chairman
Commissioner Rogers
Commissioner Curtiss
Commissioner Remick
Commissioner de Planque
OGC
OIG

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

93 MAR 31 AM 10:32

March 30, 1993

MEMORANDUM FOR: John Montgomery, Region IV
Bobby Faulkenberry, Region V
Ben Hayes, OI
Jim Turdici, OEDO
Jim Horn, OP

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: REGION V REALIGNMENT STUDY GROUP CHARTER

You have been selected to conduct a review of several proposed options for the realignment or elimination of the Region V Office. John Montgomery and Bobby Faulkenberry have the lead for this effort. The Commission is considering several measures to achieve efficiencies, and the Commission needs additional information regarding these options. Your review should emphasize cost and FTE savings, the ability to carry out our mission objectives, and internal and external interface concerns. The study group will solicit input from the affected regional and program offices.

The guidelines for the conduct of the review are as follows:

1. The following three options are to be evaluated in the study:

   - Consolidation of Region IV and V into a single regional office that will be located in Arlington, TX.

   - Reducing Region V to a staff of approximately 25-30 FTE (including residents) focusing on the reactor program. The remainder of the current reactor and the OI and material functions would be consolidated in Region IV.

   - Reducing Region V to a staff of approximately 25-30 FTE, as above, but the office would be structured as a field office of Region IV, rather than a separate regional office.

2. The following areas, as a minimum, are to be considered for each option during the review:

   - Overall impact on mission accomplishment

   - Interfaces with licensees, public, media, state & local government, federal agencies, and internal NRC interfaces

   - Incident/Emergency Response

   - Employee impacts/short term/long term

- Cost savings: Travel, transportation, FTE, relocation, administrative support

3. The following assumptions should be used in the evaluation:

   - The ratio of direct FTE/facility for the realigned Region IV should be similar to the current ratio in Regions I-III.
   - The ratio of direct FTE/overhead for the realigned Region IV should be similar to the current ratio in Regions I-III
   - The Region V resident offices will be staffed to N+1.
   - The current functions and regional boundaries for Regions I-III will remain unchanged.
   - The realignment will be completed by October 1994.

4. Provide me with a status briefing approximately two weeks prior to your final report.

5. The final report, including your conclusions and recommendations as to which of the three options should be implemented and the phasing of the steps to implement the option, should be submitted to me by May 30, 1993.

6. If the study group needs additional guidance or recommends changes to the guidance noted above, contact Jim Sniezek.

James M. Taylor
Executive Director
for Operations

cc: J. Sniezek
H. Thompson
T. Murley
R. Bernero
E. Jordan
P. Norry
P. Bird
Regional Administrators

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

APR 20 1993

MEMORANDUM FOR: John M. Montgomery
Deputy Regional Administrator
Region IV

Bobby H. Faulkenberry
Deputy Regional Administrator
Region V

FROM: James H. Sniezek
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations and Research

SUBJECT: REGION V REALIGNMENT STUDY EMPLOYEE COMMENTS

Consistent with Mr. Taylor's March 16 memorandum to the Commission, "Proposed Study of Region V Realignment," I believe that it is extremely important to obtain potentially affected employee's views of the accuracy and completeness of the task group's work in a more formal way than initially considered. Employees from Region IV and V should have an adequate opportunity to both understand and comment on the study group's analysis. Employee feedback to the group will also serve as a reality check and additional quality control on your fact-finding and analysis work.

Therefore, please modify the scope of the March 30, 1993, study group charter to include the following additional tasks:

1. As soon as possible after your May 13 briefing of the EDO on the draft report, make your analysis available to the NTEU and employees of Regions IV and V.

2. Solicit comment from NTEU and Region IV and V employees on both the accuracy of the facts and completeness of the draft report. Coordinate this aspect with the Office of Personnel's Labor Relations component. I do not expect the study group to solicit or respond to specific comments or opinions supporting or opposing any of the consolidation options, or solicit or respond to requests for the study of additional consolidation options. While I expect the final report to consider employee impact, the EDO and Commission will consider individual or Union positions as part of the decisionmaking process. The request for comment should ask that comments be focused on significant issues that may not have been addressed, significant issues regarding the impact on agency mission, or major cost issues.

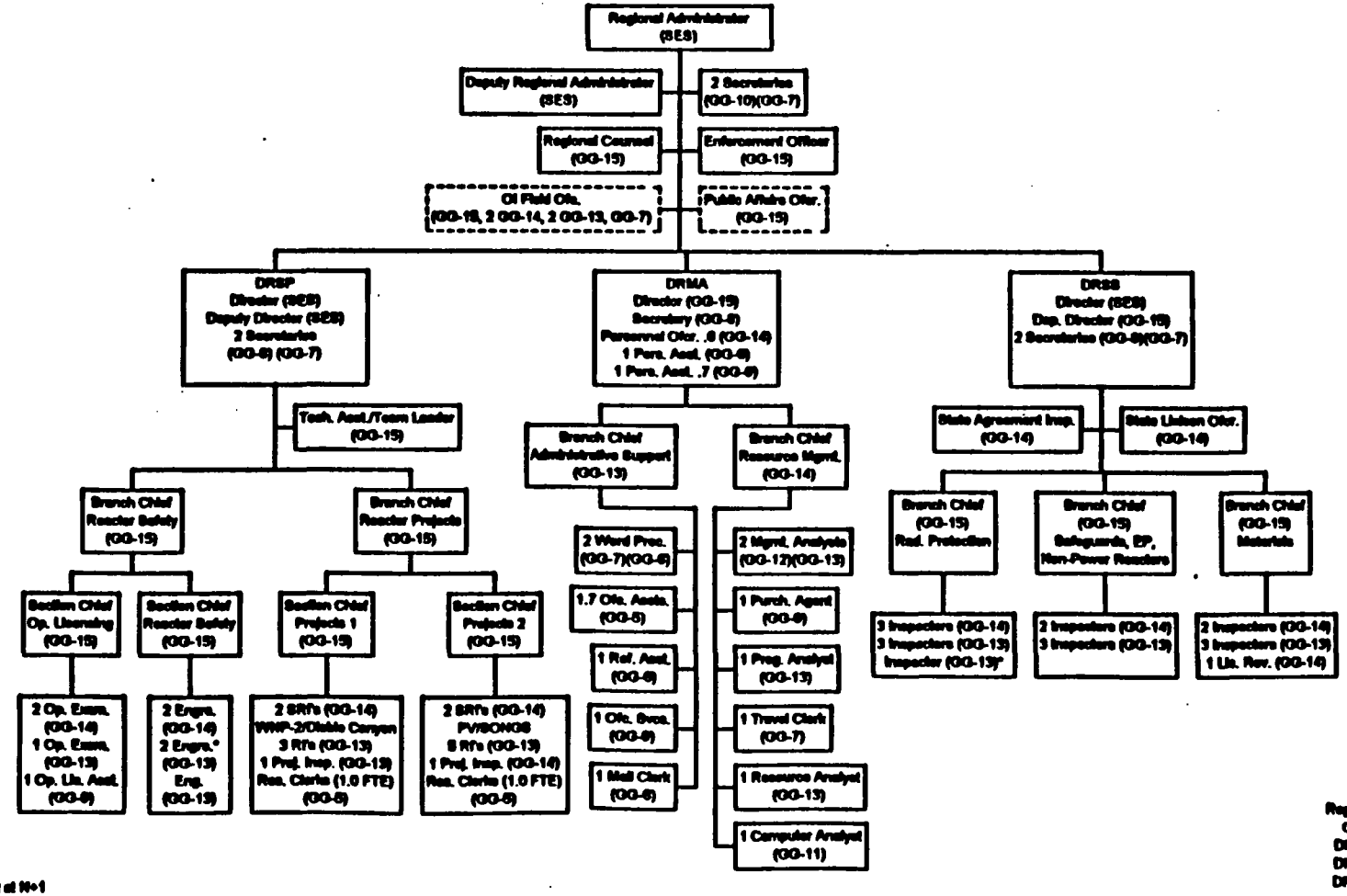
3. You should modify the report as the task group believes is required to reflect the comments received. Since the affected employees and the Union will be kept abreast of the group's work as it is ongoing, I don't expect an extensive comment period to be necessary, nor do I expect the task group to provide an item by item response. All responses received can be included as background to the report and can stand on their own merit. I expect that this process would add no more than one to two weeks to your schedule.

If you have any questions, please let me know.

James H. Sniezek
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations and Research

cc: J. M. Taylor, EDO
P. E. Bird, OP
B. B. Hayes, OI
J. Turdici, OEDO
P. J. Rabideau, OCA
J. F. Scinto, OGC

REGION V FY-95 BUDGET BASELINE

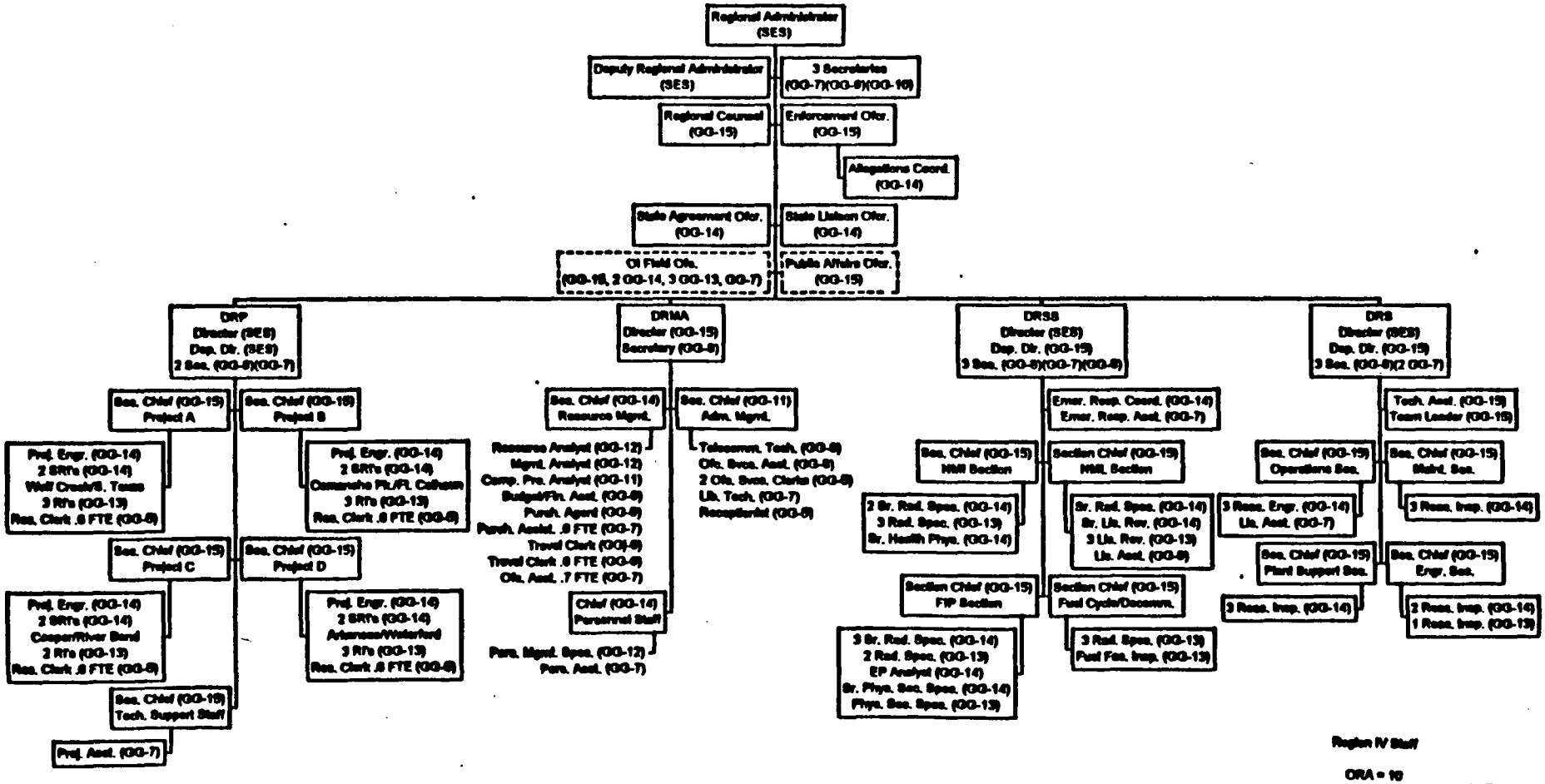


Region V Staff
ORA = 6
DRSP = 30
DRSS = 27
DRMA = 20

Other Staff
OI = 6
PA = 1

Explanation:
- Rockford Program Staffed at N+1
*These direct labor FTE are budgeted as overhead, but historically have been used as direct labor positions.

REGION IV FY-95 BASELINE



Region IV Staff

ORA = 10
DRP = 38.4
DRS = 24
DRSS = 35
DRMA = 20.9

Total = 129.3

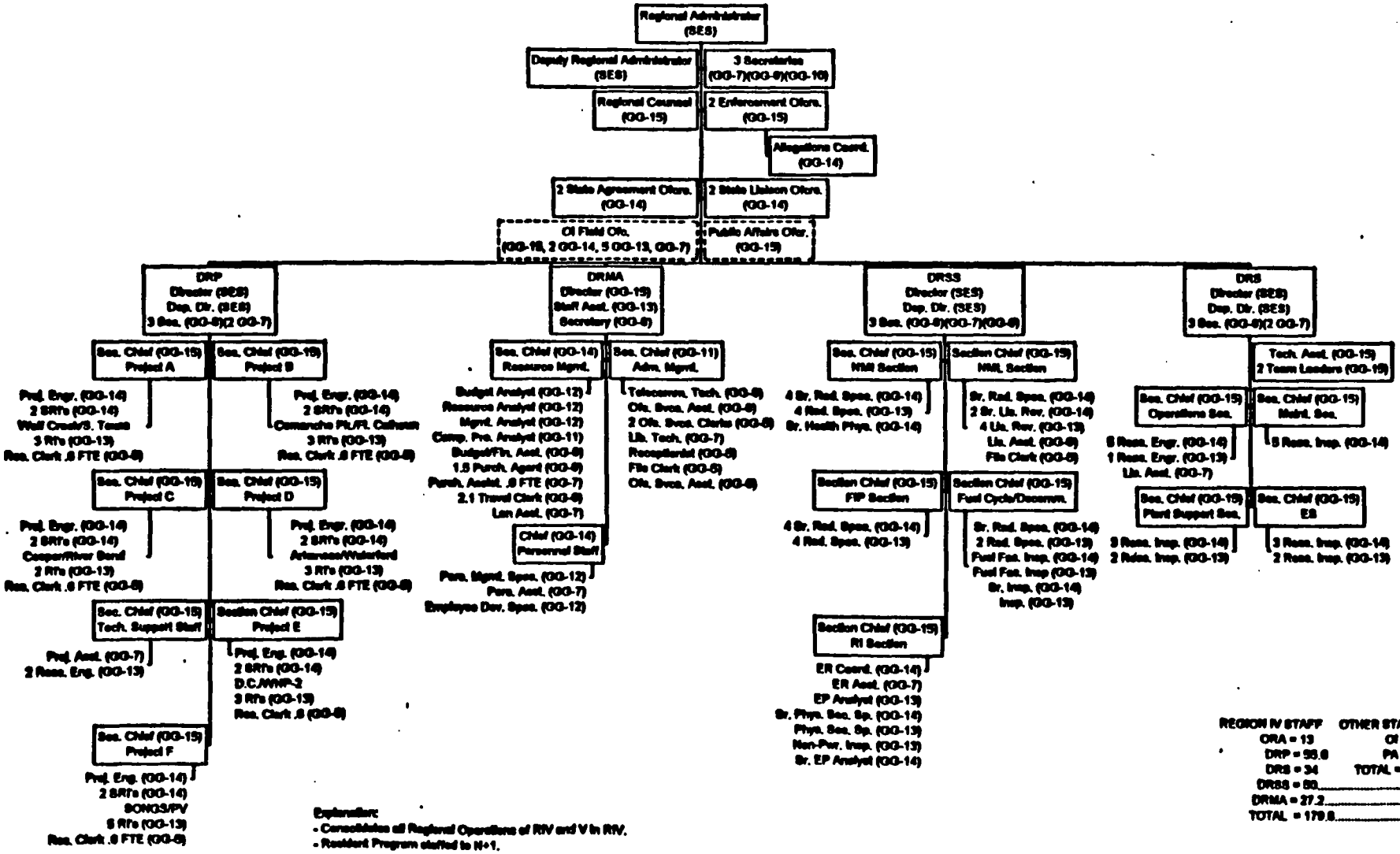
Other Staff

OI = 7
PA = 1

Total = 8

Explanation:
- Resident Program Staffed at N+1

REGION IV OPTION 1



REGION IV STAFF	OTHER STAFF
ORA = 13	OI = 8
DRP = 55.6	PA = 1
DRS = 34	TOTAL = 10
DRSS = 50	
DRMA = 27.2	
TOTAL = 179.8	

Explanation:
- Consolidates all Regional Operations of RIV and V in RIV.
- Resident Program staffed to N+1.

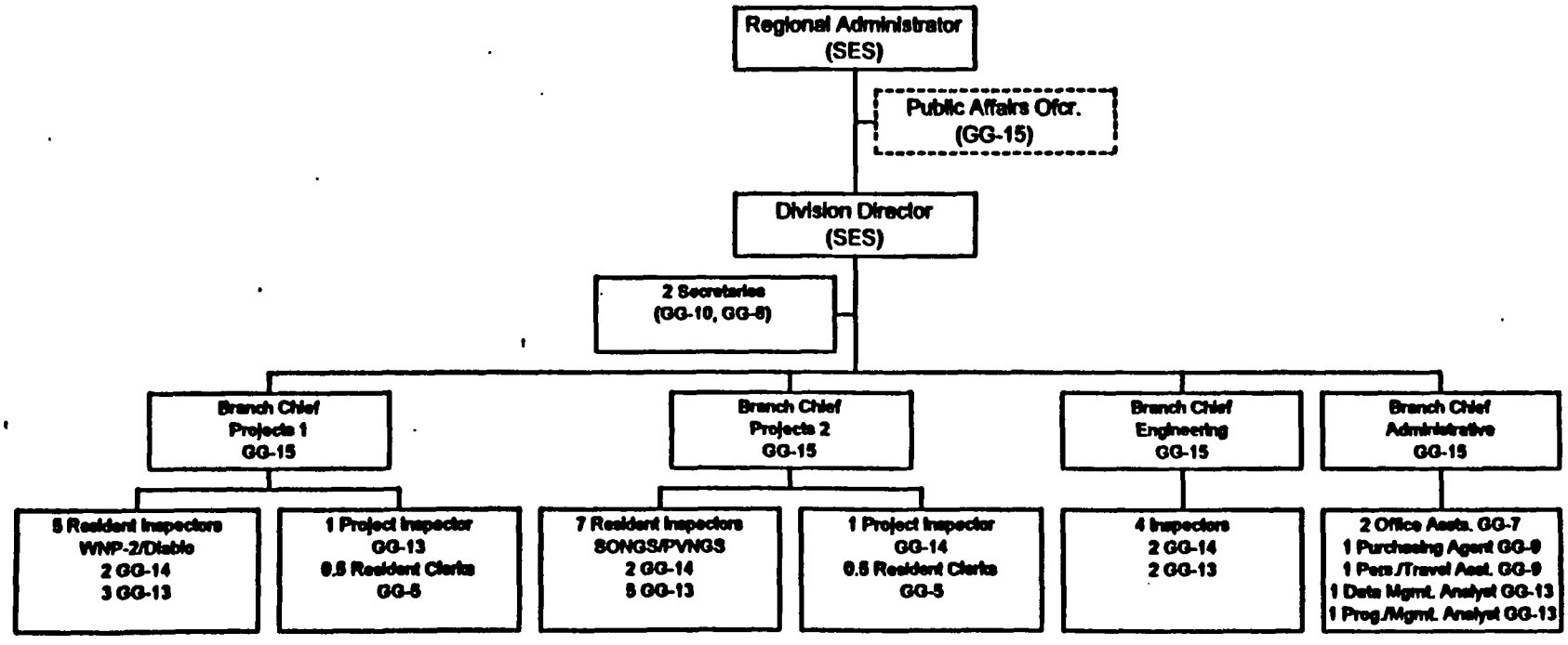
SUMMARY FTE ANALYSIS

Appendix 7

FY -95	STATUS QUO (1) FY -95 RIV	STATUS QUO (1) FY -95 RV	OPTION 1 RIV (Combined)	OPTION 2 RIV	OPTION 2 RV	OPTION 3 RIV	OPTION 4 RIV	OPTION 4 RV
NRR FTE	47	29		60	18		47	29
Total:	76		76	78		79	76	
NMSS FTE (2)	16	8						
Total:	24		24	24	0	24	24	0
OTHER DIRECT	6	6						
Total:	12		9	9	0	9	7	4
OVERHEAD POSITIONS	56	46	69	62	15	72	59	25
Total:	102		69	77		72	84	
INCREASED FTE DUE TO LOST TIME IN TRAVEL			2	2		2	1	
FTE/Option/Region	125	89	180	157	33	186	138	58
Total:	214		180	190		186	196	
Non-Regional FTE savings:								
OI			1		1	1		1
NRR			4			4		
SAVINGS FROM FY-95			39		25	33		19
Additional Savings from FY 93			30		30	30		30
TOTAL SAVINGS FROM FY-93			69		55	63		49

Note 1: The baseline for the study is the FY95 allocations based on the FY94 budget submission
Note 2: NMSS decreased the FY95 allocations (-5 FTE) based on decreased workload for the FY95 budget development
Note 3: Overhead positions include section chiefs, which are normally carried as direct labor
Note 4: FTE savings are primarily from overhead

REGION V OPTION 2



Explanation:
- Removes SES Management (except two), removes DRMA & DRSS Divisions
- Removes Materials, State Agreements, non-power reactors, Security, EP, RP, & OL
- Removes Team Leader, Enforcement, Allegation Coordinator and Technical Assistance
- Very Limited Engineering
- Consists of 33 FTE (2 SES; 5 GG-15, 7 GG-14)
- Extremely limited emergency response, and limited administrative overhead
- Resident Program unchanged (N+1)

Region V Staff

ORA = 4
Proj 1 = 7.5
Proj 2 = 9.5
Eng = 5
Adm = 7

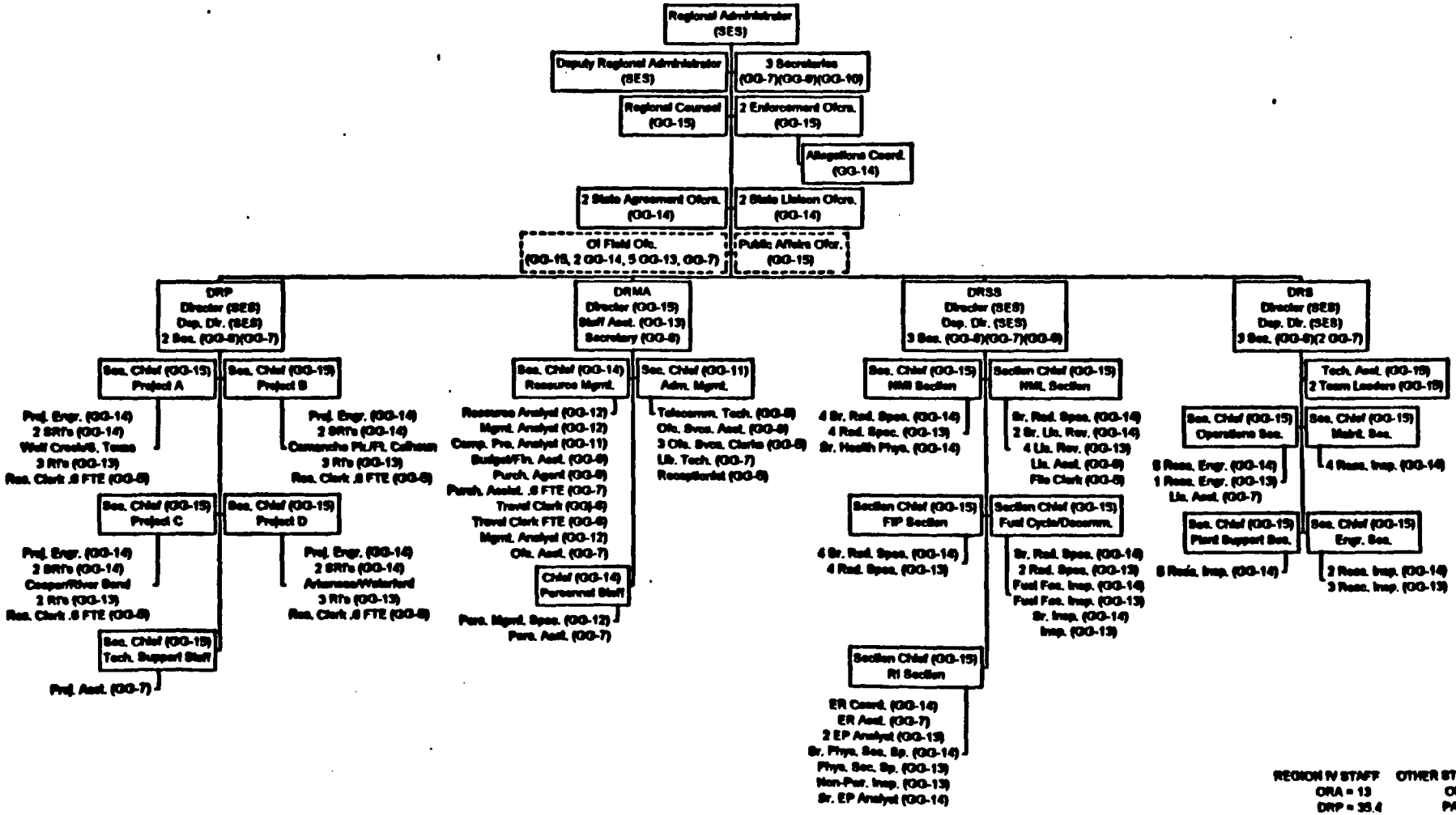
Total = 33

Other Staff

PA = 1

Total = 1

REGION IV OPTION 2



REGION IV STAFF	OTHER STAFF
ORA = 13	OI = 8
DRP = 35.4	PA = 1
DRS = 33	TOTAL = 10
DRSS = 51	
DRMA = 24.6	

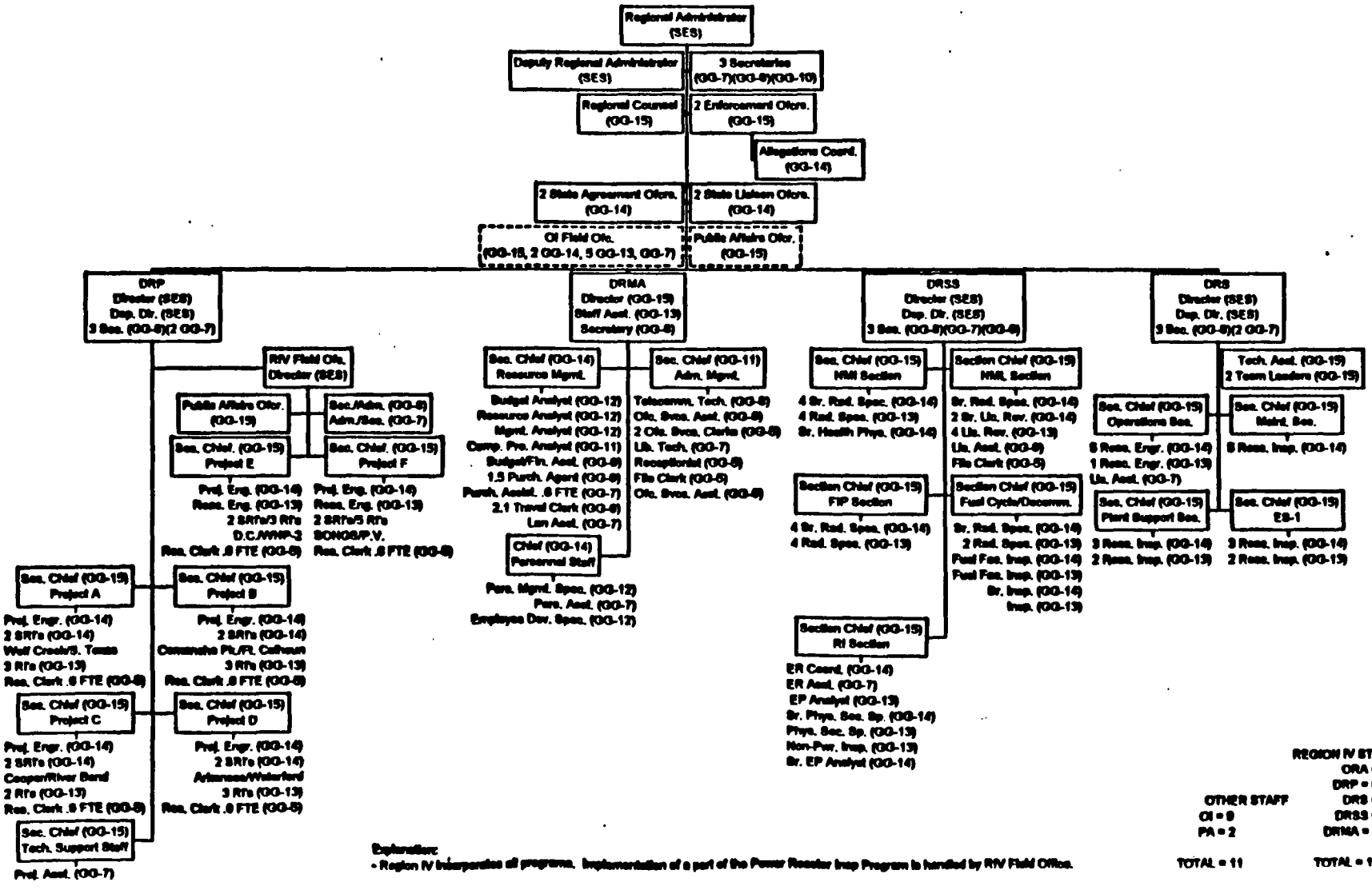
Explanation:
- Region IV incorporates Materials, Fuel Facilities, St. Agreements, Non-Power Reactors, Security, EP, RP, OI, and partial engineering

RECURRING AND ONE-TIME COSTS ASSOCIATED WITH OPTIONS

RECURRING SAVINGS/COSTS								
Recurring Savings:	Option 1		Option 2		Option 3		Option 4	
FTE savings- Regions:	34 FTE		24 FTE		28 FTE		18 FTE	
Associated Salaries & Benefits	$2,720,000		$1,920,000		$2,240,000		$1,440,000	
Locality Pay Savings	$221,000		$185,000		$203,000		$68,000	
Administrative costs	$1,010,000		$814,000		$856,000		$544,000	
FTE Savings- non-Region:								
NRR	4 FTE				4 FTE			
OI	1 FTE		1 FTE		1 FTE		1 FTE	
Associated Salaries & Benefits	$415,000		$83,000		$415,000		$83,000	
Locality Pay Savings	$43,000		$37,000		$37,000		$25,000	
Travel	($217,000)		($224,000)		($239,000)		($37,000)	
Net Recurring Savings	$4,192,000		$2,815,000		$3,512,000		$2,123,000	
ONE-TIME COSTS								
Relocation	$7,069,000	$9,100,000	$5,508,000	$7,124,000	$6,177,000	$8,215,000	$3,449,000	$4,503,000
Severence Pay	$352,000	$608,000	$256,000	$448,000	$320,000	$544,000	$160,000	$288,000
Transfer of Equipment	$50,000		$38,000		$44,000		$24,000	
Administrative costs	$45,000		$61,000		$70,000		$10,000	
Subtotal One-Time Costs	$7,516,000	$9,803,000	$5,863,000	$7,671,000	$6,611,000	$8,873,000	$3,643,000	$4,825,000
Years to realize savings	1.8	2.3	2.1	2.7	1.9	2.5	1.7	2.3
Savings achieved after 5 years	$9,252,000	$6,965,000	$5,397,000	$3,589,000	$7,437,000	$5,175,000	$4,849,000	$3,667,000
Savings achieved after 7 years	$17,636,000	$15,349,000	$11,027,000	$9,219,000	$14,461,000	$12,199,000	$9,095,000	$7,913,000
Savings achieved after 10 years	$30,212,000	$27,925,000	$19,472,000	$17,664,000	$24,997,000	$22,735,000	$15,464,000	$14,282,000

Footnotes:
- Recurring administrative costs for rent for Region IV may increase based on the number of personnel who transfer
- Long term savings are only achieved if FTE savings are realized by October 1995
- Savings do not include the potential costs to GSA for continuation of the Region V building lease

REGION IV OPTION 3

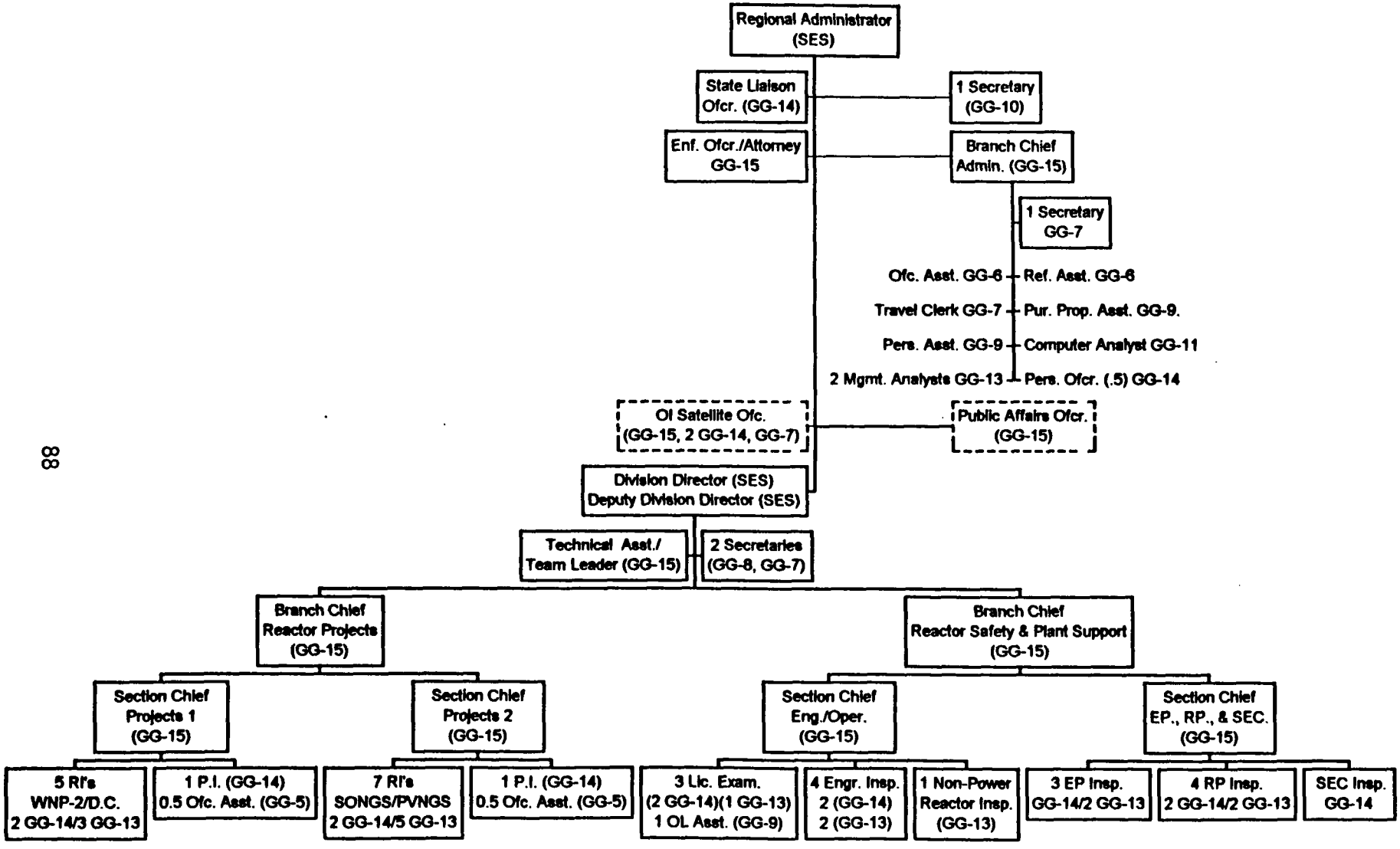


Explanation:
- Region IV Interprates all programs. Implementation of a part of the Power Reactor Insp Program is handled by RIV Field Office.

OTHER STAFF
OI = 9
PA = 2
TOTAL = 11

REGION IV STAFF
ORA = 13
DRP = 91.6
DRS = 34
DRSS = 60
DRMA = 27.2
TOTAL = 185.8

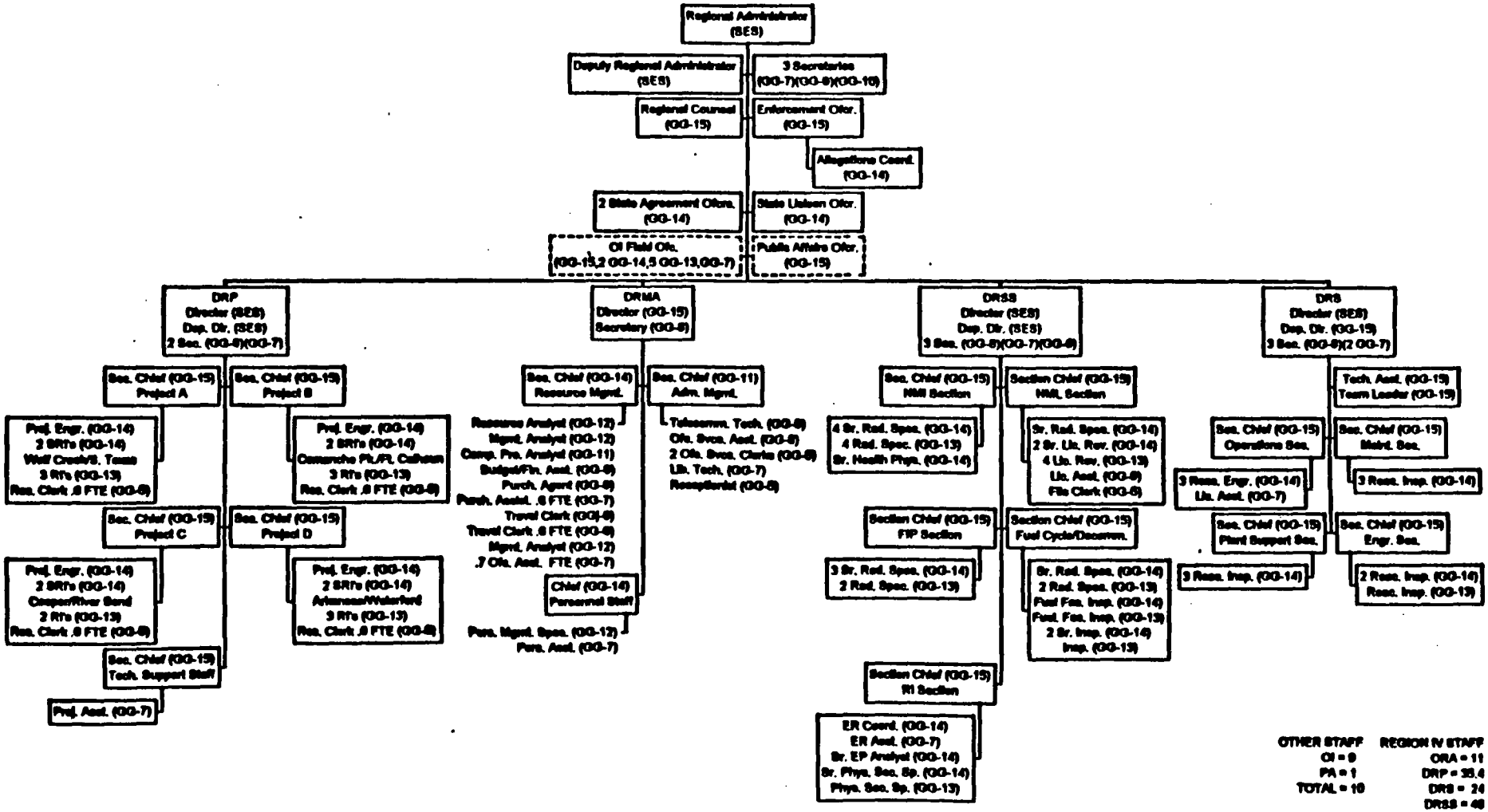
REGION V OPTION 4



Explanation:
- Removes Materials, Fuel Facilities, State Agreements
- Reduced administrative staff
- Resident Program unchanged (N+1)

Region V Staff	Other Staff
ORA = 4	OI = 4
Reactor Div. = 43	PA = 1
Admin. = 10.5	TOTAL = 5
TOTAL = 57.5	

REGION IV OPTION 4



OTHER STAFF	REGION IV STAFF
OI = 9	ORA = 11
PA = 1	DRP = 35.4
TOTAL = 10	DRS = 24
	DRSS = 48
	DRMA = 21.9

Explanation:
- Incorporates Materials, Fuel Facilities and State Agreements Programs

REGION V EMPLOYEE COMMENTS REGARDING THE REGION V REALIGNMENT STUDY DRAFT REPORT DATED MAY 24, 1993

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

June 4, 1993

MEMORANDUM FOR: B. H. Faulkenberry
Regional Administrator

FROM: G. N. Cook
Senior Public Affairs Officer

SUBJECT: COMMENTS ON THE DRAFT REGION V REALIGNMENT STUDY

Within the scope of the study, I believe the study group has done a good job of encompassing the issues to be considered in a realignment of Region V. I do wish to comment in three areas: public affairs presence under Option 1; projected FTE reductions, cost savings, and cost recovery times under all options; and underlying assumptions about the materials and Agreement States programs.

Under Option 1 there would be no public affairs presence on the west coast. Proximity to a source and availability of that source are common considerations when local news reporters and editors decide whether to seek other input, comment, background or a local angle to a story. Without a west coast presence, NRC's perceived accessibility will decline, contact with local media will deteriorate, and we will have fewer chances to communicate with the public through the press. Forced to cover half of the United States, the Region IV PAO will not be able to maintain the degree of familiarity with local reporters that is typical today, and the trust necessary for clear and open communication will be impacted. Reduced familiarity with local reporters and licensee public affairs people undercuts crises communications, when we most need to be effective to assure clear communication with the public. Additionally, the time zone difference presents image problems with the press and the public in day-to-day contacts; inevitably, we would be perceived as having "gone home early" by closing shop when the west coast is in the middle of the workday afternoon.

Regarding FTE reductions, the study notes on page 48 that under Option 1 the entire Region V staff would be offered transfers. The number of employees who would move is estimated at 58 to 71. Yet the FTE savings for Option 1 appear to be based on positions in the realigned organization, not on actual employees retained. The additional office space required in Region IV also does not appear to account for the additional transferred staff. These factors would appear to increase the payback time, as may be seen in the phrase "If the Agency actually realizes this 39 FTE savings by October 1995, ..." (Page 4). Similar problems exists with the FTE savings, cost savings and payback time projections of the other options.

In the area of the materials and Agreement States programs, my personal experience in Region V over the last eight years leads me to believe that presence on the west coast is more than a nicety. State personnel rely on our proximity, our availability, and our expertise. Leaving the west coast will inevitably cause a sense of abandonment, which will be replaced by resentment when we ask the state to help us with a problem at our licensee's facility! The further away we are, the less we will be perceived as understanding the state's concerns. Time zones become very significant when discussing regulation in Hawaii and Alaska, in particular. If we are willing to regulate materials licensees in Hawaii on a five hour time difference and Alaska on a three hour difference, I fail to understand why we would not handle all materials licensees from Headquarters.

This is, in fact, the crux of the question. Is the Agency willing to spend money and FTE to maintain regional presence, or have we reached a point at which, for cost considerations, we are willing to accept the attendant risks and inherent criticism certain to come with a withdrawal from the western half of the nation?

cc: J. Fouchard

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INVESTIGATIONS FIELD OFFICE, REGION V
1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

June 4, 1993

MEMORANDUM FOR: B. H. Faulkenberry
Regional Administrator

FROM: William J. McNulty, Director
Office of Investigations Field Office, Region V

SUBJECT: REVIEW OF THE DRAFT REGION V REALIGNMENT STUDY

The Office of Investigations (OI), Region V, is presenting a consolidated comment on the Region V Realignment Study draft report. The following comment applies to Option 4:

Page 74 indicates the OI field office will be consolidated with Region IV, however, the organizational charts for Region IV and V, Option 4, show an OI field office in Region V with augmentation to Region IV field office. Which version is correct?

From: Philip H. Johnson (PHJ)
To: BFF
Date: Friday, June 4, 1993 4:41 pm
Subject: COMMENTS ON CONSOLIDATION

The following comments are provided on the Regional Consolidation Study:

1. Regarding Option 1 or 3, the problem of a region spanning three time zones (even more when the Pacific areas are considered) appears to have been minimized. Regional office personnel who want morning status or resident contact will find the two-hour time difference to be a problem. On the other end, residents will find themselves being asked to come into work very early to support activities which occur early in the regional office's working day.

2. Regarding Option 1, the decrease in NRC presence on the West Coast will be striking. The states, utilities, and other licensees will find travel to Dallas for normal interface to be a significant burden. The two-hour time difference will also be a significant disadvantage for normal telephone interface, since less than 5 hours of common working hours will remain (9:30 to 4:00, Dallas time, minus lunch periods at each location, which occur at different times).

3. Regarding Option 4, the disadvantages appear to have been overly emphasized in the report. The line of demarcation between reactor and non-reactor issues and licensees should not be difficult to define. A smaller Region V which covers all reactors would work well. Providing oversight for non-reactor licensees from another location would appear to offer minimum confusion -- in a manner similar to the way OSHA or agreement state issues are handled now.

4. Concerns regarding emergency response and dispatch of inspectors will definitely increase. Travel time to WNP-2 from Region V is often over 6 hours, and this (ant the attendant expense) would worsen significantly for travel from Dallas. The problems associated with this concern also appear to have been minimized, assuming optimal travel conditions will prevail.

5. I know a lot of thought has gone into the cost-benefit aspects of the study, and it is difficult for me, without significant thought, to comment intelligently. I have an nagging concern, however, that the costs of inspection travel from a consolidated Dallas office have been based on optimal travel and scheduling assumptions, and will in actuality be somewhat higher.

6. While it's obviously outside the targeted scope of the study, it is painful to consider that many more obvious methods of reducing positions and trimming FTE (e.g., consolidate the functions performed by AEOD and NRR Events Assessment Branch) without massive geographic relocations have apparently been rejected by the Commission and the EDO without significant thought.

7. I hope I'm wrong, but the sense I get from the rumor mill is that consolidation is coming -- perhaps has already been decided -- and that the severe personal and financial impact which will be felt by 80 to 90 people, along with the drastic reduction of NRC presence west of the Rockies, will be less important than a painless (to HQ personnel) method of saving 25 or 30 FTE.

Thank you for the opportunity to comment.

Phil Johnson

CC: CAV, KEP, SAR

June 4, 1993

Note to : B. F. Faulkenberry, Regional Administrator

From: G. P. Yuhas, Chief
Radioactive Materials Safety Branch

SUBJECT: COMMENTS ON DRAFT REGION V REALIGNMENT STUDY

Thank you for the opportunity to comment on this important study. The following comments have been grouped in accordance with your memorandum dated May 24, 1993.

1. SIGNIFICANT ISSUES NOT ADDRESSED

- The March 30, 1993 memorandum for Mr. Taylor from Mr. Chilk stated "The study should include a discussion of other alternatives such as: .. consider a possible realignment of regional responsibilities to provide a better work load balance among the regions."

The draft study seems to have ignored this direction. The regional offices have been clearly advantageous to achieving the mission of the agency. Why isn't there a discussion of transferring responsibilities for materials, fuel fabrication and decommissioning activities in Idaho and Utah to Region V? If we are serious about FTE reduction and improved consistency why aren't we evaluating consolidation of Region I in White Flynt II?

- Region V has in the last two years spent a large amount of the taxpayer's money upgrading the Region V office, like installation of a local area network, yet no mention is made of this potential loss to the public if Region V is abandoned.

- Page 15 The options evaluated did not consider status quo.

To compare the four options presented without consideration of no change to Region V (as it would be in the future considering expected decreases in work load) results in an inaccurate picture of the true options. For example, as the work load decreases one could expect a reduction in staff, reorganizations within the region to reduce the amount of management overhead, reduction in overhead expenses, and perhaps movement of the office to a local Federal building when the existing lease expires.

Failure to consider the realistic fluctuations in a Region V as currently established results in an invalid and inaccurate assessment of the four options.

One could realistically envision a 1998 Region V with the same scope and responsibilities but with a work-force and organization tied directly to the existing workload. How would the proposed four options compare to a

1998 Region V consisting of an SES Regional Administrator and Deputy, three Branch Chiefs (Reactors, Safety, and Support), with two Section Chiefs in each branch, relocated to the Oakland Federal Building? This sort of realistic projection would provide for a fair comparison of not only FTE savings but cost and impact on the mission. Note: $1.9 million dollars in penalties would be saved if Region V fulfills its office lease through 1998.

None of the options considered truly address the impact on our mission because the PUBLIC and the LICENSEES have not been given a chance to offer their views. We don't seem to have learned much from the BELOW REGULATORY CONCERN (BRC) experience.

It seems illogical that a decision effecting one fourth of the nation would be made behind closed doors.

- Page 4 The options do not imagine a need to re-open a Western regional office.

It appears that the GAO report of NRC oversight of nuclear medicine and the Agreement State Programs may result in the need for more materials involvement in the western states. California's materials program (about 3000 licensees) may require additional NRC support and oversight in the future. Should the NRC respond to Senator Glenn's concern about the inadequate regulation of radiation medicine with legislative changes that expand our role, California could present a huge workload. Finally, California has long been a center of advanced research and technology development. Region V might be a better location from which to monitor future development at facilities such as General Electric, EPRI, and Stanford.

Any decision to change Region V should consider future developments in the field.

- Page 42 The impact on Region IV employees is not addressed.

Consolidation of the Region V function in Region IV will result in great stress to those Region IV employees that will then have to compete for their jobs. This stress and possible chain reaction of personnel actions will be very disruptive and costly. The Region IV employees will also lose confidence in NRC management when they realize that they were misinformed concerning the security of their jobs. This point might also result in legal action against the NRC.

- Page 75 The impact of relocating materials licensing and inspection, fuel facilities, and decommissioning to Region IV is assumed to have no impact on the agency mission.

The evaluation does not address the impact on the public of not having a group of experts readily available to deal with their questions and problems. The public or licensees contacting the option-4 Region V are likely to feel like they are getting the run-around when they're told to

call Texas with their question. The public will be outraged if the local Region V office is not capable of responding to the frequent materials incidents.

2. IMPACT ON THE MISSION

- Page 3 Option 1 provides one sentence to address the public impact of consolidation in Texas: "There would also be a loss of full time management and external interface presence on the West Coast, with a possible reduction in agency credibility as a result."

Relocation of Region V to Texas would negatively impact the public and our customers (licensees). The public in Region V will have less access to the agency and that access will cost more. Region V handles many calls each day from members of the public. Many of these calls are directed to Agreement States when appropriate. The extra cost and hassle of finding our telephone number in Texas will serve as a deterrent to seeking advice. The Region V materials staff has developed a close working relationship with representatives in each state and many other local and federal representatives. These relationships will be disturbed and may never be fully reestablished due to the lack of proximity. Region V health physics and emergency planning personnel serve as a pool of expertise and equipment to support the Federal Radiological Emergency Response effort and States on the West Coast. Our ability to provide the same quality of support is unlikely if these health physicists are located in Texas. Finally, the public and the media want to interact with agency representatives that have a vested interest in their community. An NRC office in Texas will never satisfy this criteria.

One look at the attached map showing the proposed geographic impact of consolidation in Region IV immediately causes the viewer to question the merits of this option.

- Page 5 Option 2 does not include adequate health physics expertise.

With an NRC Region V, the public will expect that the office will be able to address health and safety. The states and the public will also expect local NRC officials to represent the NRC position regarding any event that might occur in the region.

- Page 24 The evaluation of Option 1 contains the following comment: "Headquarters would have one less region to deal with programmatically, resulting in some benefit to consistency."

This comment evokes the obvious question; if we really want to save money, reduce FTE, and improve consistency why aren't we studying consolidation of Region I and II in headquarters and Region III, IV, and V in a midwest or western location?

- Page 35 The incident/emergency response discussion does not address the negative impact associated with loss of the NRC Mobile Laboratory.

The NRC Mobile Laboratory played a major role in the early days of the Three Mile Island accident. The ability of the Region IV Mobile Laboratory to respond to an event in much of Region V is not discussed. I suspect that it would require at least one additional day for the Region IV Mobile Laboratory to reach most of the Region V reactor sites.

3. MAJOR COST ISSUES

- Page 4 No net FTE will be saved by the closure of Region V and yet this consolidation will cost millions.

It is our understanding that all Region V personnel will be offered positions with the agency. If the NRC stands by this promise, how can 39 FTE be saved ? If the move will cost between $7.5 and $9.3 million what have we saved the taxpayers? It would seem far more logical to steadily right size the agency as work load decreases. For example, when a power reactor like Rancho Seco enters Safstore, its assigned NRC FTE should be reduced to one part of one materials inspector's time after one year. The regions should shrink proportional to work load in real time. When the existing Region V lease runs out perhaps the regional office should be moved into the local Federal Building.

- Page 43 The evaluation used an average value of $80,000 per year to calculate salary and benefits cost savings.

Using an average value may be easier, but in reality most of the FTE saved by consolidation in Texas will come from lower graded employees. The study should have attempted to more accurately calculate this savings.

- Page 49 There are about eight individuals who could retire and are not expected to relocate.

The study did not recognize that these individuals may not retire to convenience the agency. Perhaps the cost of their relocation should have been considered.

4. INCORRECT INFORMATION

- Page 2 The comment is made that the smaller regions,"...do not provide the degree of depth and breath of technical expertise available in the large regions."

Region V has significant depth and technical expertise in the field of health physics. Of the twenty five professionals in the Division of Radiation Safety and Safeguards that have radiation safety responsibilities, five currently have Masters of Science Degrees in

Health Physics, three have Masters in Physics, two have Masters in Nuclear Engineering, one has a Masters in Medical Physics, one has completed her course work for a Masters in Health Physics, the remainder also hold degrees in related fields, or in two cases, each has over thirty years of experience. In addition, two individuals are certified by the American Board of Health Physics. Region V has cross trained many of its Health Physicists such that they can support reactor, materials, or fuel facility health physics problems. Two individuals are also fully qualified resident inspectors and another Health Physicist has qualified as a reactor inspector.

Region V has never called on another region to provide health physics support to complete the inspection program or assist in emergency response. Region V has on occasion, and is always ready to assist the larger regions in their efforts to complete the inspection program and respond to emergencies.

Region V has a strong bench of versatile players that has consistently met every challenge. We do recognize that in a serious event, we like any other region, would count on the support of the entire agency.

- Page 22 The History/Overview fails to address the pre 1982 success of small regions.

The regions were not always large. No facts are presented to substantiate that larger regions have a more positive impact on safety or public service than smaller regions.

- Page 38 The evaluation placed the greatest emphasis on loss of the 8% locality pay by putting that paragraph first.

It is not correct to create the impression that employees are more concerned about locality pay than they are with losing their jobs, their homes, and their sense of community.

In conclusion, I fully support your efforts to right size the agency; however if we don't think that regions are important why are we not considering consolidation of all the regions in headquarters?

G. P. Yuhas

G. P. Yuhas

attachment:
as stated

MAY 28, 1993

MEMORANDUM FOR: B. H. FAULKENBERRY

FROM: DYLE ACKER

SUBJECT: REVIEW OF THE DRAFT REGION V REALIGNMENT STUDY

Attached are my comments to the study. I also plan to write to the Commissioners concerning the EDO's ground rules for the study, since that is my main concern.

Dyle G. Acker
Region V Reactor Inspector

Study comments

1. Page 28, last paragraph discusses the benefits of a larger inspection staff in a larger region. While the listed benefits appear true, it is also true (but not stated) that the individual inspector's overall knowledge of each site's management, design and operation will be reduced in a large region with more sites. Recommend so noting.

2. Page 29, first complete paragraph, last sentence. I don't see this as a benefit unless Regions IV and V have a history of non-cooperation.

3. Page 35, this analysis seems wrong. Flight times for a charter plane from Dallas to Lincoln, Nebr. plus drive time to Cooper is certainly less than the flight/drive to Diablo Canyon or WNP2 from Dallas. Unless we intend to pay someone to maintain a standby jet in Dallas, response teams from Dallas will not make the 6 hour time....and the airports near DC are often fogged in (occasionally at WNP2). Why doesn't the study say honestly that you may not make the 6 hour time limit from Dallas and let the Commission deal with it?

   Also this section says the staff would call upon the residents from the other West Coast sites for immediate limited response to any site that had a major problem. Please add that WNP2 is excluded from this statement, since there will be no nearby residents.

4. Page 37, second paragraph. This, in my mind, is entirely incorrect. In an emergency the entire NRC staff would (and should) respond. I disagree that regional boundaries would block any combined response. The overall loss of 70 people in regions IV/V is what will have a negative impact on emergency response, by reducing the overall pool of talented people. The argument that 180 people in Dallas can respond to a west coast emergency better than 80 people in WC and 100 in Dallas says that Regions IV and V management would let Regional boundaries interfere with an emergency response. With separate Regions, initial people would get there earlier, and the pool of backup people is still there, as needed. Request this paragraph be reworded.

5. Page 44. Does the travel costs include the extra trips inspectors will have to make from Dallas to West Coast plants to maintain the same inspection effort? To get 600 hours of DIE, a typical inspector coming to West Coast plants from Dallas will have to make two more trips than he/she would have had to make from WC. That amounts to 2 more round trip air fares, car rentals and 10 days per diem. This cost will occur. I Please insure your study includes it.

6. Page 45. (Question Only) Since the cost of travel to WC from WDC is only 60 dollars more for a round trip, and per diem about 40 dollars a day more, the average HQ employee coming to RV on site specific business, will cost around 200 dollars more for a short stay, 100 of these trips would be 20,000.

   Trips taken to RV on regional business would cost about 800 dollars more for short trips. 150 of these trips would be 120,000 dollars.

Do we really have that many visits/reviews per year?

7. Option 4. New math? Region V FY95 staffing shows 6 materials inspectors. The Region IV Option 4 staffing shows an increase of 11 positions in DRSS, an increase of 1 in ORA for the state agreement position, and an increase of 1 in DRMA to support the new people. The study indicates that 1 additional inspector will be required, due to travel time....so if you transfer 6 positions and add 1 you should have an increase of 7 positions, not 11. I don't understand where the other 4 positions came from. Please resolve.

8. Comment. If options 2 or 3 were to be chosen, the Commission, could allow additional reactor inspectors to work out of the WC office, inspecting West Coast plants and occasionally plants closer to Dallas. This would be no more expensive than flying people from Dallas, assuming "no additional cost" office space is available in WC. This would be only for existing qualified inspectors and only until they retired, were promoted or free office space became unavailable. This option would be especially important to Bill Wagner, with his wife's medical condition. I'd appreciate it if you could put this option in the study, as it could save the Commission moving expenses, preclude personal hardships, and potentially cost nothing.

9. Comment. There are several places in the study which discuss the limited overview that inspectors in a small Region V would have, due to a small sample of sites to inspect. This could be easily taken care of through more exchange inspections with other Regions and doesn't appear to take moving to Dallas to resolve. Suggest report noted that more exchanges could cover without moving.

June 4, 1993

Memorandum For: B. Faulkenberry, Regional Administrator

From: H. Wong

Subject: Comments on Draft Region V Realignment Study

I have comments on the Draft Study for your consideration:

1. In the discussion of various options there does not exist an explanation of the method which would be used to select the people that would fill the existing positions. Would Region V people be in the position to fill only the available (open) positions that exist or would the Region V people be able to "compete" for positions now filled by Region IV personnel? This seems important in defining the expected costs of any realignment in that "competition" for positions would mean multiple moves by Region V and Region IV personnel.

2. In the discussion of Option 1 (page 29, last paragraph), a significant startup cost that was not mentioned is related to licensee/NRC communication difficulties which would occur during the transition phase. Also in that paragraph, in addition to "establishing inspector familiarity with licensed facilities" as a startup cost, I would include "NRC manager familiarity" as an issue also.

3. In the discussion of Option 1 (page 38, middle paragraph), hardships related to "potential moving expenses which are not reimbursable" are discussed. However, these expenses can be substantial as evidenced by several employees in recent moves to Region V and some expenses are not just related to "moving." Some expenses can include those previously not necessary while employed in the Walnut Creek area, such as new child care expenses.

   I would suggest changing the sentence to - "...hardship associated with potential expenses <u>related to a move to a new geographical area</u> that are not reimbursable. <u>Based on personal experiences with recent moves, unreimbursed expenses related directly to moving and travel to the new work location may be substantial (several thousands of dollars).</u>

   Similarly, I would suggest a sentence be added to the end of the first paragraph on page 40 - "An additional concern is for child care currently provided by relatives (grandparents, sisters, cousins, etc.) by choice or financial necessity would be eliminated."

I appreciate the opportunity to provide my comments.

Howard Wong

MEMORANDUM FOR: B.H. Faulkenberry
Regional Administrator

FROM: James L. Montgomery
Senior Materials Specialist

SUBJECT: COMMENTS ON DRAFT REGION V REALIGNMENT STUDY

I have completed my review of the subject draft study. While I do not have all of the background information and data that was used to arrive at the conclusions presented, I do not see obvious errors in the factual information the study group has prepared within the study group's charter.

On pages 33 and 34, a comment is made that some States and licensees may perceive a lack of local NRC management presence and that senior NRC managers will encounter difficulty in maintaining frequent contact with State and county officials. **The study report should also emphasize that the materials technical staff engages in frequent contacts with state, local and licensee personnel.** Many persons contact our branch daily requesting information and assistance on a multitude of materials licensing and inspection issues. In my area, materials licensing, I receive 10-15 calls daily and some people merely "drop by" the office to discuss matters because of convenience. Most callers, have indicated to me that a Texas office and long distance number would inhibit or eliminate many of these contacts.

On pages 50 and 51, I believe you may have significantly underestimated the future workload impacts which may occur in the materials program. As a result of the recent Congressional Hearings in Washington, D.C. and other publicity and radiation incidents, the NRC medical radiation protection program appears to be headed for significant changes. It is too early for me to know the impact this will have on the NRC but the May 17, 1993 memorandum from James Taylor to the Commissioners gives some early indications. Region V is literally in the middle of the greatest concentration of medical radiation programs in the United States (i.e. California). California will soon approach 3000 materials licensees. **At the very least, the decision on regional consolidation should be delayed until the Commission and Congress(?) are able to make decisions affecting medical regulatory activities.**

I realize my latter comment may be out of the scope of your study charter. However, I believe the comment to be vital to the final decision making process and urge you and the study group to seriously consider this information for inclusion in your report.

Sincerely,

James L. Montgomery

James L. Montgomery

June 9, 1993

Note To: B. F. Faulkenberry
Regional Administrator

From: G. R. Yuhas, Chief
Radioactive Materials Safety Branch

SUBJECT: ADDITIONAL COMMENTS ON NUCLEAR MATERIALS PROGRAM TREATMENT IN THE DRAFT REGION V REALIGNMENT STUDY

Since the relocation of nuclear materials safety function appears to be the only option considered in all cases, I feel it appropriate to offer several additional comments. Relocation of the materials function to Region IV will reduce the service provided to the Western United States and Pacific Territories.

OPTION 1 MATERIALS IMPACT:

Comment: The draft fails to adequately describe the impact on our mission in the area of nuclear materials safety area. Specifically, the daily contact with users and potential users of nuclear materials will be exacerbated, Siemens Power Corporation which employees about 900, operates 24 hours a day, and currently is rated to produce 700 metric tons of fuel per year is planning a $20 million dollar expansion and needs significant NRC oversight; General Atomics while currently decommissioning its HTGR fuel fabrication facility, continues to sell TRIGA reactors to produce fuel and to pursue development of advanced reactor technologies; major decommissioning activities like the San Francisco Presidio and the Sacramento Army Depot require extensive contact not only with the licensees but also with the public; the States rely on frequent NRC response to radiological events to assuage public concern; and finally, Region V generated 12 enforcement actions, including four orders in the last year, which required considerable NRC management involvement. While the number of licensees located in Region V is small (260), Region V inspects another 360 permittees of master materials licensees from other regions and actively seek out field inspections of State licensees operating in the Bay Area, Alaska, Hawaii and other federal jurisdictions.

The proposed Region IV organization that would assimilate the Region V work load lacks adequate management oversight. Region II is described as having a similar caseload as the proposed Option 1, yet Region IV would rather elevate the Deputy Director to SES rather than create a Branch Chief to match the Region II organization. The nuclear materials area represents the most realistic opportunity for growth in the NRC. As reactors enter the end of their useful life they will create a significant work load for NRC health physics staff. The oversight of State Programs and the potential increase in scope to include accelerators also looms on the horizon. The purpose of the Branch Chief is to provide the technical oversight and direction to the staff and input to the SES so that they can

focus on policy development and direction.

Comment: Option 1 states that "Consolidation of the Region V materials program in Region IV would provide more assurance of consistent application of the materials program throughout the combined Region V."

Consistency is a small reward for the lack of defense in depth, loss of talent, experience, and representation in a large part of the nation.

Comment: Option 1 states that "The review and evaluation of inspection results and development of enforcement actions would not be affected,"

How can adding another 200 licensing cases to one Section Chief and another 115 inspections to the other Section Chief, including one escalated enforcement action per month not adversely affect quality? Oversight of fuel facilities alone requires at least half of a Section Chief's time.

Comment: Option 1 states that "To ensure that there would be no impact to direct inspection effort, FTEs have been included under this option to offset the estimated increased travel time."

No mention is made of how this option will assure a reasonable amount of direct Section Chief oversight of inspection, pre-licensing visits, and enforcement actions in the field considering their additional work load.

Comment: Option 1 states that "The larger base of employees would be a positive impact with more expertise available and more opportunity for cross training and development."

This opinion is not supported by fact. Region V in part because of its smallness, has historically trained its health physicists and rotated its personnel to achieve the broadest base of technical expertise to support the agency mission. Nothing described in Option 1 presents a better approach to personnel development.

Comment: Option 4 indicates that 19 FTE will be saved by relocating materials to Region IV.

If all my present branch, including our licensing assistant were totally eliminated nine FTE would be saved. My question is where did the other ten FTE savings come from. Recognizing the outstanding productivity of the Region V materials effort it is does not seem reasonable that ten overhead FTE could be eliminated if we were moved to Region V.

Conclusion:

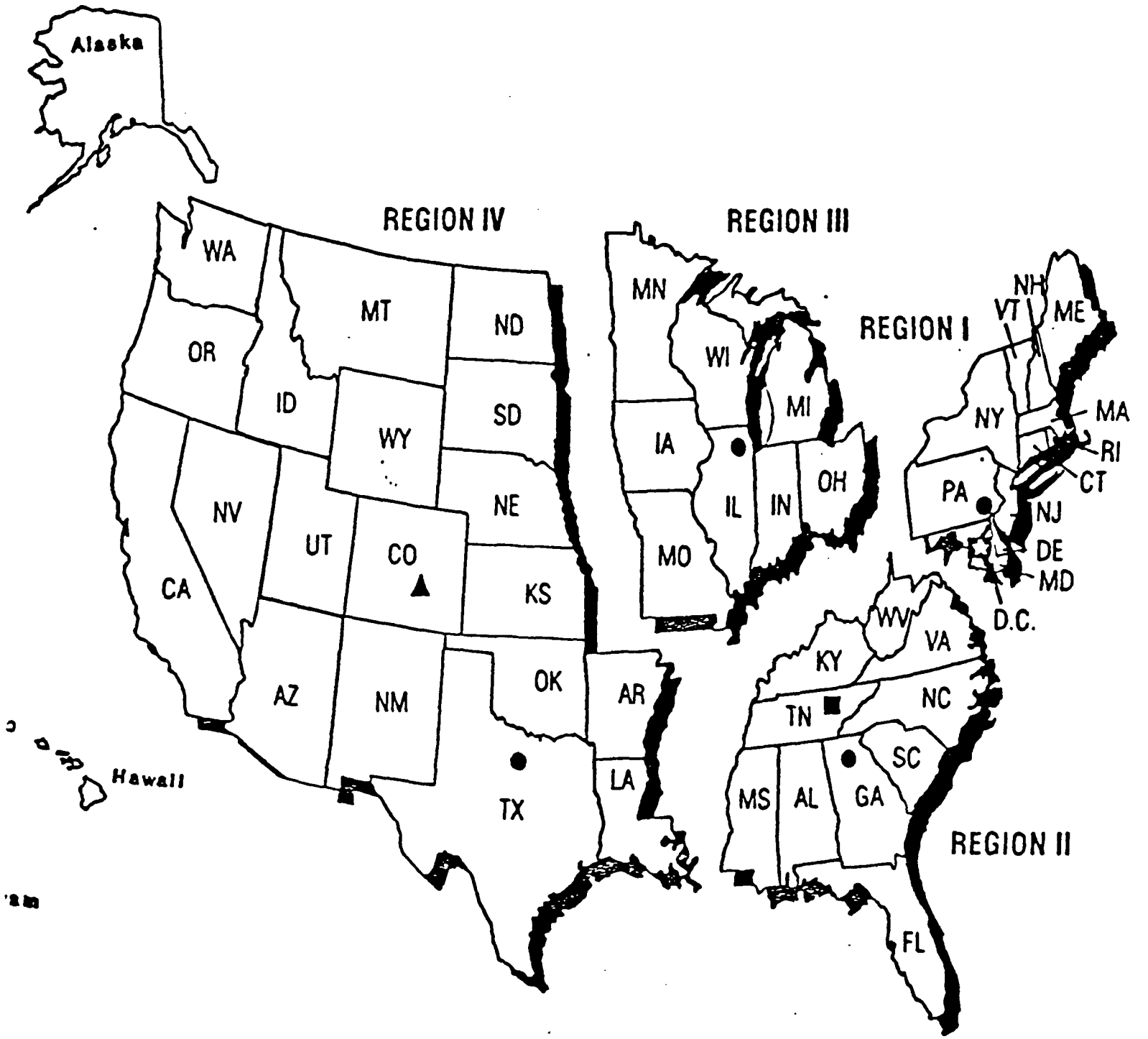
The assessment of impact on the agency mission by consolidation of the nuclear materials function in Region IV appears superficial. We suggest that consolidation of the nuclear materials function in

Region IV will result in overloaded Section Chiefs, less direction effort per FTE, less management oversight of field activities, reduced support to the States, less communication with the public and the licensees, decreased NRC response to minor incidents, and limit our ability to respond to future changes in regulatory scope.

G. P. Yuhas

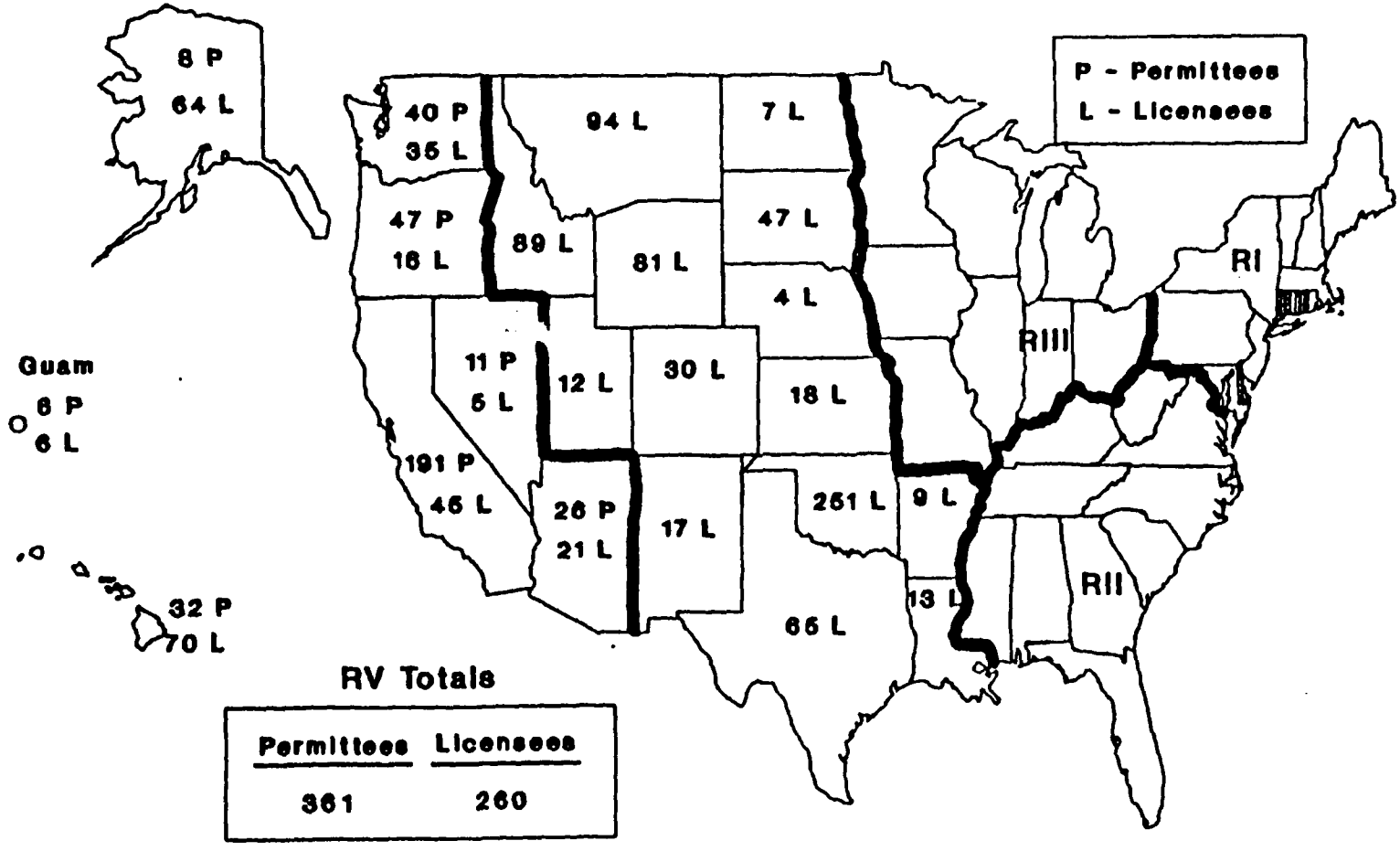
G. P. Yuhas

OPTION 1



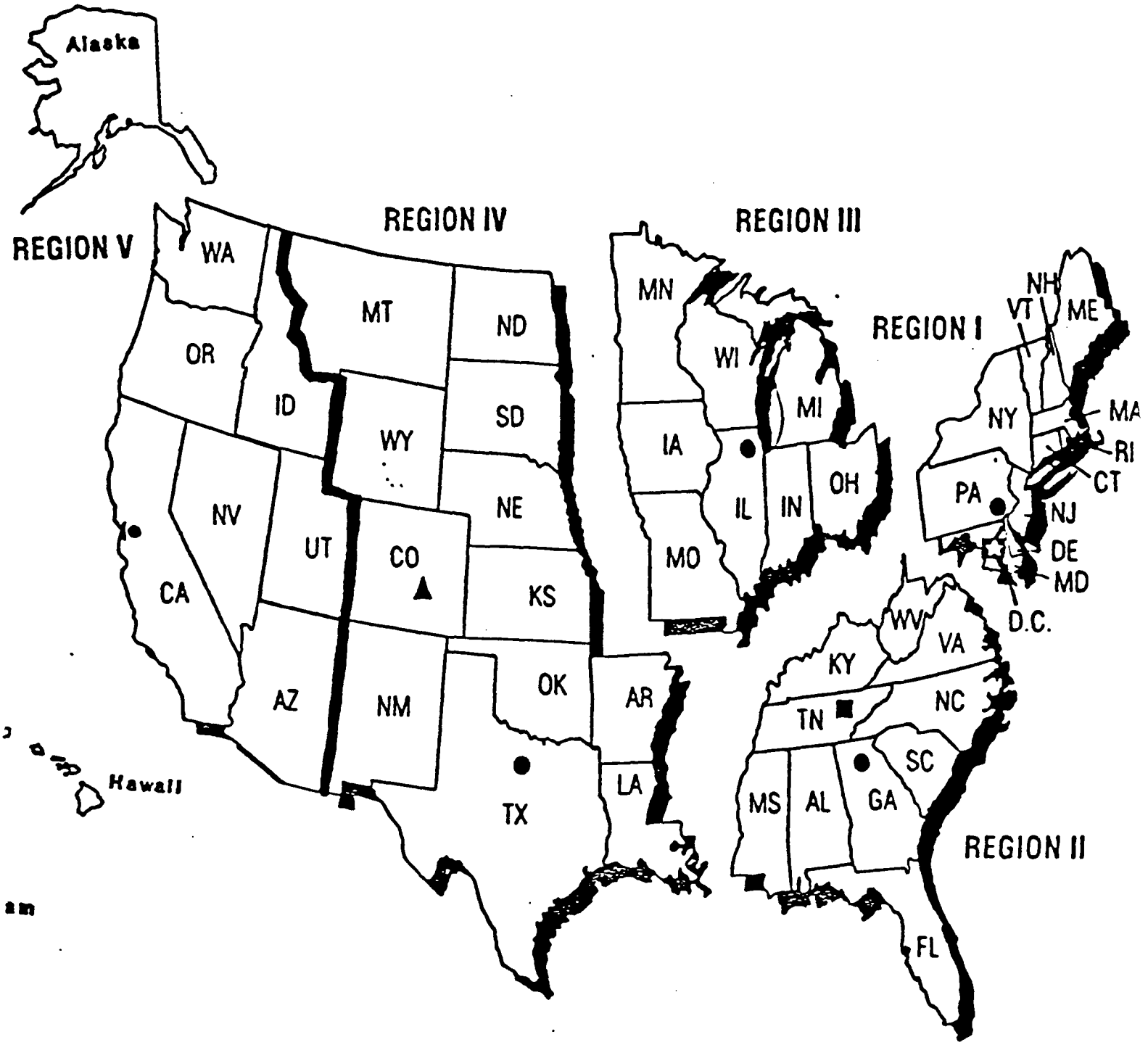
- ● Regional Office
- ■ Technical Training Center
- ▲ Uranium Recovery Field Office
- ★ Headquarters

RIV/RV Materials Licencees and Permittees



RV Totals

Permittees	Licensees
361	260



- ● Regional Office
- ■ Technical Training Center
- ▲ Uranium Recovery Field Office
- ★ Headquarters

From: Terry L. McNally (TLM)
To: MMS2
Date: Friday, June 4, 1993 2:35 pm
Subject: Comments on Realignment Study

I've attached my comments on the draft report.

Files: p:study

1) Although it is not addressed in the SECY memo or the charter from Mr. Taylor, I believe that maintaining Region V status quo should be addressed as a positive option in this study. There is no doubt it is the most expensive, however I believe it can also be proved to be effective in terms of mission accomplishment. Any mission has associated costs. If there were no regional offices at all, the NRC could save quite a lot of money and FTE, but those Regional offices serve a purpose, one best served by being in close proximity to our licensees and to the citizens we serve. This purpose should be emphasized.

2) Nowhere in this study did I see the mention of double moves. The assumption seems to be that Region V employees would be moved and that would be the end of that. However, the meeting with the committee in Region V pointed out the distinct possibility that Region V personnel might displace Region IV personnel who would have to be moved elsewhere. Double moves would increase the estimated cost, and should be considered.

3) Page 4 indicates a "possible reduction of agency credibility". I don't believe a reduction in our credibility is possible; I believe it is certain. Our credibility with the public, the press, and the licensees does not seem to be seriously addressed. This is a significant impact since it is one of the primary reasons for the existence of regional offices. It should not be under-played.

4) Page 46 mentions the continuing obligation of the government to pay for this office space even if these offices are vacated. It should be noted that the San Francisco Bay Area is one hardest hit by the closures in military bases. It may be much more difficult for GSA to fill this space than it was in the past and it should not simply be assumed that it will happen. This study seems to take the approach that this expenditure of $476,000 per year is just someone else's problem. I don't believe that is in the spirit of this study or in the interest of the public to down-play this expense.

5) Option 3 reduces support staff to two positions. This is simply not enough. The Field Office would have about the same scope and span of control as a Division in Region V has now. Each Division now has 2 secretaries. However those secretaries do not perform any of the following functions: receiving visitors, mail distribution, supply maintenance, purchasing, cashier, travel, building management and security, telecommunications, vehicle maintenance, and property management. Although these functions will be significantly diminished, they certainly will not disappear entirely, and they will not be effectively covered from a Regional Office so far away. And while secretaries can

certainly take over the word processing function, it will also be a duty which they do not perform now.

6) Several times, it is mentioned that a certain number of employees would either "retire or leave the agency". For some, "leaving the agency might mean becoming employed with another government agency. However, for many, if not most, "leaving the agency" means leaving the government, giving up retirement, life and health insurance benefits, seniority, and security. It should be noted in the study that the economy of the Bay Area and the future military base closings will make it highly unlikely that people from this agency will become employed with other government agencies in this area. The language of this report makes it appear to be an element of choice. Stating that employees are not able to move and therefore would have to leave government employment might do a better job of conveying the situation that the statement that they would simply choose to "leave the agency". I believe the gravity of this decision needs to be portrayed when considering the impact on employees.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

June 3, 1993

MEMORANDUM FOR: B. H. Faulkenberry,
Regional Administrator

FROM: L. F. Miller Jr., Chief
Reactor Safety Branch

SUBJECT: COMMENT ON THE DRAFT REGION V REALIGNMENT STUDY

I offer these observations on the study:

1. Some potentially superior options have not been analyzed. Consequently, the study is too narrowly constrained and focused. In particular, I suggest two more options be fully considered.

Option 5 would continue the present alignment of responsibilities and staff. The impetus for pushing through one of the Options 1 through 4, apparently, is to reduce FTE beyond the already gaunt FY 85 budget for Regions 4 and 5. The reason for this goal is not clearly stated in the study. It is known that Regions 4 and 5 are currently effective; they probably can remain effective under the FY 95 budget. The reductions proposed under Options 1 through 4 are at best an untried estimation that the missions can still be effectively performed with many fewer personnel. This claim seems too optimistic and subjective.

Option 6 would redistribute the regional work evenly among all five regions. In particular, under Option 6, such functions as ERFO, high level waste, non-power reactors, operator licensing and materials would be shifted to Region V preferentially as necessary to level the staffing among all five regions. If necessary, power licensee assignments could be realigned slightly as well. Other federal agencies have designated certain regions as lead for certain activities. This concept could likewise be applied to the NRC. This would permit a levelling of regional administrative and management overhead based on an equality of workload. Personnel disruption would still occur, but it would be spread more equitably across the NRC, rather than targeted at Region V. The NRC's West Coast presence would be enhanced.

2. All of the options assume a transfer of some responsibility to Region IV from Region V. However, many functions, such as non-power reactors, operator licensing, and materials, could be centralized as well in either location. The preference for transferring functions to Region IV, rather than to Region V, is not explained, and makes the study seem less objective.

3. All of the options which are studied increase the ratio of workers to supervisors. This change will reduce the effectiveness of the combined Region IV/V effort. Supervisors are, on average, more effective and harder working personnel. Reducing their numbers will decrease overall performance.

4. All of the cost-benefit analyses assume that Region V personnel will be relocated, but Region IV or other regional personnel will not be. This beggar-thy-neighbor approach weakens all of the options. If moves are necessary, they should be made based on competition in the reduced Region IV/V organizations for the available positions. Assuming an equal distribution of talent in Region IV and V, slightly fewer than half of the persons in Region IV should expect to be moved. This approach would increase the cost of reorganization by requiring more relocation, but it would result in a stronger regional organization.

5. The study does not analyze how many personnel will be left without a position in Region IV or V under each option. That number will vary with each option, and should be explicitly calculated and discussed. In particular, the impacts of forced transfers of GG-15 supervisors to a non-supervisory Headquarters position should be analyzed. Such a transfer is, functionally, a demotion, and would reduce the agency's capabilities. Reductions elsewhere in Headquarters to compensate for the increase in staffing by these forced transfers is implied and should be analyzed.

I hope that these observations will be considered in the decision-making which will occur concerning realignment.

L. F. Miller Jr., Chief
Reactor Safety Branch

JUN 07 1993

MEMORANDUM FOR: Bobby Faulkenberry, Regional Administrator
Region V

NRC Commissioners

FROM: W. P. Ang, Chief
Engineering Section
Division of Reactor Safety and Projects

SUBJECT: COMMENTS ON CONSOLIDATION STUDY REPORT

A review of the Regions IV and V consolidation study has resulted in several concerns and comments and recommendations for your consideration. All options provided by the consolidation study result in a decrease of inspection effort and a decrease in inspectors that are needed for power reactors. At a time when power reactors are aging, many existing technical issues continue and new problems are developing. These problems necessitate a continued level, if not an increase, of inspections. Definitely not a decrease, if the agency mission of protecting the health and safety of the public is to be accomplished.

Some of the problems that I am sure you are well aware of are as follows:

- Steam Generator(SG) tube degradation - The recent Palo Verde SG tube rupture has necessitated expanded licensee tube inspections. These inspections have identified free span axial cracks, intergranular attack, outside diameter (O.D.) intergranular stress corrosion cracking associated with linear deposits on the O.D. of a significant number of tubes. Free span axial cracks have recently been reported in two other United States reactors. Free span axial cracks associated with linear deposits have not been previously reported. This is a problem that has potential generic implications and needs increased inspection effort.

- Motor Operated Valve (MOV) failures - Palo Verde and San Onofre recently experienced failures to operate auxiliary feedwater motor operated valves despite performance of required inspections and tests of those valves. These are but two examples of many similar problems nationwide. In San Onofre's experience, the valve could also not be opened with the manual handwheel and a (4 inch wrench was needed to get the valve to open. NRC inspections of licensee actions for assurance of design adequacy and operability of MOVs needs to be increased.

- Weaknesses of licensee engineering activities - A core power oscillation occurred at a BWR, WNP-2, in August of 1992 due to weaknesses in engineering actions associated with the core reload design and weaknesses in engineering interface with operations to avoid or minimize power operations using plant parameters susceptible to core power oscillations.

At the same plant, potential inaccuracy of reactor water level instruments during a down power were not sufficiently technically recognized. These are also only two examples of many other licensee engineering weaknesses. A continued, if not increased, level of inspection of licensee engineering activities is needed.

These are but a few of a litany of issues/problems (i.e. maintenance, station blackout, fire protection, thermolag, etc) that confirm a need for increased inspection effort at power reactors rather than a decrease. While budget and manpower cuts may be mandated for the agency, these cuts should not and cannot be made at the expense of the inspection staff if the public health and safety is to be protected.

A review of all options provided by the consolidation study will show that the engineering inspection staff will decrease. Furthermore, management and control of the engineering inspection staff will be reduced. Implementation of any of the options has a direct impact in the agency's ability to protect the pubic health and safety. I recommend that all options of the consolidation study be rejected, the inspection staff be increased or left at the current level, and that mandated cuts be made in areas where licenses have not been issued or applied for (ex. advanced reactor projects).

W. P. Ang, Chief
Engineering Section

cc:
Congr. George Miller, D. CA

From: Philip J. Morrill (PJM)
To: BFF, MMS2
Date: Wednesday, June 2, 1993 1:21 pm
Subject: COMMENT ON DRAFT REGION V REALIGNMENT

IN REVIEWING THE SUBJECT STUDY, BILL ANG AND I OBSERVED THAT THE REGION V OPTION 4 ORGANIZATION HAD ONE SECTION CHIEF SUPERVISING OPERATOR LICENSING, ENGINEERING INSPECTORS, AND A NON-POWER REACTOR INSPECTOR. WE THINK THIS IS TOO BROAD A RANGE OF FUNCTIONS FOR ONE PERSON TO ADEQUATELY SUPERVISE. WE RECOMMEND THAT THE GG-15 TECHNICAL ASSISTANT/TEAM LEADER BE ELIMINATED AND THAT POSITION USED AS A SECTION CHIEF OVER AN OPERATOR LICENSING/NON-POWER REACTOR SECTION. THE OTHER RD&PS SECTION CHIEF WOULD SUPERVISE ENGINEERING.

V/R PHIL MORRILL

CC: WPA

Thomas R. Meadows
Senior Licensing Examiner
Region V, USNRC

Chairman Ivan Selin
U.S. Nuclear Regulatory Commission
Washington D.C.

Dear Chairman Selin:

The information that a study has been commissioned to explore options for the consolidation of Region V and Region IV has dropped like a stone on the hearts of Region V personnel. The nature of that study is very disturbing to us. On reviewing the charter that the study group has been given by Mr. Taylor, it appears that several options have been left off the list. Most notably consideration for remaining with the status quo or realignment of Region IV with other regions.

The purposeful appearance of the charter leaves loyal Region V personnel with the impression of abandonment by NRC management. The reason for our impression lies in the charter of the study group which appears strongly biased toward two options. First, the total consolidation of Region V with Region IV in Arlington, Texas. Secondly, a field office arrangement, managed by Region IV, or as a drastically reduced region.

The failure to consider other options, and the bias that Region V personnel see in the makeup of the study group, leads us to believe that a decision has already been made and that the study group is left to merely recommend a fait accompli. The bias we see is in the selection of Mr. Montgomery, whose interest in consolidation is high; and the selection of Mr. Hayes, who has voiced his view in the past favoring consolidation of OI in Headquarters. We don't view the other parties as effective in offsetting their bias. We believe that NRC management at least should consider the unvarnished facts before proceeding.

The human cost to Region V personnel in any case will cause great personal pain. As an example I personally would be left with an agonizing decision to abandon a long and fruitful career of 7 years. I'm married to a loving California born wife and 3 California wonderful boys. My wife's immediate family are all Bay Area and my wife and I are necessary for providing nursing care for her elderly parents. We must provide them care in this economy - we have no options, but to stay in the Bay Area. Obviously, if I cannot find employment in the local area I will have to consider a move. Early on in my careers as a Navy, Lt. (USN Submarines), Nuclear Industry (Senior Reactor Operator Certification), and finally the NRC, I made many moves over a fourteen year span with several extended assignments. My family and I just do not feel like moving again. Many others would face painful moves away from long friendships and family. Further, our faithful administrative staff would have to compete to find employment in the already weak California economy that

is facing the loss of thousands of local federal jobs. Obviously, long government service could not be continued in most cases resulting in the very real loss of benefits accrued from that service.

The analysis of cost savings in these cases usually involves showing the long term gains offsetting the short term costs. Analyses such as these are usually artificial, a savings can always be shown by a reduction in staffing or realignment of responsibilities. What cannot be shown is the real truth. We understand that pressure is being applied to the NRC to reduce staffing and to find cost savings. Region V personnel cannot help but feel that we are a convenient target for advancing that effort. We are not asking to be treated differently, we merely seek equitable treatment and consideration.

Analyses done by some of our compatriots in Region V indicate that the short term costs and some long term costs may be very high. Moves, retraining, early retirements, severance pay, increased travel costs, breaking the Region V lease are just some costs. Just as an example, the extra travel time to Region V facilities from Arlington, Texas could impose the need to pick up an additional 2 weeks of travel per inspector per site to meet the onsite time goals (as much as $15,000 per year more in costs). The loss of intangibles such as close proximity to state governments, the public, and the utilities home offices are very real.

The ability to respond to a site incident could be impacted by the time factors of travel and time zones. Responding to an incident from a consolidated Region IV-V in Arlington, Texas to a site means covering three time zones. The point could be made that if a region has to go, it might as well be Region IV. A look at the map and the boundaries of the NRC regional offices begs a question. Most of the Region IV facilities are located very close to Region II and Region III. Cooper and Fort Calhoun, to Region III; Waterford, River Bend, and ANO to Region II. It should be noted that responding to WNP-2 and Diablo Canyon from Arlington, Texas would take much longer than responding to Comanche Peak and South Texas from Walnut Creek. I do not like presenting these arguments because they point out an obvious concern that Region IV could be posed with the same uncertainty as is Region V. But in fairness I feel they should be argued.

The length of this letter is I believe indicative of the depth of the concerns that are gnawing at many of us. The NRC has not in the past taken such a drastic proposal to the point of implementation. I sincerely hope that some other accommodation can be made.

Very respectfully,

Thomas R. Meadows

cc:
Commissioner Remick
Commissioner De Planque
Commissioner Rodgers
Commissioner Curtiss

From: Kenneth E. Johnston (KEJ)
To: BFF
Date: Friday, June 4, 1993 6:20 pm
Subject: Comments on Realignment Study

The numbers don't make sense to me.

I only looked at Option 1.

Let's look at the FTE from '93 compared to '95.

* The combined staff (excluding resident sites) today is approximately 210 FTE.

* The '95 Option 1 regional staff FTE is approximately 145, a difference of 65 FTE. That's a 31% reduction in combined regional office staff.

To put it bluntly, the study says that 1 out of every 3 people who showed up in the Regions IV and V offices today was not needed. That just doesn't make sense.

Let's look at it another way.

Presently there are approx. 90 FTE in the Region V office. The study says that Option 1 will save 65 FTE over the '93 staffing level (excluding RI staff at Trojan and Songs1). What this equates to is that the Region IV office needs only 25 FTE in addition to their present staff to accomplish the RV mission.

How can a Region IV staff augmented by 25 people accomplish the Region V mission? The answer is it can't.

From a common sense approach, the study does not make sense.

REGION IV EMPLOYEE COMMENTS REGARDING THE REGION V REALIGNMENT STUDY DRAFT REPORT DATED MAY 24, 1993

DATE: June 3, 1993

TO: J. Montgomery

FROM: P. Harrell

SUBJECT: COMBINING OF REGIONS IV AND V

Comments regarding the results of the Study Group report on combining Regions IV and V are provided below:

- The study does not address, with respect to the financial burden on Region V personnel, that "Texas has no Taxes". This constitutes a significant financial gain for the individuals being transferred.

- Option 3 does not address the startup costs of having a field office with respect to the extensive documentation changes that will be required. Many of the Region IV ROPGs and RONs will have to be revised, and/or new ROPGs created, to explicitly define the responsibilities of the field office and to define the interfaces for the wide variety of functions that will be performed in the field office. It is estimated that this effort will require about 1 FTE for writing, editing, review, comment consolidation, and approval.

- Option 1 also will have startup costs associated with the addition of additional sections in DRP; however, the costs should be minimal.

- In Options 1 and 3, it is not obvious why 2 enforcement officers are needed. Do we anticipate an increase in the number of escalated enforcement actions that would warrant the additional person?

- With respect to the addition of additional FTE for traveling to Region V sites by Region IV based personnel, does the study take into account the significantly reduced frequency of the core inspections that will be performed under the upcoming, revised inspection program? This may be a factor that will change the number of FTE assigned to this activity.

- With respect to Option 3, it is recommended that consideration be given to removing the Technical Assistant (GG-14) position assigned to the Region IV Technical Support Staff and assigned this position to the Region V field office as a Technical Assistant to the Field Office Director (GG-14) or as a Field Office Deputy Director (GG-15). This position could be of significant importance for the following reasons:

    - Provide continuity for operation of the office when the Field Office Director is absent.

    - Provide a point of contact for Region IV to handle items such as input into the various committees that currently exist to ensure the committee decisions consider the field office needs, provide

an additional individual for emergency response, provide additional backup for the Office Director and DRP Section Chiefs.

- Provide an interface to handle inspection program changes, FOIA, regional action items, QPPR inputs, etc.

- The first full paragraph on Page 36 discusses the loss of two SES positions to serve as Director of Site Operations. This is true of Options 2 and 3 also; however, this factor is not discussed in the options.

- First paragraph on Page 66 discusses how the Region V field office would be similar to past experiences in operating URFO and OSP. The situation created by the field office does not appear to parallel the experiences of operating URFO and OSP since these offices were entities in themselves with respect to implementation of the technical requirements such as the inspection program. Because the offices operated independently in this area, little communication between URFO and OSP was required. Establishment of a field office will require extensive communications and will be a new experience for the Region IV office.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

MEMORANDUM FOR: John M. Montgomery
Deputy Regional Administrator

FROM: Michael Runyan
Reactor Inspector, Engineering Branch
Division of Reactor Projects

SUBJECT: COMMENTS ON THE DRAFT REGION V REALIGNMENT STUDY

(1) Additional benefits of Option 2 not mentioned in the report:

(a) This option would result in all four NRC regions and headquarters being within one time zone difference, resulting in better communications and coordination.

(b) Region-based inspector objectivity would be improved because inspectors would be travelling to 12 reactor sites as opposed to 4 or 8 under the current alignment.

(c) This option best anticipates the impending shutdown of WNP-2.

(2) Additional consideration for Option 4:

(a) Loss of geographical 8% pay for Region V employees will be substantially offset by lack of a Texas state income tax.

Michael Runyan
Reactor Inspector, Engineering Branch
Division of Reactor Projects

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

MEMORANDUM FOR: John M. Montgomery
Deputy Regional Administrator

FROM: Anthony Gaines, Radiation Specialist
Facilities Inspection Programs Section
Division of Radiation Safety and Safeguards

SUBJECT: COMMENTS ON THE DRAFT REGION V REALIGNMENT STUDY

At the top of page 76, in the section discussing the impact on mission accomplishment of option 4, an example is used to support the contention that with the overall reduced management staff, the region's ability to meet all existing Headquarters support requirements would decrease. The example is that one Region V section chief would be responsible for EP, RP, and security. This is how Region IV has been staffed for quite some time and even in the Region IV FY-95 Budget Baseline we will be staffed that way. Therefore, this example may not be a good example to use. Does Region IV have any problems associated with the way it is staffed in this area? The committee may want to think about using this example or if they decide to use this example be ready to answer the questions which may be raised.

Anthony Gaines, Radiation Specialist
Facilities Inspection Programs Section
Division of Radiation Safety and Safeguards

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

MEMORANDUM FOR: John M. Montgomery
Deputy Regional Administrator

FROM: Paula A. Goldberg
Reactor Inspector, Engineering Branch
Division of Reactor Projects

SUBJECT: COMMENTS ON THE DRAFT REGION V REALIGNMENT STUDY

On page 29 of the draft realignment for Option 1, an additional advantage for a combined Region IV/V should be included. That is, for both Regions IV and V personnel there would bean increase in inspector objectivity due to increasing the number of plants from 8 to 12.

On page 30, the Region V staff express a concern about loosing the 8% high cost of living pay adjustment by moving to Arlington. The study should point out that the loss of this 8% cost of living adjustment would be more than compensated for by the fact that Texas has no state income tax and that the cost of housing would be significantly lower than in California.

Paula A. Goldberg
Reactor Inspector, Engineering Branch
Division of Reactor Projects

NRC HEADQUARTERS OFFICE AND REGIONAL ADMINISTRATOR COMMENTS REGARDING THE REGION V REALIGNMENT STUDY DRAFT REPORT DATED MAY 24, 1993

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

April 27, 1993

MEMORANDUM FOR: John M. Montgomery, Deputy Regional Administrator
Region IV

FROM: Frank J. Miraglia, Deputy Director
Office of Nuclear Reactor Regulation

SUBJECT: REGION V REALIGNMENT STUDY

Per your April 2, 1993 request, NRR has reviewed the Region V realignment study options for impacts on implementation on NRR Program activities. Upon review of the pros and cons of each of the three options presented, we believe that the selection of option 1, the consolidation of Regions IV and V in Arlington, would have the most positive impact on NRR programs. Specifically, the consolidation would sustain sufficient management and technical personnel to continue inspections, technical assessments, and event response, and would facilitate planning of NRC activities involving facilities on the West Coast.

We found that none of the three options would have a significant negative impact on the reactor inspection program. However, option 1 appears to have the most positive impact. For example, the pooling of inspectors from both Regions would result in such benefits as better support to major team inspections, increased flexibility and efficiency in the safeguards program, and increased availability of BWR inspectors to support WNP-2.

Consolidation in Arlington would also increase administrative efficiency. The consolidation would reduce the time zone offset from three hours to one hour, allowing more overlap of core work hours. Consolidation would also ease the travel burden on Headquarters staff by reducing the travel time to and from Region IV. Headquarters staff members typically require two travel days for a one day meeting in Walnut Creek. Consolidation saves at least one day per trip. Options 2 and 3 will not reduce this burden. In addition, options 2 and 3 would complicate scheduling of conference calls on inspection findings and on events between headquarters and regional staffs.

In summary, NRR has considered each option and supports option 1, the consolidation of Regions IV and V into a single office. We appreciate the opportunity to comment on the realignment study options. If you have any questions, the NRR point of contact for realignment activities is Anthony T. Gody, Acting Director, Program Management, Policy Development, and Analysis Staff. He can be reached on (301) 504-1275.

Frank J. Miraglia

Frank J. Miraglia, Deputy Director
Office of Nuclear Reactor Regulation

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

APR 23 1993

MEMORANDUM FOR: John M. Montgomery
Deputy Regional Administrator, Region IV

FROM: Robert M. Bernero, Director
Office of Nuclear Material Safety
and Safeguards

SUBJECT: REGION V REALIGNMENT STUDY

In response to your April 2, 1993 request, NMSS has assessed the programmatic impact of the Region V realignment. In general, there are no significant programmatic impacts due to the relocation. A specific discussion of the positive and negative impacts is attached.

Robert M. Bernero, Director
Office of Nuclear Material Safety
and Safeguards

Attachment: As stated

IMPACT OF REGION V ALIGNMENT ON NMSS PROGRAMS

Assumptions: NMSS assumes that the three options under study are essentially the same as far as NMSS programs are concerned (i.e., NMSS activities will be conducted from Region IV under all three options), and that the differences between the options relate only to the reactor program.

Background: Currently Region V conducts the following NMSS activities:

- Licensing and inspection of approximately 250 byproduct materials licenses (this is the major NMSS activity in Region V)
- Inspection of 2 uranium fuel fabrication facilities:
  - -- Siemens Nuclear Power Corporation, Richland, Washington
  - -- General Atomics, San Diego, California
- Reactor decommissioning
- Inspection of the SNM license at Hanford
- Inspection of Part 61 LLW activities at reactors and materials licensees

The following comments are limited to the impact on direct NMSS programmatic activities. The primary impacts discussed below address materials licensing and inspection since this represents the majority of the NMSS workload in Region V; however, the "negative" comments regarding travel time, emergency response time, and interaction with State and local governments also apply to fuel facility inspection, LLW inspection, and reactor decommissioning activities. Resource impacts due to items such as overhead and rent are being addressed separately by the study group.

Positive: Combining the relatively small number of NRC materials licenses resident in Region V (245 as of 3/31/93) with those in Region IV (731) would result in a total of 976 licensees and resultant economies of scale. The new Region would contain about 80 more materials licenses than Region II, although as noted below, the geographic extent of the new Region would be significantly greater than any existing Region.

Negative: The negative impacts will primarily be in terms of greater distances to our current Region V licensees. Travel times to inspect licensees in Alaska and Hawaii (which together

comprise about 50% of the licensees in Region V) would be incrementally increased. However, because the travel times to these licensees is already significant, the impact would not be as great as it would for licensees in California, particularly, which account for 25% of the licensees in the Region. The net effect of this is that labor rates for inspections to licensees located in Region V, which are already higher than those for any other Region, would likely increase.

Distance would also be a real impact for licensees who have to travel to the Regional office for management meetings or enforcement conferences. Again, the greatest impact would be for California licensees who at present are relatively close to the Regional office.

There could also be real and perceived impacts in terms of our ability to interact with State and local governments and the media in routine and emergency response situations, although these are difficult to quantify.

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

April 23, 1993

MEMORANDUM FOR: John M. Montgomery, Deputy Administrator, Region IV
Bobby H. Faulkenberry, Deputy Administrator, Region V

FROM: Gerald F. Cranford, Director
Office of Information Resources Management

SUBJECT: REGION V REALIGNMENT STUDY

We have reviewed the four options being considered for realigning Region V. Although evaluating certain aspects of the four options is straightforward and easy to accomplish, other considerations are more subtle and will require more time for a complete evaluation than was available given the project's time constraints. However, none of the items that require future analysis are show stoppers or quite expensive. At this junction, we will point them out as concerns and when a final decision is made, we will make the adjustments necessary prior to the time that the actual consolidation takes place.

Following are the concerns raised by the Office of Information Resources Management. They are broken out by branch within the Division of Computer and Telecommunications Services and the Division of Information Support Services.

Division of Computer and Telecommunications Services

Systems Development Branch (SDB) - There are a number of systems supported by SDB that would be affected by a consolidation of Region IV and V. Some of these systems are:

1. Master Inspection Program Plan (MIPS)
2. Inspection Followup System (IFS)
3. Enforcement Action Tracking System (EATS)
4. Technical Assignment Control System (TACS)
5. Manpower System (MPS)
6. Licensing Fee Reporting System (Inspection Fees)
7. Regulatory Information Tracking System (RITS)

Any of the four consolidation options (1, 2, 2A and 3) will cause significant analysis and programming changes to the above mentioned systems, as well as other systems that may not be identified. However, if option 1 were selected, the changes would be less critical than if one of the other options were selected. For example:

1. Extensive analysis would need to be done, as well as the major programming effort, but it would not be time critical (see 2 below).

2. Most of the changes would be cosmetic, meaning that the programs would operate more efficiently if modified. Most of the programs operate on the Region parameter and if a conversion moved the

comprise about 50% of the licensees in Region V) would be incrementally increased. However, because the travel times to these licensees is already significant, the impact would not be as great as it would for licensees in California, particularly, which account for 25% of the licensees in the Region. The net effect of this is that labor rates for inspections to licensees located in Region V, which are already higher than those for any other Region, would likely increase.

Distance would also be a real impact for licensees who have to travel to the Regional office for management meetings or enforcement conferences. Again, the greatest impact would be for California licensees who at present are relatively close to the Regional office.

There could also be real and perceived impacts in terms of our ability to interact with State and local governments and the media in routine and emergency response situations, although these are difficult to quantify.

The major concern for OANDB is whether the existing Region IV people will have to move to a new building to accommodate the people coming from Region V. This would be a new installation coupled with a move. It would be a major undertaking to have to relocate both Region IV and Region V.

Division of Information Support Services

Document Management Branch (DMB) - Following are the changes that would be required to support option 1. There would be no changes in DMB if options 2, 2A, or 3 are chosen.

- The realignment of Regions IV and V will require changes to the Regulatory Information Distribution System (RIDS) distribution patterns no matter which option is chosen.

- There could be reduction in the hours of operation for the NUDOCS system due to the one hour Region IV and V time difference. This would be true so long as the Resident Inspectors do not increase their NUDOCS usage.

Division of Information Support Services

Information and Records Management Branch (IRMB) - Following are the changes that would result if option 1 were selected:

- The separate libraries maintained at Regions IV and V can be consolidated into one library. This would result in approximately $5,000.00 in annual savings by discontinuing duplicate periodical subscriptions, newsletters, industrial standards and codes, and books.

If option 2, 2A, or 3 were chosen, the following changes would result:

- The separate libraries maintained in Regions IV and V could be consolidated into one library located in Region IV. This would result in approximately $2,000.00 annual savings by discontinuation of some duplicate periodical subscriptions, newsletters, and books.

- Staff remaining in California would still require separate industrial codes and standards and some periodicals and newsletters.

Division of Information Support Services

Information Technology Support Branch (ITSB) - If option 1 were selected the following changes would occur:

- Fewer communications links to Headquarters and less Remote Job Entry (RJE) printing will be required.

- There will be minor cost reductions at NIH by eliminating the RJE port (approximately $1200.00 annually).

There would be no changes in ITSB if option 2, 2A, or 3 were selected.

We understand the need to be as clear as possible when presenting IRM's concerns regarding the Region V realignment options. However, there are questions that must be answered for IRM to assess the final impact of choosing one option over the others. We will continue to assess the realignment options and forward any substantive issues that we uncover. Please direct any questions you have concerning this memorandum to me at 301-492-7585.

Gerald F. Cranford, Director
Office of Information Resources
Management

cc: P. G. Kruzic, DCTS
G. H. Messenger, DISS

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

MAY 20 1993

MEMORANDUM FOR: Bobby Faulkenberry, Deputy Regional Administrator, RV

John M. Montgomery, Deputy Regional Administrator, RIV

FROM: James L. Milhoan, Regional Administrator, RIV

SUBJECT: REGION V REALIGNMENT STUDY

This provides my views on the options considered by the Study Group regarding Region V realignment. I have restricted my comments to the implementation consequences of the options if any were to be adopted by the Commission.

Option 1 - This option would provide economies of scale and a more conservative emergency response capability. From a purely administrative viewpoint, it appears to be the most advantageous and would be my preference. However, it represents the most radical change, particularly in removing a major NRC presence from the west.

Option 2 - This option would place the greatest communication and coordination burden on both regions and would clearly result in responsibility and accountability difficulties. It would also present the most confusion to those outside the agency. Of the four options, I would be most concerned about having to implement Option 2.

Option 3 - This option would include many of the pros and cons associated with Option 1. It might present some additional coordination challenges, but is, in my view, manageable and can be effectively implemented. If West Coast presence were to become a significant consideration, it would offer a major advantage over Option 1.

Option 4 - This option would present an improvement over Option 2 as most of my concerns regarding responsibility and accountability in the reactor program area would be eliminated. However, there would still be a confusion issue over responsibility to those outside the agency since Region IV would be responsible for the materials and agreement state programs. I have less concern about implementing this option than Option 2, but I believe our mission would be better served by not having two regions regulate in the same geographical area.

James L. Milhoan
James L. Milhoan
Regional Administrator

cc:
J. M. Taylor, EDO
J. H. Sniezek, DEDR

REPORT ON EVALUATION OF EFFICIENCIES ACHIEVABLE IN OPERATION OF THE REGION IV AND REGION V OFFICES

September 2, 1993

(This is a Supplement to the June 10, 1993, Region V Realignment Study Report)

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I. EXECUTIVE SUMMARY

As a result of the Region V Realignment Study, the Executive Director for Operations requested the Region IV and V Regional Administrators to conduct an evaluation of their respective operations, including obtaining employee input, to determine the most efficient means of carrying out their assigned functions with a special focus on FTE savings. The Executive Director for Operations also established a Study Group to review Regional Administrator evaluations and develop an additional proposal to supplement the June 10, 1993 Realignment Study. This additional proposal will be referred to as Option 0.

In developing this proposal the Study Group was requested to take into account:

- Overall impact on mission accomplishment
- FTE savings, cost savings/increases associated with travel, transportation, relocation, and administrative support
- Interfaces with licensees, public, media, State and local governments, Federal agencies, and internal interfaces
- Incident/emergency response
- Employee impacts, both short- and long-term

- Degree to which regional performance standards will be changed

The Study Group received a total of 16 suggestions for improving efficiencies within Regions IV and V. One of the suggestions, the elimination of the Deputy Regional Administrator position in Region V, had already been acted upon by the EDO prior to the initiation of the Region V Realignment Study. The Study Group evaluated the remaining 15 suggestions. These suggestions were developed by the regions after a number of meetings between individual regional office management and staff personnel within the individual regional offices, and after discussions between regional management and senior management representatives from NRC Headquarters program offices.

As summarized in Table 1 of the Executive Summary, the Study Group determined that 11 of the 16 suggestions could be implemented in Region V for an annual savings of 9.8 FTE, and that four of the 16 suggested actions could be implemented in Region IV for an annual savings of 2.3 FTE, for a total savings of 12.1 FTE within both regions. The reasons for the FTE savings difference between Region IV and V are (1) the workload in Region IV remains at nearly a constant level in the power reactor area, (2) the management structure in Region IV had been flattened previously, and (3) the administrative staff in Region IV had also been previously reduced.

The Study Group further determined that an additional 4.2 and 6.7 FTE could be eliminated in Regions V and IV respectively, by each adopting two additional suggestions and performing some administrative functions contractually. Performing these administrative functions contractually would result in an

added cost to the government over performing these functions with NRC employees. However, if FTE savings are worth this added total cost, exercising this option would increase the total FTE savings to 23.0 and would give management increased flexibility in terms of FTE utilization and the ability to adjust levels of support to meet workload fluctuations.

The Study Group determined, as summarized in Appendix 11, that three of the 16 suggested actions were not appropriate for implementation in Regions IV and V at this time because of their generic nature, and that they should be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

Implementation of the 11 suggested efficiency actions within Region V would result in the elimination of five management/supervisory positions, (net reduction of 4 FTE), 2.3 FTE of direct labor, and the elimination of 3.5 FTE of NRC employee provided administrative support services. If FTE savings are worth additional contract dollar costs, the two other suggested efficiency actions would provide an additional 4.2 FTE savings by utilizing contract labor to provide some administrative support services. The combination of these reductions would result in: a reduction in management/supervisory oversight of licensees' and Region V office activities from that currently being provided; a reduction in direct labor and consolidation of activities to be consistent with workload; and a reduction in the level of administrative support currently being provided to the Region V staff. These reductions in Region V staff would bring Region V overhead to direct and supervisor to staff ratios more in line with the three large regional offices.

The elimination of the five management/supervisory positions (one SES and four GG-15) in Region V would have some impact. This impact would involve a reduced capability by Region V to participate in agency counterpart and other internal meetings at the levels requested, a reduction in flexibility for providing adequate levels of management for Region V office coverage, a reduction in management/supervisory depth for responding to events and manning emergency response teams, a more limited ability to support unfunded headquarters requests and such activities as DETs and IITs, and some reduction in the amount of time Division Directors can devote to management of Division activities since they would act as the Regional Administrator during his/her absence. The Region V Regional Administrator believes these impacts are manageable but would require NRC management to provide some flexibility to Region V in such things as emergency response, level of participation in meetings, levels of office coverage, and frequency in assignment to special tasks. Further discussion of the management flexibility that would need to be provided to Region V is provided in Appendix 12.

A net total of 14 Region V positions would be eliminated by the implementation of the 13 suggested efficiency actions. However, only 11 employees would need to be reassigned as a result of job abolishment. Further, prior to implementation, it is reasonable to assume that several employees who would be impacted may leave the agency or be reassigned within the Region.

The implementation of these actions, along with the associated reduction in FTE, as described in Table 2 of the Executive Summary, would result in reducing the Region V FY-95 Budget Baseline Organization shown in Appendix 2,

by 14.0 FTE to obtain the organization shown in Appendix 3 as Option 0, assuming the 4.2 FTE of administrative services are provided by contract. The organization which would result if the 4.2 FTE of administrative services were not contracted out is shown in Appendix 3 Option 0(a).

Implementation of the four suggested actions within Region IV would result in the elimination of one management/supervisory position, the reduction of 0.3 FTE of inspection effort, and the elimination of 1 FTE of NRC employee provided administrative support services. If FTE savings are worth additional contract dollar costs, an additional 6.7 FTE savings could be obtained by contracting for some administrative services, for a total FTE savings of 9.0.

The elimination of two GG-15 supervisory positions (1 FTE savings and 1 position reallocated) in Region IV would have some moderate impact. The region's flexibility to support unfunded headquarters requests, provide support to team inspections, DETs, IITs, technical and cross-training, and counterpart functions would be reduced. The ability to cross-train managers, an important strength of this region, would be reduced. The contracting of the 0.3 FTE for the HP mobile van should have minimal impact. Using audit sampling for travel vouchers instead of a 100% review should result in a 0.5 FTE savings, and should have minimal impact. The elimination of 0.5 FTE for the personnel function should be partially offset by workload reduction, but may result in some delay in services during peak periods and the need for some headquarters support during such times.

If the additional 5 FTE of administrative services and 1.7 FTE of computer programmer services identified were contracted out, some uncertainty exists as to the impact on performance. It would be essential to carefully select the contractor, to scope the contract and to closely monitor the contract work in order to minimize impact on performance.

A net total of 9 Region IV positions would be eliminated by the implementation of the 6 suggested efficiency actions. Approximately 9 employees may need to be reassigned as a result of job abolishment. Further, prior to implementation, it is reasonable to assume that several employees who would be impacted may leave the agency or be reassigned within the Region.

The implementation of these actions, along with the associated reduction in FTE, as described in Table 2 of the Executive Summary, would result in taking the Region IV FY-95 Budget Baseline Organization as shown in Appendix 4 and reducing it in size by 9 FTE, to obtain the organization as shown in Appendix 5 as Option 0, assuming the 6.7 FTE of Administrative Services is provided by contract. The organization which would result if the 6.7 FTE of Administrative Services were not contracted out is shown in Appendix 5 as Option 0(a).

Appendix 7 presents the categories of annual recurring savings and one-time costs. The net recurring savings for both Regions IV and V are estimated at $951,000. One-time costs are estimated at between $1.6 and $2.1 million. Savings would be realized after 1.7 to 2.2 years with an estimated cumulative dollar savings ranging from $1.7 to $2.2 million after five years.

TABLE 1
SUMMARY OF SUGGESTED EFFICIENCY ACTIONS

	Actions Not Involving Admin. Contractual Support	Region V FTE Savings	Region IV FTE Savings
1.	Consolidate the Enforcement Officer/Allegation Coordinator Functions with the Regional Counsel Function	1.0	
2.	Reduce the State Liaison Function to Match Existing Workload	0.5	
3.	Consolidate/Flatten Management Structure in DRSP/DRS	1.0	1.0
4.	Combine the Operating Licensing Section and the Reactor Safety Section within DRSP into One Branch	1.0	
5.	Adjust for PWR efficiencies	0.5	
6.	Consolidate Work Activities Currently Being Performed by Two Management Analysts and One Program Analyst	1.0	
7.	Reduce Travel and Word Processing Service, Realign Other Duties	1.9	0.5
8.	Consolidate Three DRSS Branches Into Two Branches	1.0	
9.	Reduce Level of Personnel Services	0.6	0.5
10.	Eliminate Deputy Regional Administrator Position in Region V*	1.0	
11.	Accomplish the HP Mobile Lab (Van) Function by alternate means	0.3	0.3
	SUB-TOTAL =	**9.8**	**2.3**
	Actions Involving Admin. Contract Support		
12.	Contract Administrative Services e.g., Word Processing, Mail, Reproduction, Filing, Telecommunications and Receptionist Services	3.7	5.0
13.	Have Data Entry Contractors Perform Computer Programmer Activities	0.5	1.7
	SUB-TOTAL=	**4.2**	**6.7**
	GRAND TOTAL	**14.0**	**9.0**

* This is an efficiency action that would be implemented in all relevant options. The decision by the EDO had been made to eliminate this position prior to the initiation of the Region V Realignment Study.

CORRECTED PAGE

TABLE 2

SUMMARY FTE ANALYSIS-OPTION 0

REGION V

	FY-95 BASELINE*	FY-95 OPTION 0	FTE SAVINGS
NRR FTE	29	28.2	0.8
NMSS FTE	8	8	0
OTHER DIRECT	6	4.5	1.5
OVERHEAD	46	34.3 (38.5)†	11.7 (7.5)†
TOTAL REGION V	89	75.0 (79.2)	14.0 (9.8)
OVERHEAD RATIO	51.7%	45.7%	

REGION IV

	FY-95 BASELINE*	FY-95 OPTION 0	FTE SAVINGS
NRR FTE	47	46.7	0.3
NMSS FTE	16	16	0
OTHER DIRECT	6	6	0
OVERHEAD	56	46.8 (53.5)†	8.7 (2.0)†
TOTAL REGION IV	125	115.5 (122.2)	9.0 (2.3)
OVERHEAD RATIO	44.8%	40.5%	
BOTH REGIONS	214	190.5 (201.4)	23.0 (12.1)

* NOTE: The FY-95 Baseline is the same baseline used in the original study. The FY-95 budget submission reduced Regions IV and V one additional FTE. This additional FTE reduction is not reflected in the above numbers.

† NOTE: Parenthetical values represent the total and respective FTE savings that would result if contracts were not used to provide administrative services.

II. INTRODUCTION

A. Study Group Charter

During the evaluation of the Region V Realignment Study, The Chairman requested that the status quo of Regions IV and V be evaluated, as Option 0, with the focus of the evaluation being directed toward determining what changes can be made within the two Regions to improve the efficiency of how they conduct their assigned functions.

On July 28, 1993, the Executive Director for Operations (EDO) issued a memorandum (Appendix 1) which requested the Region IV and Region V Regional Administrators to conduct an evaluation of their respective regional operations and determine the most efficient means of carrying out their assigned functions, with special focus on FTE savings. In his memorandum the EDO stated that the two Regional Administrators should strive to optimize managerial layering, span of control, level of effort, and organizational interfaces, as well as eliminate overlap in functions and identify functions which should be cut back, transferred to other organizations, or eliminated.

In developing recommendations, the EDO suggested that employee input be obtained and that the following items be taken into account.

- Overall impact on mission accomplishment

- FTE savings, cost savings/increases associated with travel, transportation, relocation, and administrative support

- Interfaces with licensees, public, media, state and local governments, Federal agencies, and internal NRC interfaces

- Incident/emergency response

- Employee impacts, both short-term and long-term

- Degree to which regional performance standards will be changed

The EDO directed the Region IV and Region V Regional Administrators, after they completed their evaluations, to convene the Study Group, and have the Study Group review the evaluations and develop a final proposal as a supplement to the June 10, 1993 Realignment Study.

B. Study Group Members

- Paul E. Bird, Director, Office of Personnel
- E. William Brach, Deputy Director, Industrial and Medical Nuclear Safety, NMSS
- Bobby H. Faulkenberry, Regional Administrator, Region V
- Anthony T. Gody, Sr., Acting Director, Program Management, Policy Development, and Analysis Staff, NRR
- Ben B. Hayes, Director, Office of Investigations

- James L. Milhoan, Regional Administrator, Region IV
- James Turdici, Assistant to the Financial Officer, OEDO

C. Approach Used in Conducting the Evaluations

Upon receipt of the EDO memorandum of July 28, 1993, the Region IV and Region V Regional Administrators independently met with their respective staffs, furnished them a copy of the EDO memorandum, explained to them the reason and purpose of the study, and encouraged them to submit any ideas or suggestions they might have regarding more efficient ways for the Regions to carry out their assigned work functions.

Subsequent to the above, the Division Directors within each of the Regions worked with their respective staffs and developed ideas as to possible changes that could be made to make regional operations more efficient. These ideas were in-turn discussed with the Regional Administrator by the individual Division Director.

During the week of August 2, 1993, regional Division Directors from both Regions IV and V traveled to Headquarters and met with senior representatives of various Program Offices including NRR, NMSS, OP, Administration, and State Programs. At these meetings the regional Division Directors discussed their ideas with the Program Office representatives and also solicited their ideas and suggestions for efficiencies.

Upon their return to the Regions the regional Division Directors met with their respective Regional Administrator and further developed the ideas and suggestions that had been obtained to date. The Regional Administrators then identified those suggestions which they endorsed based on FTE savings and ability to meet the mission, and integrated all of the suggestions into a package for their respective region to be presented to the Study Group.

During the week of August 16, 1993, the Region IV and V Regional Administrators met with the full Study Group. At this meeting the Regional Administrators presented to the Study Group the individual ideas and suggestions that had been developed and indicated those suggestions which they endorsed. After full discussion of these ideas and suggestions, along with other ideas and suggestions obtained from members of the Study Group, the Study Group, through consensus, determined those ideas and suggestions which should be recommended for implementation within Regions IV and V. These recommendations are described in the Suggested Efficiency Evaluations and Recommendations Section of this Report.

III. SUGGESTED EFFICIENCY EVALUATIONS AND RECOMMENDATIONS REGION V

A. Summary Of Suggested Efficiencies Being Recommended By The Study Group For Implementation In Region V

The Study Group evaluated 15 suggestions* and determined that: (1) 10 of the suggestions should be implemented within Region V and made an integral part of Option 0 (see Table 1), (2) two other suggestions should be implemented assuming that reduction of FTE in the administrative support area and increased management flexibility are worth more than the expenditure of contract dollars; and, (3) three of the suggestions should be referred to the Optimization of Region Organization and Functions Study Group for their evaluation since they are generic in nature and applicable to all five regions (see Appendix 11).

Summaries of these suggestions are provided below. More detailed evaluations of each of the 12 suggestions evaluated and recommended for implementation within Region V, by the Study Group, plus the suggestion for elimination of the Region V Deputy Regional Administrator, are provided in Appendix 7.

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*NOTE: One other suggestion, the elimination of the Region V Deputy Regional Administrator position had already been acted upon by the EDO prior to initiation of the Region V Realignment Study. The Director of NRR disagrees with the decision to eliminate the Deputy Regional Administer in Region V. His views are reflected in Appendix 13.

1. <u>Consolidate the Enforcement Officer/Allegation Coordinator Functions with the Regional Counsel Function</u> - Savings 1 FTE

The current workload within Region V requires only about 0.5 FTE of work effort for the performance of duties currently assigned to the Enforcement Coordinator, including allegation coordination duties. Also, the Study Group believes that the level of Regional Counsel services can be reduced from 1.0 FTE to 0.5 FTE without significant impact on Region V performance.

The consolidation of these duties would be accomplished by having the Regional Counsel perform his duties, plus those duties currently assigned to the Enforcement Coordinator. This is considered to be a reasonable approach and one that would result in minimal impact on Region V performance, since the Regional Counsel, for several years, has acted as back-up to the Enforcement Coordinator and has developed a good working knowledge of the Enforcement program.

There is some concern that this consolidation of duties could affect the ability of the Regional Counsel to provide legal advice and counsel on enforcement actions and allegations, since he/she would have substantive involvement in the development of all enforcement actions and allegations reviews. However, since OGC attorneys in NRC Headquarters will continue to perform back-up legal reviews of all escalated enforcement actions, both OGC and

the Region V Regional Administrator consider this to be a minor concern.

There may be some employee impact associated with implementation of this action in that the individual currently occupying the Enforcement Officer position may have to be reassigned elsewhere in the agency.

2. Reduce the State Liaison Function to Match Existing Workload - Savings 0.5 FTE

The Region V State Liaison Officer is currently assigned full-time in the performance of State Liaison activities. However, the current total State Liaison workload within Region V, especially with the recent permanent shutdown of three power reactor facilities, requires only about 0.5 FTE of work effort. Because of this reduced workload, 0.5 FTE of additional work involving Regional Advisory Committee (RAC) and emergency preparedness inspection activity can be consolidated with the State Liaison Officer function. This consolidation of work activity would result in a net savings of 0.5 FTE.

Implementation of this action would not impact mission accomplishment, since it only involves a more efficient assignment of work activities.

There would be no employee impact associated with the implementation of this action. However, the person currently occupying the State Liaison position would have to update his training to become qualified to assume the defined co-lateral duties.

3. Flatten Management Structure in the Division of Reactor Safety and Projects (DRSP) - Savings 1 FTE

Currently the Division of Reactor Safety and Projects has three levels of supervision including the Division and Deputy Division Director level, the Branch Chief level, and the Section Chief level. This action would eliminate one level of supervision by eliminating the Section Chief level and establishing four Branch Chief positions. This would eliminate two supervisory GG-15 positions, a savings of 2 FTE. However, one of these FTE would be needed to fund a full-time Technical Assistant position to assist in the performance of some of the duties currently being performed by existing management. This would result in a net savings of 1 FTE.

Since there would be an elimination of one level of management within the division there would be some reduction in flexibility of management office coverage, some reduction in management/supervisory oversight of licensees and Region V office activities, some reduction in the region's ability to provide

regional management level representation at all counterpart meetings and other internal meetings, and some reduction in the depth of Region V management availability for incident/emergency response purposes. However, with the reduced workload in Region V, and based upon Region IV's favorable experience of reducing one layer of management in their reactor divisions, and Region V's favorable experience in the Division of Radiation Safety and Safeguards, the Region V Administrator believes this action can be implemented within Region V without significant impact on mission accomplishment.

Implementation of this action would have some employee impact. Two position(s) would be affected. Two of six employees currently occupying the position(s) or performing work identified with the function being impacted may have to be reassigned elsewhere in the agency.

4. <u>Combine The Operator Licensing Section And Reactor Safety Section Within The Division Of Reactor Safety And Projects Into One Branch</u> - Savings 1 FTE

With the permanent shutdown of Rancho Seco, Trojan, and San Onofre Unit 1, the workload within the Operator Licensing Section and the Reactor Safety Section has been significantly reduced. By FY 1995 the total number of staff within these two sections will be

reduced to nine individuals (4.0 operator licensing personnel and five reactor safety inspectors.)

With this reduction in workload and number of personnel, the Study Group believes the two sections can be consolidated into one branch without significant impact on mission accomplishment. However, with one less GG-15 supervisor, this would further reduce Region V's current level of management oversight of licensee activities, and further reduce the region's ability to participate at a management level in all counterpart and other internal meetings.

Implementation of this action would have some employee impact. One position would be affected. One of two employees currently occupying the position(s) or performing work identified with the function being impacted may have to be reassigned elsewhere in the agency.

5. Adjust for PWR Efficiencies - Savings 0.5 FTE

Region V has one position that is filled by an individual who is cross certified as both a BWR and PWR examiner.

Region V has for the past three years been able to achieve greater efficiency in administering the PWR Operator Examinations than was budgeted, largely because Region V has PWRs from only two vendors,

CE and Westinghouse. This efficiency is enhanced by the similarity of these two vendors. As a result of this efficiency, the PWR functions of this cross certified examiner can be eliminated. This individual is cross-qualified as an inspector and would be assigned additional inspection responsibilities.

6. Consolidate Work Activities Currently Being Performed By Two Management Analysts and One Program Analyst - Savings 1 FTE

This action involves the consolidation of duties currently assigned to two management analysts and one program analyst, within the Division of Resource Management and Administration (DRMA). The consolidation of these duties is justified because of the reduced workload resulting from the recent permanent shutdown of three Region V power reactor facilities.

Implementation of this action would result in minimal impact on regional performance and/or mission accomplishment because it involves the consolidation of work activities due to a reduced workload. The only anticipated impact is that it may take slightly longer to fulfill ad hoc requests for data or computer support.

Implementation of this action would have some employee impact. One position would be affected. One of three employees currently occupying the position(s) or performing work identified with the

function being impacted may have to be reassigned elsewhere in the agency.

7. Reduce Amount of Travel and Word Processing Services and Realign Other Miscellaneous Duties - Savings 1.9 FTE

Within Region V the travel support function currently makes individual travel reservations with the contract travel agency for the staff. Also, the travel support function currently provides the travel expense vouchers in final form for the staff once the employee provides the travel expense data and associated receipts to the travel clerk. In addition, Region V currently audits 100% of all travel vouchers. Implementation of this efficiency action would reduce these services and might in some cases require individual employees to make their own travel reservations and prepare in final form their own travel expense vouchers. This reduction in staff would also require reducing voucher auditing to a sample audit program. This change would be consistent with how travel services are currently provided in NRC Headquarters and some of the other Regional Offices.

Reduced word processing workload as a result of smaller staff size and technological advances make the elimination of one word processing position possible. Consolidation of 0.5 FTE of responsibilities of the Computer Programmer Analyst with the current work assigned to the Management and Resource Analyst would

also be possible as a result of reduced workload. These activities which would be reassigned include license fees, contractor oversight and management information reports.

With elimination of the above described services a net savings of 1.9 FTE could be realized.

The implementation of these actions would have some impact on the Region V staff in that the technical staff might be required in some cases to become more involved in making their own travel arrangements and in submitting their own travel claim vouchers. Auditing travel vouchers would provide reasonable, rather than 100%, assurance of their accuracy. Also, there may be periods of time when travel services are provided in a less timely manner due to absences of the assigned individual and due to the lack of assigned back-up support.

Some employee impact would result in the implementation of this action in that the two employees currently assigned to perform these functions may need to be reassigned elsewhere in the agency.

8. <u>Consolidate Three Division of Radiation Safety And Safeguards (DRSS) Branches Into Two Branches</u> - Savings 1 FTE

This action involves the consolidation of work activities within the Division of Radiation Safety and Safeguards (DRSS). This consolidation of work activities is justified because of the reduced workload within the division resulting from the recent permanent shutdown of three Region V power reactors and the recent termination of a number of materials licenses. The Study Group believes that with this reduced workload the three branches within the division could be consolidated into two branches. This would result in the elimination of one GG-15 supervisory position, with an associated savings of 1 FTE.

The implementation of this action would not cause a significant impact on mission accomplishment since the action is based on a reduction in workload. However, the action would result in some impact on management oversight of division work activities, on flexibility in office coverage by Region V managers, and on the ability of Region V to provide regional management representation at all counterpart meetings and other internal agency meetings.

Implementation of this action would have some employee impact. One position would be affected. One of three employees currently occupying the position(s) or performing work identified with the

function being impacted may have to be reassigned elsewhere in the agency.

9. Reduce the Level of Personnel Services - Savings 0.6 FTE

Currently Region V has 1.9 FTE dedicated to providing Personnel services. Workload and assignments are shared by three staff members (two of whom are part time, the third also has the travel service responsibilities addressed under item 7 above.) Elimination of this third position will reduce the level of support for personnel services to 1.3 FTE. One-half of the 0.6 FTE workload reduction is involved in training coordination, the remaining 0.3 FTE involves general personnel assistant activities.

The training coordination function would be assigned to the DRMA secretary. Reduced workload as a result of a smaller regional staff size and significantly reduced recruitment activities would result in the 0.3 FTE reduction of general assistant activity. This reduction may result in some delays in processing personnel actions and/or responding to staff inquiries.

There would be some employee impact associated with implementation of this action in that the individual currently occupying the Personnel Assistant position may have to be reassigned elsewhere in the agency. Note, however, that this same individual is addressed under item 7 above.

10. Eliminate the Deputy Regional Administrator Position - Savings 1.0 FTE

The decision to eliminate the Region V Deputy Regional Administrator position had been made by the EDO prior to initiation of the Region V Realignment Study. The functions of the Deputy Regional Administrator will be consolidated with the Division Directors for their respective areas. Inasmuch as the decision to eliminate this position has been implemented, no consideration was given by the Study Group to this efficiency.

11. Accomplish the HP Mobile Lab (Van) Function by Alternate Means - Savings 0.3 FTE

The Region V HP Mobile Lab (Van) Program currently uses NRC Region V personnel and equipment to analyze solid, liquid, and gaseous samples, obtained at licensee sites, to provide independent verification that licensee performed analyses are accurate and are providing the proper values. To perform this program Region V must maintain a mobile lab with properly calibrated analytical equipment, and must maintain on board an individual properly trained and qualified to perform the analysis of samples obtained at licensee sites.

There are a number of University, Industrial, and DOE facilities, some of which are local, who have the proper analytical equipment

and qualified analysts, and who can adequately perform the type of analyses currently being performed by Region V personnel. Also, one of the large regions could perform these analyses for Region V.

In consideration of the above, the Study Group believes that the current Region V HP Mobile Lab (Van) sample analysis program could be performed under contract, or by another region. This would alleviate the need for Region V to maintain a mobile lab facility and a qualified analyst. Implementation of this action would result in the savings of 0.3 FTE, plus the cost of maintaining the mobile lab facility. The additional savings associated with contracting this function is estimated at $32.6k per year.

No employee impact would result from implementation of this action since the work activity associated with this program is currently being performed as a part time activity.

12. <u>Contract Out Administrative Support Services Such As Word Processing, Mail, Reproduction, Filing, And Receptionist Services</u> - Savings 3.7 FTE

Within Region V, administrative services involving word processing, mail receipt and distribution, reproduction, filing, and receptionist activities are currently being performed by NRC full-time permanent employees. Once the reduced word processing

resources discussed under item 7 above are eliminated, the remaining services involve an annual expenditure of 3.7 FTE. The Region V Regional Administrator believes these administrative services could be performed with contract labor without significant impact on mission accomplishment. This action, if implemented, would result in an annual savings of 3.7 FTE. The estimated annual contract cost for performance of these activities is estimated as $197,000.

Certain of the above identified administrative services such as mail receipt and distribution, and word processing are currently being performed in a satisfactory manner, with contract labor, at NRC Headquarters.

Internal NRC interfaces would be modified in that other NRC technical and administrative staff could not deal directly with contract employees in providing job assignments, but rather all such communications would channel through the contract manager.

Implementation of this action would have some employee impact. Three employees currently occupying the position(s) or performing work identified may have to be reassigned elsewhere in the agency.

13. <u>Have Data Entry Contractors Perform Computer Programmer Activities</u> - Savings 0.5 FTE

Within Region V, contract labor is currently being used for various computer data entry work activities. The scope of this contract could be expanded to include pulling "canned reports" and performing ad hoc queries. Decreased data entry workload resulting from smaller staff and fewer facilities should make absorption of additional responsibilities possible without any increase in the current contractual level of effort. Since contract labor has been successfully used for a number of years at both NRC Headquarters and the Regional Offices, for performance of computer data entry and retrieval activities, the Study Group believes this action could be implemented without any significant impact on mission accomplishment.

Implementation of this action would not result in any employee impact since the remaining 0.5 FTE of responsibilities would be reassigned to other staff as addressed under item 7 above and the employee currently occupying the position that would be eliminated has announced her intent to retire.

The 12 actions as summarized above, plus the action involving the elimination of the Deputy Regional Administrator position, could be implemented on an individual basis or could be implemented in a collective manner. If all 13 actions are implemented, including those involving contract support for

administrative support services, a total annual savings of 14.0 FTE and $853k within Region V could be realized after the payback of the one-time cost.

The implementation of the 13 actions would collectively result in the elimination of five management/supervisory positions (net reduction of 4 FTE), 2.3 FTE of direct labor, and the elimination of 7.7 FTE of NRC employee provided administrative support services. However, 4.2 person years of the 7.7 FTE reduction in NRC employee provided administrative support services would be provided with contract labor. This net reduction in management/supervisory and administrative support would result in a reduction in management/supervisory oversight of licensees and Region V office activities from that level which is currently being provided, and would reduce the level of administrative support currently being provided to the Region V staff. However, these reductions in Region V staff would bring Region V more in line with the overhead ratios at other regional offices by reducing the Region V percent overhead to total staff ratio* from 51.7% (FY-95 baseline) to 45.7% (Option 0). The current average percent ratio for the three large regions is 37.5%. Also, the Region V ratio of non-supervisory staff to supervisory staff would be increased from 3.9 (FY-95 baseline) to 5.3 (Option 0). The current average ratio for the three large regions is approximately 5.0.

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*Ratio were developed using current organization charts for Regions I, II and III and proposed organization charts for Regions IV and V. Overhead is defined as all managers and supervisors at the Section Chief level and above plus all secretarial and administrative support. Supervisors are all Section Chiefs and above, non-supervisors are all other staff. The ratios and percentages are intended to provide reasonably accurate comparisons.

It should be recognized that a number of the administrative support positions proposed to be eliminated were only added to the Region V overhead allocation in FY-93 as a result of an overhead study conducted by the Office of the Controller. These budget activities and analyses took place well in advance of the beginning of the fiscal year and clearly preceded the workload reductions associated with plant closures. Nevertheless, staffing of these positions has only recently occurred. Thus, impacts on services provided will not be substantial in that the staff has not yet become reliant on this increased support.

The elimination of the five management/supervisory positions (one SES and four GG-15) would have some impact on mission accomplishment. This impact would involve a reduced capability by Region V to participate in agency counterpart and other internal meetings, a reduction in flexibility for providing adequate levels of management for Region V office coverage, a reduction in management/supervisory depth for responding to events and manning emergency response teams, and some reduction in the amount of time Division Directors can devote to management of Division activities since they would act as the Regional Administrator during his/her absence. The Region V Regional Administrator believes these impacts are manageable but will require NRC management to provide flexibility to Region V in such things as emergency response, level of participation in meetings, levels of office coverage, and frequency in assignment to special tasks. Further discussion of the management flexibility that would need to be provided to Region V is provided in Appendix 12.

A net total of 14 Region V positions would be eliminated by the implementation of the 13 suggested efficiency actions. However, only 11 employees may need to be reassigned as a result of job abolishment. Further, prior to implementation, it is reasonable to assume that several employees who would be impacted may leave the agency or be reassigned within the Region.

B. Summary Of Suggested Efficiencies Not Recommended For Implementation In Either Region V Or Region IV

The three suggested efficiencies described below were evaluated by the Study Group. However, the Study Group, for the reasons stated, does not recommend that these actions be implemented in either Region V or Region IV as part of Option 0.

1. Eliminate the Regional Counsel Position within Region V

A suggestion was received which advocates the elimination of the Region V Regional Counsel position which would have OGC provide the required level of legal counsel service to the region with no increase in their current level of staffing.

The Study Group evaluated this suggestion and determined that since some level of legal counsel service was required in Region V, it could best be provided by reducing the level of effort of the Region V Regional Counsel from 1 FTE to 0.5 FTE and the

Enforcement Officer/Allegation Coordinator from 1 FTE to 0.5 FTE and combining the function for a net savings of 1.0 FTE.

Since the total elimination of the Regional Counsel function within a regional office is a generic issue affecting all five regional offices, the Study Group recommends this suggestion be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

2. Consolidate The Public Affairs Function With The State Liaison Officer Function

A suggestion was received which advocates the consolidation of the Public Affairs function with the State Liaison Officer function. This suggestion was based upon the belief that, at least in Region V, each of these two functions could be performed with 50% of the allocated resource.

The Study Group determined, with input from the Deputy Director, Office of State Programs and the Region V Regional Administrator, that due to the decreased workload in Region V, the level of effort of the State Liaison Officer could be reduced from 1 FTE to 0.5 FTE without significant impact on mission accomplishment. However, input from the Director, Office of Public Affairs and the Region V Regional Administrator, indicates that the current level of effort of the Region V Public Affairs Officer could not be

significantly reduced without significant impact on the Region V Public Affairs program.

In consideration of the above, the Study Group recommends that within Region V the State Liaison Officer function be reduced to a level of effort of 0.5 FTE to match the existing workload, and consolidate other work activities such as RAC and emergency preparedness inspection activities with the current work performed by the State Liaison Officer. This recommended action has been previously addressed in this report.

Since the question of whether the level of effort of the Public Affairs function could or should be reduced within a regional office is a generic issue affecting all five regional offices, the Study Group recommends this question be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

3. Realign Regional Boundaries

A suggestion with supporting data was received which advocates the transfer of materials and State Agreements programs to Region V from Region IV for the states of Utah, Idaho, Montana, and North Dakota. It was advocated that this transfer would help balance the materials and State Agreements workload between Regions IV and V. Since the thrust of this suggestion appears to be more toward

the realignment of regional boundaries and redistribution of workload between Regions IV and V, the Study Group recommends that this suggestion be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

C. Summary Of Suggested Efficiencies Recommended For Implementation In Region IV But Not Recommended For Implementation In Region V

There are no efficiencies recommended for implementation in Region IV that are not being recommended for Region V.

IV. SUGGESTED EFFICIENCY EVALUATIONS AND RECOMMENDATIONS REGION IV

The Study Group evaluated 15 suggestions and determined that: (1) four of these suggestions should be implemented within Region IV and made an integral part of Option 0; (2) if FTE savings are worth more than additional contract dollar costs, two additional suggestions could be implemented; and, (3) three of these suggestions should be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation since they are generic in nature and applicable to all five regions; and, (4) six of the suggestions, although applicable to Region V, are not applicable to Region IV.

Summaries of these suggestions are provided below. A more detailed evaluation of each of the six suggestions evaluated and recommended for implementation within Region IV, by the Study Group, is provided in Appendix 8.

A. Summary Of Suggested Efficiencies Being Recommended By The Study Group For Implementation In Region IV

1. Consolidate Management Structure In Division Of Reactor Safety (DRS) - Savings 1 FTE

Due to the reduction in Region-based inspectors in recent years, the Study Group believes that the region could be adequately managed with a further consolidation of sections in the Reactor Safety Division. The present FY-95 baseline has one supervisor for every three inspectors. By consolidating the four current

sections into two branches, there would be one supervisor for each six to seven reactor inspectors.

With this consolidation, there would be an impact on management oversight and on flexibility in office coverage by managers. With the retention of a Technical Assistant, this impact would be lessened. There would be a reduction in the ability to provide regional supervisory representation at counterpart meetings and other internal meetings. Also, there would be a reduction in the current level of management oversight of individual licensees.

With respect to incident/emergency response, there would be a reduction in the depth of management availability in responding to reactor events. However, this reduction should not adversely impact regional response.

With respect to change in regional performance standards, there would be less supervisory time available for each employee. However, the proposed span of control appears workable.

Two individuals at the GG-15 level may have to be reassigned. One of the two positions would be eliminated, the other position would be reallocated to direct inspection activity, resulting in a 1 FTE net savings.

2. Adjust for PWR efficiencies - No savings

The PWR efficiencies realized in Region V because of having only two vendor types, CE and Westinghouse, does not apply in Region IV.

3. Reduce Amount Of Travel Service And Realign Other Miscellaneous Duties - Savings .5 FTE

In the reduced DRMA organization the DRMA secretary would be expected to serve as back-up for travel and cashier. With regard to the travel area, a reduction in resources could be achieved by reducing the amount of auditing of travel vouchers. Region IV currently audits 100 percent of all travel vouchers as compared to 10 percent sampling audits performed in Headquarters. If Region IV were to adopt a sample travel audit policy approximately .5 FTE savings could be achieved. The Study Group believes this is a viable option.

Although 100 percent auditing of travel vouchers is preferable because it improves the accuracy of travel voucher payments and heads off potential problems arising from third party post-audits' the Study Group considers this level of service to be inconsistent with current FTE constraints.

There would be some employee impact associated with implementation of this action, in that one employee may have to be reassigned elsewhere in the agency. A part-time travel clerk position would be eliminated to achieve the FTE savings.

4. Reduce Level Of Personnel Services - Savings 0.5 FTE

The Study Group recommends reducing the level of personnel services in Region IV by eliminating 0.5 FTE of the Personnel Assistant position. Region IV presently has 3.0 FTE devoted to the personnel area. With a reduction in staffing and with a significant reduction in recruitment the corresponding workload would also be reduced. With a reduction in level of service the personnel function still could be accomplished although at a reduced level.

A reduced level of service is anticipated in that response times for requested services may increase. Back-up support from Headquarters may be necessary during peak periods such as providing awards and handling performance appraisals in October.

Implementation of this action may result in one employee having to be reassigned elsewhere in the agency since the full time position would be eliminated.

5. <u>Accomplish the HP Mobile Lab (Van) Function by Alternate Means</u> - Savings 0.3 FTE

The Region IV HP Mobile Lab (Van) Program currently uses NRC Region IV personnel and equipment to analyze solid, liquid, and gaseous samples, obtained at licensee sites, to provide independent verification that licensee performed analyses are accurate and are providing the proper values. To perform this program Region IV must maintain a mobile lab with properly calibrated analytical equipment, and must maintain on board an individual properly trained and qualified to perform the analysis of samples obtained at licensee sites.

There are a number of University, Industrial, and DOE facilities, who have the proper analytical equipment and qualified analysts, and who can adequately perform the type of analyses currently being performed by Region IV personnel.

In consideration of the above, the Study Group believes that the current Region IV HP Mobile Lab (Van) sample analysis program could be performed under contract or by another region, which would alleviate the need for Region IV to maintain a mobile lab facility and a qualified analyst. Implementation of this action would result in the savings of 0.3 FTE, plus the cost of maintaining the mobile lab facility. The additional savings

associated with the contracting of this function is estimated to be $27.9k per year.

No employee impact would result from implementation of this action since the work is currently being handled as a part-time activity.

6. Contract Out Administrative Support Services Such As Word Processing, Mail, Reproduction, Filing, Telecommunications, And Receptionist Services - Savings 5.0 FTE

Within Region IV, administrative services involving word processing, mail receipt and distribution, reproduction, filing, telecommunications, and receptionist activities are currently being performed by NRC employees, involving an annual expenditure of 5.0 FTE, not including overtime which approaches 1.0 additional FTE level of effort (two mailroom employees, one receptionist, one telecommunications employee and one equivalent FTE of secretarial service performing file room functions and word processing functions). The Study Group believes these administrative services could be performed with contract labor without significant impact on mission accomplishment. This action if implemented would result in an annual savings of 5.0 FTE, with an estimated added expenditure of $140.9k.

Certain of the above identified administrative services such as mail receipt and distribution and word processing are currently

being performed in a satisfactory manner, with contract labor, at NRC Headquarters.

Internal NRC interfaces would be modified in that other NRC technical and administrative staff could not deal directly with contract employees in providing job assignments, but rather all such communications would channel through the contract manager.

There would probably also be a small expense for remodeling the current office space to create a separate space for the contractor support personnel to be grouped together to function as an administrative services center.

With respect to regional performance standards, if the contract could be written to provide a sufficient degree of flexibility in use of the contract support staff to duplicate the flexibility of the current Federal employees who are cross-trained in multiple areas, the impact should be minimal regarding day-to-day administrative support. However, the degree to which administrative support would be affected over the long-term is more of a concern. In the long-term, the "corporate" knowledge of how to perform these administrative functions would be lost. If there was a contractor failure, the region could not function in the short-term without the mail room services. Thus immediate back-up would be required from another region or from Headquarters where knowledgeable personnel exist.

Implementation of this action would result in employee impact in that the four current employees involved in the performance of the identified duties may have to be reassigned elsewhere in the agency.

7. Contract Out Computer Program Analyst Work - Savings 1.7 FTE

Within Region IV, the computer programming support function is performed by a Computer Programmer Analyst and an Office Automation Assistant involving an annual expenditure of 1.7 FTE. The Study Group believes that these functions could be contracted out without a significant impact on mission accomplishment. This action if implemented would result in an annual FTE savings of 1.7 FTE with an estimated added expenditure of $20.7k.

Implementation of this action would result in impact on two employees in that their jobs would be eliminated and they may have to be reassigned.

The requirements for special reports in order to perform analyses and for reprogramming of regional tracking systems to support data requirements placed upon the region would continue to exist. A contractor would have to obtain in a timely manner the necessary specialized knowledge necessary to support requirements in our computer systems.

The seven actions as summarized above could be implemented on an individual basis or could be implemented in a collective manner. If all seven actions are implemented, including those involving contract support for administrative services, a total annual savings of 9.0 FTE within Region IV could be realized, resulting in an estimated annual dollar savings of $98k.

The implementation of the four actions would collectively result in a reduction of two management/supervisory personnel (net reduction of 1 FTE), administrative support staff (1 FTE), and direct inspection personnel (.3 FTE). However, an additional 6.7 FTE of administrative support would be saved if replaced with contractor personnel, for a total of 9.0 FTE. The net result of the use of contractor personnel and reduction of administrative support could reduce the level of administrative support currently being provided to the Region IV staff. The reduction of management/supervisory personnel and realignment of functions would bring Region IV in line with other regional offices with respect to Region IV percent overhead to total staff ratio* of 40.5% (Option 0) from 44.8% (FY-95 baseline ratio). The current average percent overhead ratio for the three large regions is 37.5%. Also, the Region IV ratio of non-supervisory staff to supervisor staff would be increased from 4.01 (FY-95 baseline) to 4.53 (Option 0). The current average staff to supervisor ratio for the three large regions is approximately 5.0.

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*Ratios were developed using current organization charts for Regions I, II and III and proposed organization charts for Regions IV and V. Overhead is defined as all managers and supervisors at the Section Chief level and above plus all secretarial and administrative support. Supervisors are all Section Chiefs and above, non-supervisors are all other staff. The ratios and percentages are intended to provide a reasonable estimate.

The elimination of two supervisory positions (GG-15) would have some impact on mission accomplishment. This impact would involve less supervisory oversight of licensees, region-based inspectors, and less emergency response flexibility. The Region IV Regional Administrator believes that the impact is manageable.

A net total of nine Region IV positions would be eliminated by the implementation of the six suggested efficiency actions. Approximately 9 employees may need to be reassigned as a result of job abolishment. Further, prior to implementation, it is reasonable to assume that several employees who would be impacted may leave the agency or be reassigned within the Region.

B. Summary Of Suggested Efficiencies Not Recommended For Implementation In Either Region IV Or Region V

The three suggested efficiencies identified below were evaluated by the Study Group. However, the Study Group does not recommend that these actions be implemented in either Region IV or Region V as part of Option 0.

1. Eliminate the Regional Counsel Position

2. Reduce the Level of Effort of the Public Affairs Officer

3. Realign Regional Boundaries

As previously stated in this report, under the Region V discussion, the Study Group recommends the above identified suggestions be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation, since they are either generic in nature and involve all five regions, or they involve the realignment of regional boundaries.

C. Summary Of Suggested Efficiencies Recommended For Implementation In Region V But Not Recommended for Implementation in Region IV

1. Combine Enforcement Officer With Regional Counsel Function

The Study Group did not recommend adoption of this efficiency option for Region IV due to the present workload of the Enforcement Officer and Allegation coordinator. Data as of August 16, 1993 from the Enforcement Action Tracking System indicates that to date in FY-93, Region IV held 33 Enforcement Conferences as compared to 21 conferences for Region V. In addition, Region IV has handled 21 proposed civil penalties as compared to seven for Region V. More importantly with respect to workload, the Region IV Enforcement Officer drafts all escalated enforcement cases as opposed to Region V where the cases are drafted in the Divisions. The Region IV Allegation Coordinator has handled 92 allegations to date in FY-93 compared to 58 in Region V. In addition to these duties, the Allegations Coordinator also assists the Enforcement Officer and acts as back-

up Emergency Response Coordinator. Given Region IV's enforcement and allegation caseload, these individuals are fully occupied and in fact work a regular amount of overtime (approximately 10%) to fulfill their responsibilities.

2. Reduce State Liaison Function To Match Current Workload

The Study Group does not recommend adoption of this efficiency option for Region IV due to the present workload of the State Liaison Officer.

Region IV has 14 states, nine agreement and five non-agreement states as opposed to Region V which has seven states, five agreement and two non-agreement.

Regional State Liaison Officer (RSLO) primary duties are to maintain a working relationship with, and knowledge of state activities. The RSLO in Region IV specifically handles the following duties: Regional representative to the EPA/Mexico Hazardous Waste Work Group, Regional OSHA contact, FEMA RAC (regularly a FEMA RAC emergency exercise observer, certified FEMA exercise observer), backup to the State Agreements Officer, Training Officer (chair for certification board), participation in Region IV emergency exercises as Government Liaison Officer, coordination of State Out Reach Program with Region IV DRSS and AEOD. The RSLO also accompanies the Regional Administrator to

press conferences and SALP meetings, maintains contact with and attends Low Level Radioactive Waste compact meetings for Region IV.

3. Combine Two Sections Into One In Reactor Safety Branch With Only One GG-15 Supervisor

This action was not applicable to Region IV since the region does not have a Reactor Safety Branch. However, the consolidation of sections in the Division of Reactor Safety was considered as part of Region IV action item number 1.

4. Reduce Amount Of Program Analysis Service Provided To Technical Divisions

Region IV's DRMA staff as shown for Option 0 contains only two management analysts, which is equal to the number of management analysts in Region V, despite a larger workload. The Study Group does not recommend reducing the program analysis function below this number due to the extra flexibility and oversight responsibilities which would be required of the remaining DRMA staff if functions are contracted.

5. Consolidate Functions Within DRSS

In Region IV the functions within DRSS are already consolidated.

6. Eliminate the Position of the Deputy Regional Administrator

While the workload in Region V has decreased to the extent that the position of Deputy Regional Administrator could be eliminated, a corresponding decrease in workload has not occurred in Region IV. Although the Fort St. Vrain plant is being decommissioned, Comanche Peak Unit 2 received a full power operating license. Thus, the number of power reactor operating units remained the same.

While the Region IV Regional Administrator agrees that Region IV could accomplish its basic mission without the Deputy Regional Administrator position, Region IV's ability to support the broader agency mission would be effected since Division Director availability to support other agency activities such as Diagnostic Evaluation Team Inspections or IITs would be significantly reduced due to SES Division Directors having to back-up the Regional Administrator in interfaces with licensee Senior Management, Agency Senior Management, States, other Federal agencies and the media.

The elimination of the Deputy Regional Administrator position would weaken the region's ability to provide the expected senior level experience and expertise to any significant plant event or incident.

With respect to performance standards, a significant level of regional management review and direction is accomplished by the Deputy Regional Administrator. The ability of the region to meet existing office coverage requirements, provide SES level participants in agency level special assignments, allow the Regional Administrator the flexibility to personally serve on higher level agency committees, and meet his/her extensive travel requirements would be negatively affected. The level of senior management attention to specific plant issues and direct senior level observation and evaluation of Region IV plants would decrease. The offices of NRR, NMSS and AEOD would not recommend the elimination of this position.

7. Combine Division of Reactor Safety and Division of Reactor Projects

In its proposed FY-95 organization (Appendix 3), Region V shows a combined Division of Reactor Safety and Reactor Projects with a total of 33 persons. In its proposed reorganization structure Region V was able to achieve a flattened organization which eliminates a layer of management. The proposed Region V reorganization is now in line with the present management structure of Region IV's Divisions of Reactor Safety and Reactor Projects. To combine these divisions in Region IV would necessitate a Branch Chief/Section Chief organizational structure which introduces undesired management layering. Without a Branch Chief/Section Chief Structure the span of control may be too great

due to the size of the combined division and the diversity of functions required to be performed by the combined division. The only overhead savings would be to eliminate the Deputy Division Director in the combined division, but the Study Group believes such senior management presence is necessary to properly oversee reactor safety responsibilities and to maintain a high state of emergency response readiness. In addition, reduction of a senior level manager in a combined division reduces Region IV's capability to support the broader agency mission since Division Director availability to support other agency activities such as Diagnostic Evaluation Team Inspections and IITs (in the past year Region IV Division Directors have led both a DET and an IIT). A combined division does not provide for independent analysis of licensee performance desired by the Region IV Regional Administrator.

V. RESOURCE ANALYSES

The methodologies used to compute FTE costs and savings are the same, with some minor exceptions, as those used in the June 10, 1993 Study report. The exceptions are (1) representative salaries and benefits were used instead of Regional average salaries and benefits (2) separate locality pay adjustments were not necessary as this was included in the representative salaries and benefits (3) no transfer of equipment or travel costs were appropriate. The amount of recurring and one-time costs are summarized in Appendix 6.

FTE savings were divided into two categories; those associated with position savings and those associated with contracting out functions and are included in Appendix 6. There were no non-regional FTE savings identified. The long-term FTE savings also use the same assumption as in the original study that savings would be realized by October 1995.

Computation of contractual FTE net savings involved using representative salaries, benefits and overtime for those individuals performing the function as compared to estimated contractual costs for similar functions. Estimates for the contracts were provided by Division of Contracts and Property Management and projecting costs based on existing contracts. There are four separate contractual arrangements that would need to be negotiated. These functions are described as suggested efficiency actions 11, 12, and 13 in Table 1. Two separate contracts would be involved in contracting out action item 12. One would be necessary for administrative support services and one for telecommunications. The estimated savings or costs by efficiency action are as follows:

	Region IV	Region V
Contract HP van activities	$ 27,880	$ 32,624
Contract Administrative Services		
• Administrative Support	($140,893)	($74,946)
• Computer Programmer	($ 20,702)	$ 4,202
Subtotal	($161,595)	($70,744)
Total	**($133,715)**	**($38,121)**

Contracting out these functions, while saving 11.5 FTEs would require an additional $171.7k per year over the cost for NRC employees to perform these functions. The cost/savings calculations take credit for $900k of salaries and benefits associated with the 11.5 FTE of effort that would be performed by contract, i.e., the $900k is used to partially offset the contract costs. If the agency chooses to use these 11.5 FTEs for other agency requirements, the associated salaries and benefits would be unbudgeted.

It is estimated that 40 samples per year for Region V and 80 samples per year for Region IV would need to be submitted to a laboratory to satisfy current program requirements for HP van activities. It is estimated that each sample would cost $300 to be evaluated. The existing costs to perform this mission today involve a partial FTE and associated costs to maintain the van and calibrate the equipment. Contracting the HP van activities would save approximately $60k annually. Even greater savings could be achieved by sending the samples to another Region for evaluation. It is estimated that 60 hours per year of additional work would be necessary to support both Regions and this workload may be able to be absorbed by a Region without a

corresponding increase in FTE. Region IV was preparing to spend $38,000 to buy a new van and computer system which will be avoided if the activities are contracted out or assumed by another region.

The Administrative Support contract would require 3.7 workyears of contract effort to offset 3.7 FTE savings for Region V. Due to significant overtime used in Region IV, 5.5 workyears worth of contract effort are required to replace the 5 FTE savings for Region IV.

Recurring administrative savings include a decrease in rent as well as administrative supplies. Space requirements to accommodate contractor personnel were also considered. Region IV currently has sufficient space to accommodate 30 additional personnel. A reduction to their building contract would result in a possible savings of $57,600 assuming the building owner would be willing to reacquire the space with a one-time building renovation cost estimate of $35,000. The rent savings in Region V is estimated at $24,000. The savings for administrative supplies and contracts were computed at $5,300 per FTE savings for both Regions IV and V which is consistent with the June 10 Study.

Relocation one-time costs for the Regions is a combination of relocation costs and severance pay. There is no NRC cost for retirements or those opting to leave the agency that are not authorized severance pay. Region IV relocation costs are estimated at $33,840 and are based on paying severance pay for four employees. It is projected that most Region IV employees would opt to retire rather than relocating to another NRC location. The movement of URFO employees was not included as part of this study. The same methodology used

to determine Region V relocation costs for the June 10 study was applied to this study. Positions that are already vacated were also taken into consideration. It is estimated that between $1.5 and $2.0 million would be needed to relocate and provide severance pay to Region V employees.

The FY-95 baseline used in this study was the same as in the June 10, 1993 Study. Subsequently, the FY-95 budget has been finalized and each Region was reduced one additional direct FTE due to a combination of workload adjustments in the materials and reactor areas. This FTE reduction was not reflected in the FY-95 baseline budget used in this study. In the event the decision is to take none of the efficiency actions described in this report, both Regions' FY-95 baseline budgets would be reduced by 1 FTE. With implementation of the efficiency actions contained in this study, however, the 1 FTE reduction per region would need to be reconsidered.

VI. REGIONAL EMPLOYEE INPUT

As requested by the EDO in his memorandum of July 28, 1993, the Regional Administrators from Regions IV and V met with their respective staff, furnished them a copy of the EDO memorandum, and encouraged them to submit any ideas or suggestions they may have regarding more efficient ways for the regions to carry out their assigned work functions.

As a result of the above, two submittals were received from Region V employees, and four submittals were received from Region IV employees. Copies of these submittals are provided in Appendices 9 and 10 of this report.

Regional management, within each regional office, has contacted each of the employees who submitted suggestions and has provided feedback to each employee on their suggestions.

VII. CONCLUSIONS

The Study Group has concluded that the suggested efficiencies identified in Table 1 of the Executive Summary, are reasonable actions which could result in an annual savings of 12.1 FTE (9.8 FTE in Region V and 2.3 FTE in Region IV) from the FY-95 Baseline Budget without administrative services being provided by contract. The Study Group further determined that an additional 10.9 FTE (4.2 FTE in Region V and 6.7 in Region IV) could be saved by contracting for some administrative functions. Performing these administrative functions contractually would result in added dollar costs of approximately $232.4k per year. However, if FTE savings are worth more than the additional dollar costs, exercising this option would increase the total FTE savings to 23.0 FTE and would give management increased flexibility in terms of FTE utilization and the ability to adjust levels of support to meet workload fluctuations.

These savings would result in a reduction in the level of management oversight and administrative support within both Regions, more so in Region V than in Region IV since RIV had previously flattened its management structure and reduced its administrative staffing. The overhead to direct and supervisor to staff ratios in both Regions are currently higher than in the three large Regions. These staff reductions would bring Regions IV and V more in line with the large Regions.

Four of the suggested efficiencies for implementation in Regions IV and V, as mentioned above, involve the substitution of contract labor for NRC provided administrative support services, for a net savings of 10.9 FTE. The Study Group believes the services being identified for contract support by Regions

IV and V are acceptable services for such support. These services are similar to the types of services currently being provided by contract labor in NRC Headquarters. The Study Group believes that with a proper selection process, a good statement of work, and close monitoring of the contractor's performance, the services identified could be effectively implemented with contract labor based upon the experience gained at NRC Headquarters in travel, mail, NUDOCS, Security, and word processing. Furthermore, the Study Group considers contracting this work to be reasonable.

In conclusion, the Study Group believes that a minimum of 12.1 FTE can be saved from the FY-95 Baseline Budgets for Regions IV and V. If the contracting of administrative services option is adopted, that savings is increased to 23.0 FTE, with a net recurring savings of $951k after one time costs. While the one time costs would be between $1.6 and $2.1 million, the savings over five years would range between $1.7 and $2.2 million.

In the case of Region IV, the Regional Administrator believes that the mission impact of adopting these efficiencies is relatively minor. There would be some small decrease in flexibility in management depth and support services for regional activities which he believes can be absorbed. There would be no change in regional performance standards, although it may be more difficult to exceed fully satisfactory standards. The current Region IV Operating Plan commitments, as agreed to by the relevant program offices, would continue to be met. However, it is his belief that any significant unanticipated workload addition that might occur under an implemented Option 0 would require additional resources or result in mission impact and the need to modify performance standards.

In the case of Region V, the Regional Administrator also believes that the mission impact of adopting these efficiencies is relatively minor. The net reduction in management/supervisory and administrative support personnel would result in a reduction in management/supervisory oversight of licensees and Region V office and program support activities from the level currently being provided, and would reduce the level of administrative support currently being provided to the Region V staff. The Regional Administrator believes these reductions are justified to bring Region V levels more in line with the three large regions. The type of impact on program support activities would include a reduced capability of Region V to participate in agency counterpart and other internal meetings, a reduction in management/supervisory depth for responding to events and manning Emergency Response Teams, a more limited ability to support special assignments such as participation on DETs and IITs, and some reduction in the amount of time Division Directors can devote to management of Division activities since they would act as the Regional Administrator during his/her absence. The Region V Regional Administrator believes these impacts are manageable. There should be no significant change in the regional performance standard, and the current Region V Operating Plan commitments, as agreed to by the relevant Program Offices, would continue to be met.

APPENDICES

APPENDIX 1

EDO MEMORANDUM OF JULY 28, 1993

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

July 28, 1993

MEMORANDUM FOR: James L. Milhoan, Regional Administrator, RIV
Bobby Faulkenberry, Regional Administrator, RV

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: EVALUATION OF EFFICIENCIES ACHIEVABLE IN OPERATION OF THE REGION IV AND REGION V OFFICES

As a result of the Region V Realignment Study, you are requested to conduct an evaluation of your respective regional operations to determine the most efficient means of carrying out your assigned functions with special focus on FTE savings.

In conducting your evaluations you should strive to optimize managerial layering, span of control, level of effort, and organizational interfaces, as well as eliminate overlap in functions and identify functions which should be cut back, transferred to other organizations, or eliminated. Make certain you coordinate with all the NRC offices that may be impacted by your recommendations. Obtain input from your staffs and if you receive any written staff comments they should be attached to the report. In arriving at your recommendations you should take into account:

- Overall impact on mission accomplishment
- FTE savings, cost savings/increases associated with travel, transportation, relocation, administrative support
- Interfaces with licensees, public, media, state and local governments, Federal agencies, and internal NRC interfaces
- Incident/emergency response
- Employee impacts, both short term and long term
- Degree to which regional performance standards will be changed.

After you (Milhoan and Faulkenberry) have conducted your evaluation, and before convening the reconstituted study group (Faulkenberry, Milhoan, Hayes, Bird, Turdici, Gody, Brach) meet with me on August 17, 1993 for a progress evaluation. After our meeting, the study group should be convened starting August 18, 1993 and they (the group) should review your evaluations and develop a final recommended approach. This final recommended approach should be documented in a supplement to the June 10, 1993, study report for submittal to me no later than September 2, 1993.

If you have any questions regarding the conduct of your evaluation and submittal of your report, please contact Jim Sniezek or me.

James M. Taylor
Executive Director
for Operations

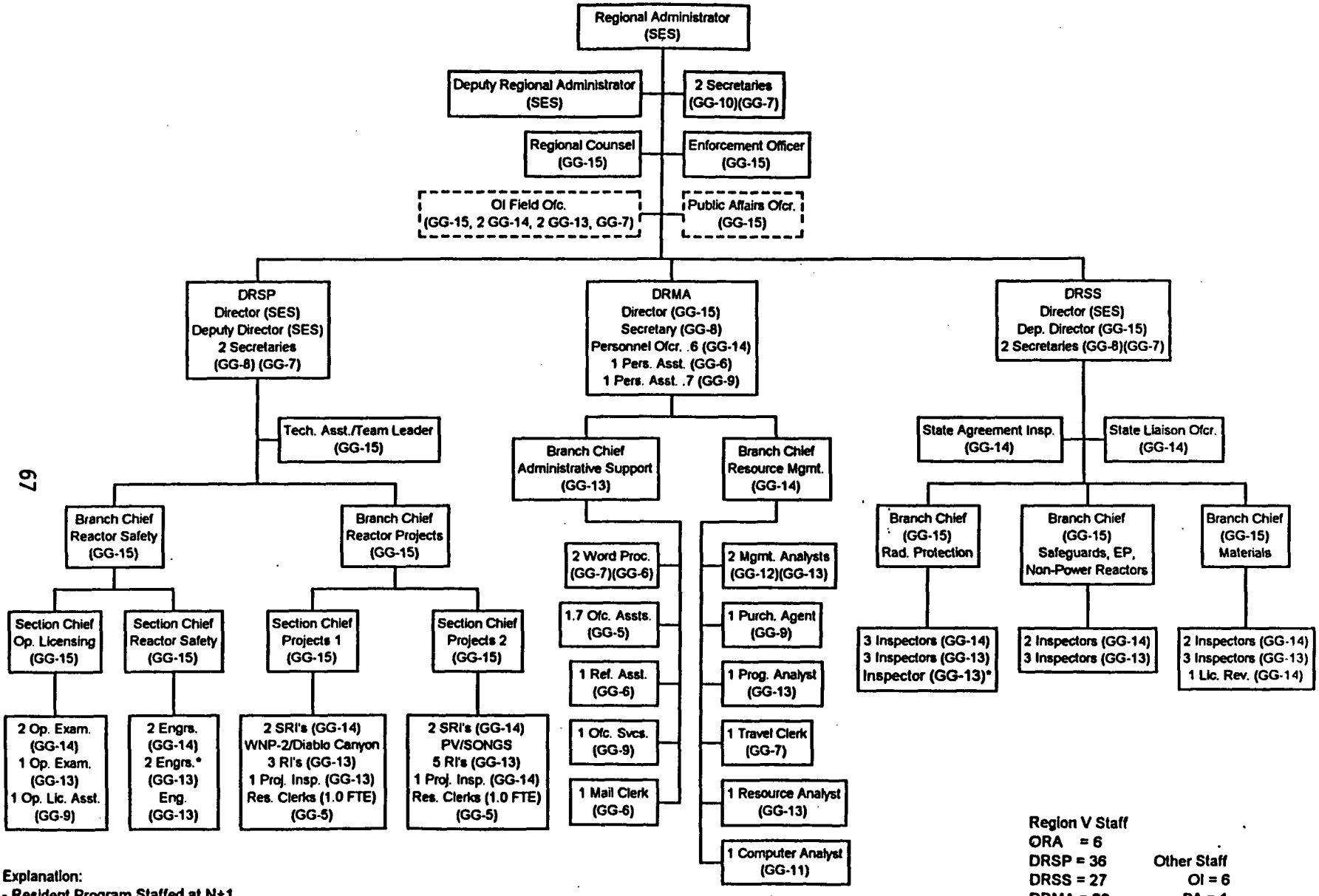
cc: J. Sniezek, DEDR
J. Turdici, OEDO
T. Murley, NRR
R. Bernero, NMSS
E. Jordan, AEOD
P. Norry, ADM
B. Hayes, OI
P. Bird, OP
R. Scroggins, OC
T. Martin, RI
S. Ebneter, RII
J. Martin, RIII
A. Gody, NRR
B. Brach, NMSS

APPENDIX 2

FY-95 BUDGET BASELINE ORGANIZATION

REGION V

REGION V FY-95 BUDGET BASELINE



Region V Staff
ORA = 6
DRSP = 36
DRSS = 27
DRMA = 20

Total = 89

Other Staff
OI = 6
PA = 1

Total = 7

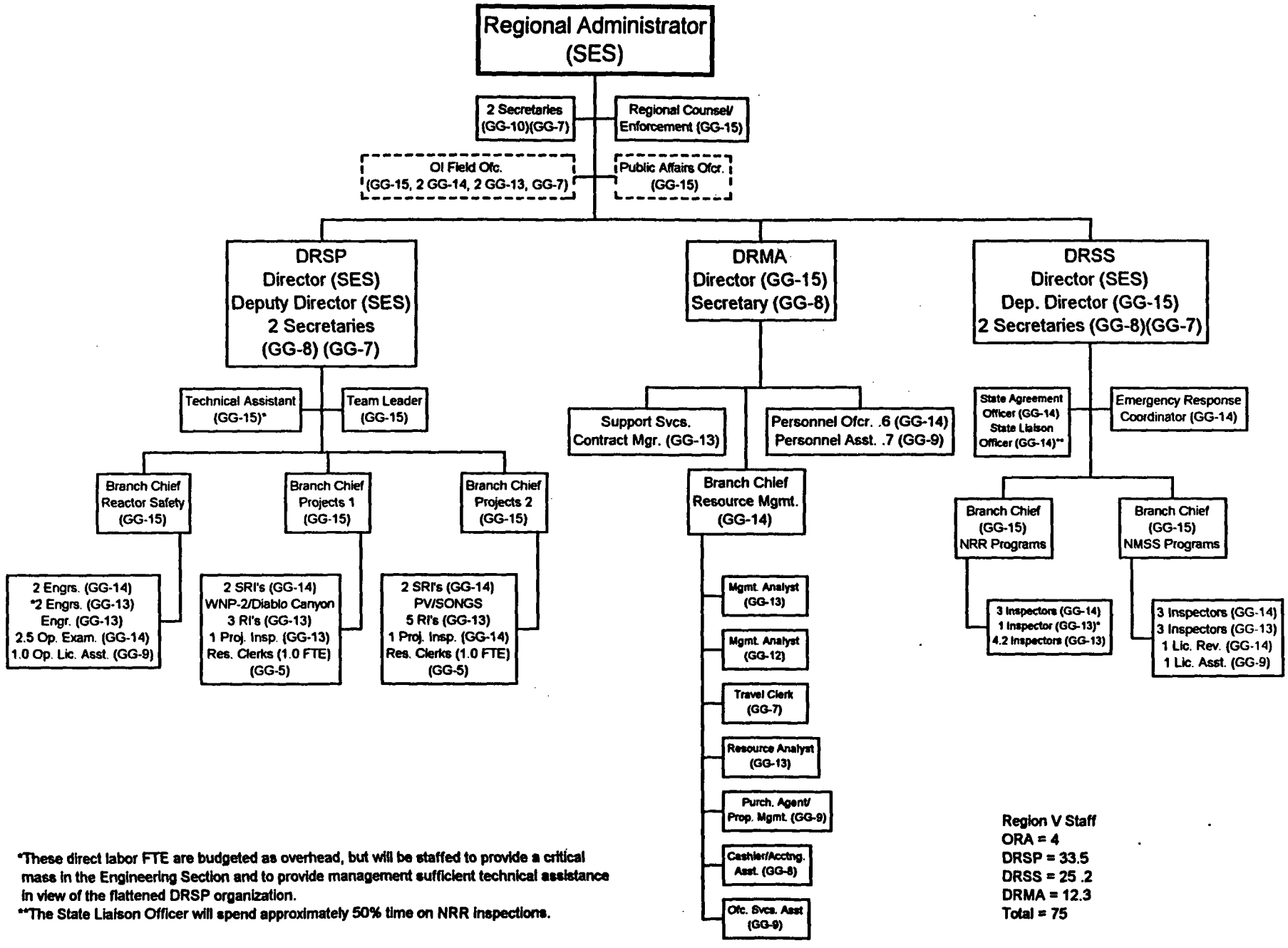
Explanation:
- Resident Program Staffed at N+1
*These direct labor FTE are budgeted as overhead, but historically have been used as direct labor positions.

APPENDIX 3

FY-95 PROPOSED OPTION 0 ORGANIZATIONS

REGION V

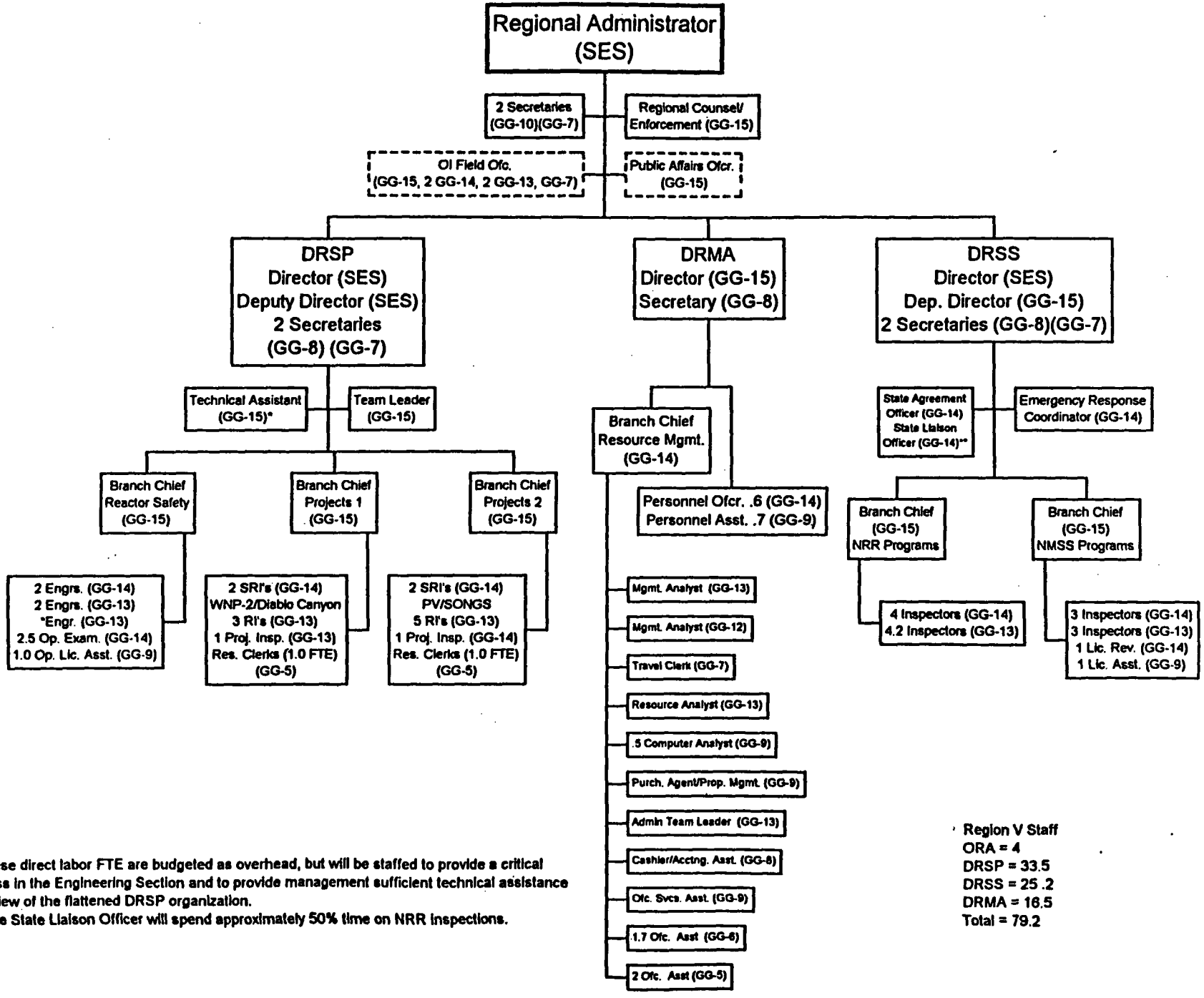
REGION V FY-95 - OPTION 0



*These direct labor FTE are budgeted as overhead, but will be staffed to provide a critical mass in the Engineering Section and to provide management sufficient technical assistance in view of the flattened DRSP organization.
**The State Liaison Officer will spend approximately 50% time on NRR inspections.

Region V Staff
ORA = 4
DRSP = 33.5
DRSS = 25 .2
DRMA = 12.3
Total = 75

REGION V FY-95 - OPTION 0(a)



*These direct labor FTE are budgeted as overhead, but will be staffed to provide a critical mass in the Engineering Section and to provide management sufficient technical assistance in view of the flattened DRSP organization.

**The State Liaison Officer will spend approximately 50% time on NRR inspections.

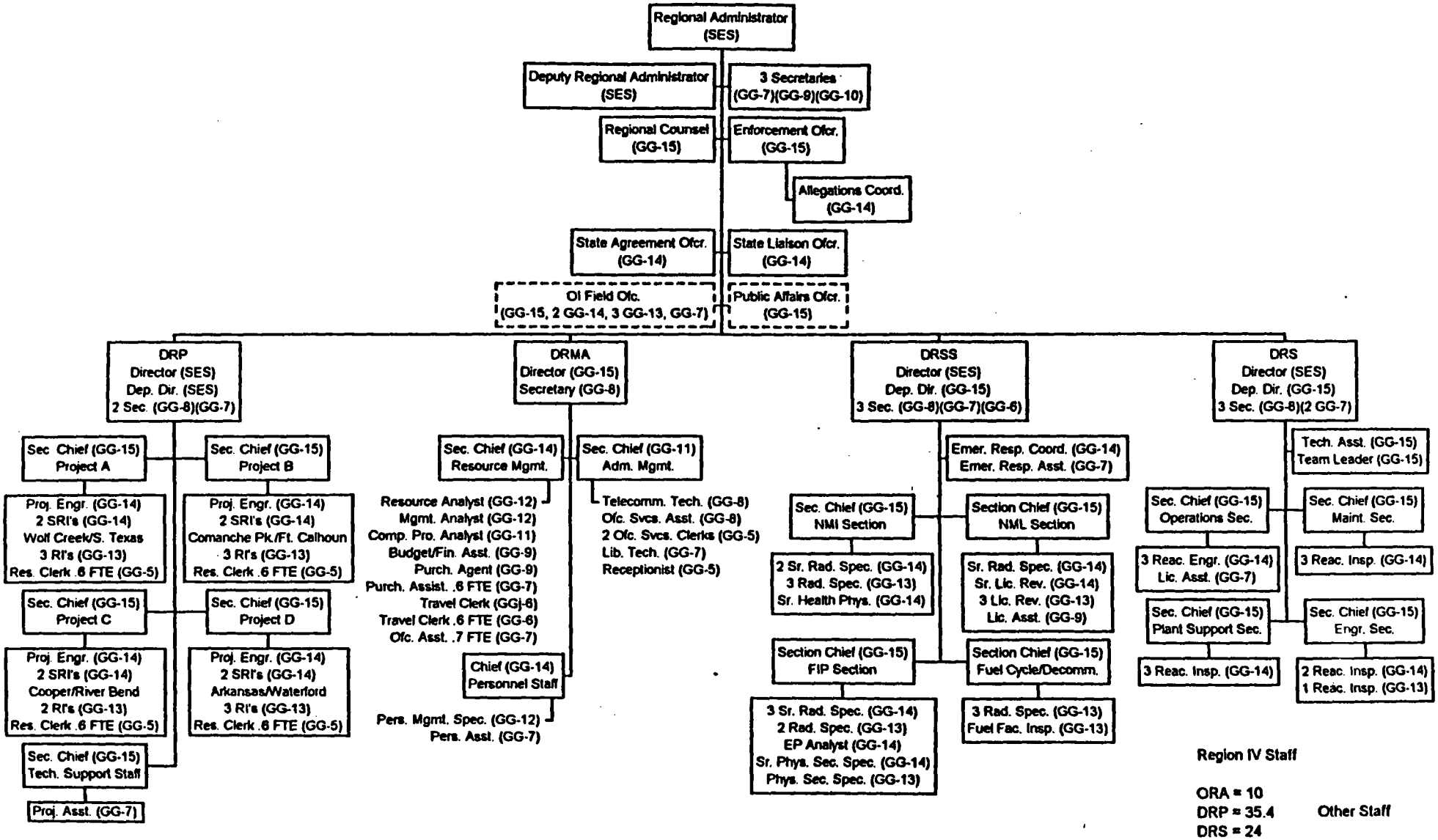
Region V Staff
ORA = 4
DRSP = 33.5
DRSS = 25 .2
DRMA = 16.5
Total = 79.2

APPENDIX 4

FY-95 BUDGET BASELINE ORGANIZATION

REGION IV

REGION IV FY-95 BASELINE



Region IV Staff

ORA = 10
DRP = 35.4
DRS = 24
DRSS = 35
DRMA = 20.9

Total = 125.3

Other Staff

OI = 7
PA = 1

Total = 8

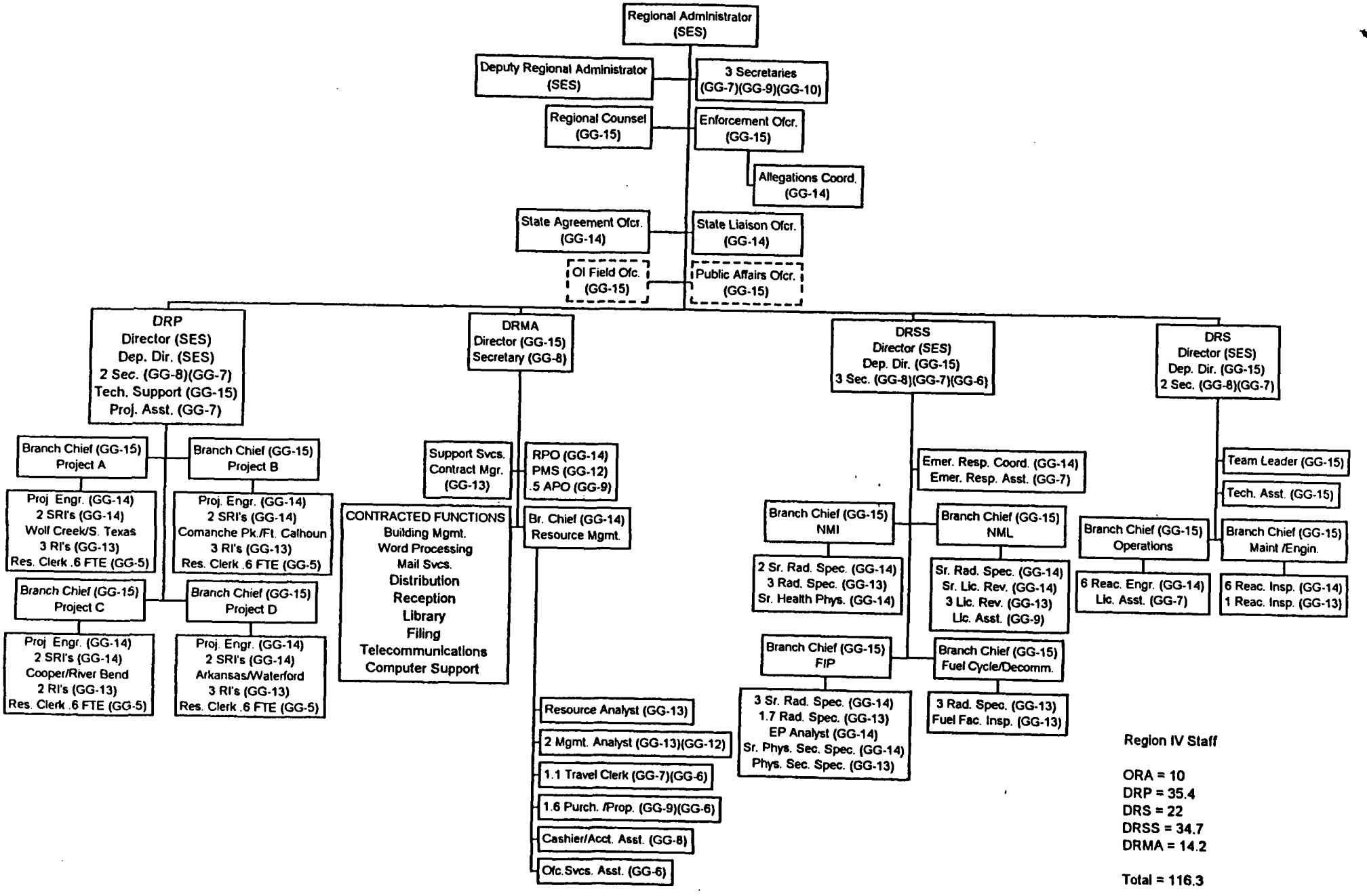
Explanation:
- Resident Program Staffed at N+1

APPENDIX 5

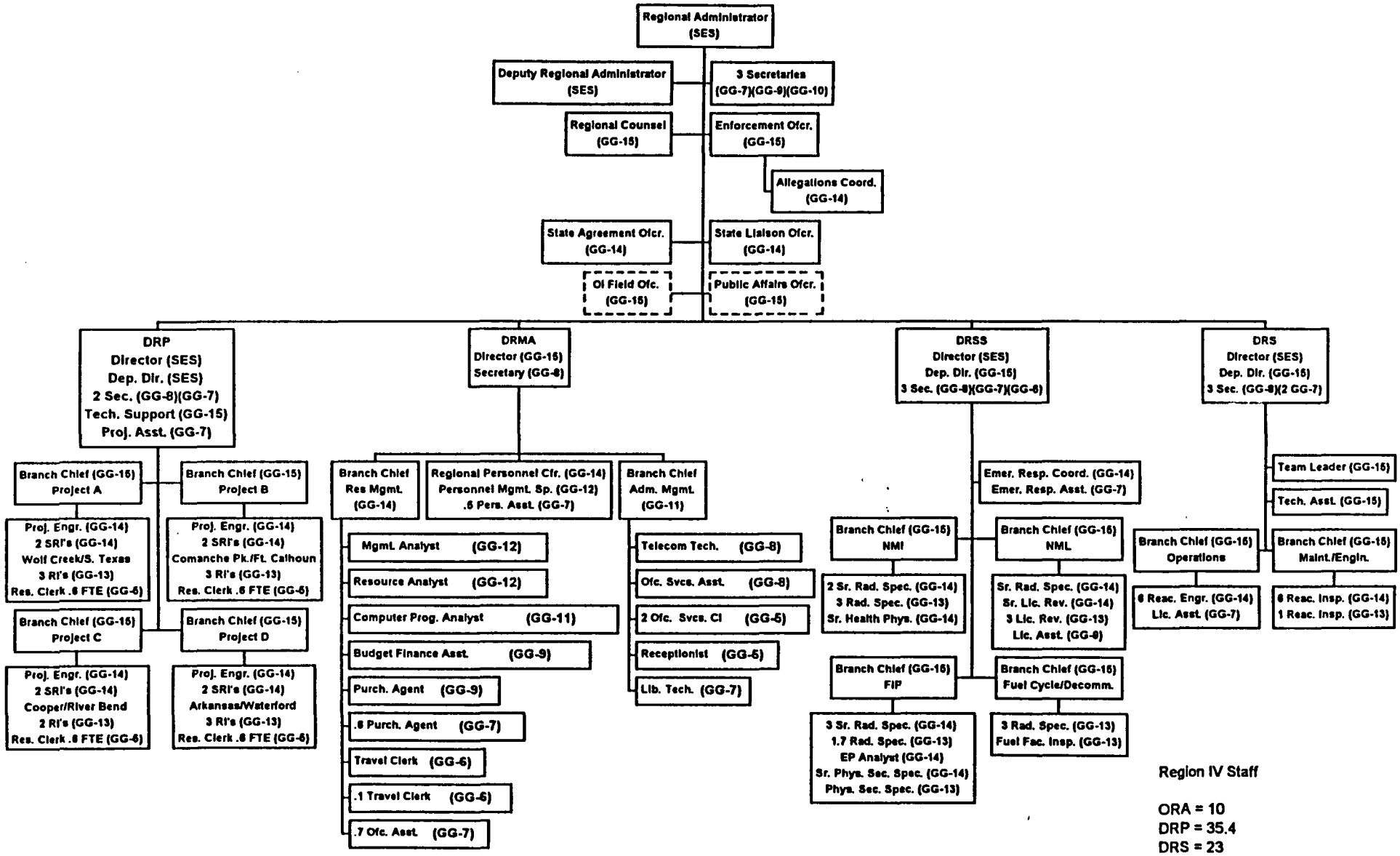
FY-95 PROPOSED OPTION 0 ORGANIZATIONS

REGION IV

REGION IV FY-95 OPTION 0



REGION IV FY-95 OPTION 0(a)



APPENDIX 6

SUMMARY FTE AND OTHER COST ANALYSIS

SUMMARY FTE AND OTHER COST ANALYSES- OPTION 0

ANNUAL RECURRING SAVINGS		
FTE Savings (non-Contract)		
Region V	9.5 FTE's	$793,283
Region IV	2.0 FTE's	$126,408
FTE Savings (Contract)		
Region V	4.5 FTE's	($38,121)
Region IV	7.0 FTE's	($133,715)
Administrative Cost Savings		
Region V		$98,200
Region IV		$105,300
SUBTOTAL NET RECURRING SAVINGS		
Region V		$853,363
Region IV		$97,993
NET RECURRING SAVINGS		$951,000

ONE-TIME COSTS		
Relocation		
Region V	$1,545,500	$2,026,000
Region IV	$33,840	
Administrative costs		
Region V		
Region IV	$35,000	
TOTAL ONE-TIME COSTS	$1,614,000	$2,061,000

YEARS TO REALIZE SAVINGS	1.7	2.2
SAVINGS ACHIEVED AFTER 5 YEARS	$2,190,000	$1,743,000

Contract Analysis

1-Contract HP van activities

	Region IV .3 FTE	Region V .3 FTE
FTE savings	$21,350	$24,937
Vehicle savings	$30,530	$19,687
Total savings	$51,880	$44,624
Total costs	$24,000	$12,000
Net Savings	$27,880	$32,624

2-Administrative Support

	Region IV 5 FTE's+OT	Region V 3.7 FTE's
FTE savings	$143,760	$122,054
Overtime savings	$28,584	$0
Total savings	$172,344	$122,054
Total costs	$313,237	$197,000
Net Costs	($140,893)	($74,946)

3-Computer Programmer

	Region IV 1.7 FTE	Region V .5 FTE
FTE savings	$79,298	$26,070
Overtime savings		
Total savings	$79,298	$26,070
Total costs	$100,000	$21,868
Net Savings (Costs)	($20,702)	$4,202

ADMINISTRATIVE COST SAVINGS

	Region IV	Region V
Rent	$57,600	$24,000
Administrative costs	$47,700	$74,200
Total	$105,300	$98,200

RELOCATION COSTS

	Region IV	Region V	
		LOW	HIGH
# FTE EFFECTED	24*	21	21
# FTE MOVING	0	14	17
# FTE RETIRING	7	3	2
# FTE SEVERANCE PAY	4	4	2
Employees in Apartments	$0	$52,000	$52,000
Home owners not using Relocation	$0	$611,000	$300,800
Home owners using Relocation	$0	$838,500	$1,651,200
Severance Pay	$33,840	$44,000	$22,000
Total	$33,840	$1,545,500	$2,026,000

* Includes URFO FTE which are not computed for relocation costs

APPENDIX 7

EFFICIENCY ACTION EVALUATIONS

REGION V

REGION V
EFFICIENCY ACTION EVALUATION

- **Description of efficiency action -**

  Consolidate the Enforcement Officer/Allegation Coordinator functions with Regional Counsel function.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Combine Enforcement Officer/Allegation Coordinator and Regional Counsel functions in 1 position and eliminate 1 FTE based on workload. This would be achieved by having the current Regional Counsel pick up the duties of the Enforcement Officer/Allegation Coordinator. The current Enforcement Officer/Allegation Coordinator would be reassigned.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  1 FTE saved by combining functions.

- **Discussion of impact on mission accomplishment -**

  Could affect the objectivity of Regional Counsel's legal advice and counsel on enforcement actions and allegations, as he/she would have substantive involvement in the development of all enforcement actions and allegations reviews, and thus would have more of an investment in the technical staff's approach.

  Would lessen the time available to Regional Counsel to identify legal issues and to keep abreast of legal developments, as he/she would spend much more time than is now the case on the significant volume of administrative details associated with enforcement and allegations.

  Currently, Regional Counsel acts as the backup Enforcement Officer/Allegation Coordinator. May result in delays in the issuance of inspection reports and enforcement packages during Regional Counsel's vacations, sick leave, and out of town business.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  The interface requirements of 2 individuals will be met by one. This may result in some periods when responses will be less timely due to absences (vacation, travel, etc.) of the assigned individual. However, with proper management control this impact can be minimized.

- **Discussion of impact on incident/emergency response -**

  Essentially no impact.

- **Discussion of employee impact (short-term and long-term) -**

  The individual currently occupying the Enforcement Officer/Allegation Coordinator position would have to be reassigned.

- **Define the degree to which regional performance standards will be changed -**

  There would be essentially no change to regional performance standards other than possible time delays in working enforcement and allegation actions when the assigned individual is absent due to vacation, etc. This impact can be minimized with proper management control.

- **Headquarters Office/Program and/or Regional Office affected: -**

  OE, OGC, and Region V will be affected. The Region V Regional Administrator, Lawrence Chandler and Joe Scinto (OGC), and Jim Lieberman, Director, OE, support this action. OGC notes, however, that there is the possibility of a slight increase in the burden on OGC because of the need to provide additional review of enforcement actions and to provide services in other areas (e.g., personnel, ethics, etc.) because of Regional Counsel's reduced availability.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Reduce the State Liaison Officer function. Have one individual perform the State Liaison function and other direct functions as co-lateral duties.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Reduce State Liaison function from 1 FTE to 0.5 FTE because of a reduction in workload. Have the State Liaison Officer perform the 0.5 FTE State Liaison activity and perform 0.5 FTE direct activities involving RAC and Emergency Preparedness inspections.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  By having the individual perform co-lateral functions a net savings of 0.5 FTE could be obtained. Net savings 0.5 FTE.

- **Discussion of impact on mission accomplishment -**

  There would be reduction in the amount of State Liaison activity currently being conducted in the Region V area. The reduction will have no significant impact on the mission. Most of the reduced activities would not be necessary because of the reduction of operating reactors in the region. The additional reduction in liaison activities would bring the Region V activity closer to the level expended per licensee in the larger regions.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There would be no significant impact because the co-lateral duties would bring the State Liaison Officer into contact with the same issues and people normally involved with the State Liaison function.

- **Discussion of impact on incident/emergency response -**

  There is no impact on incident/emergency response.

- **Discussion of employee impact (short-term and long-term) -**

  The person currently occupying the State Liaison position would have to update his training to assume co-lateral duties.

- **Define the degree to which regional performance standards will be changed -**

  There would be a reduction in the current level of State Liaison activities. However, the reduced level would be more consistent with that level provided by the larger regions per licensee.

- **Headquarters Office/Program and/or Regional Office affected: -**

  Office of States Programs and Region V.

  Shelley Schwartz, Deputy Director, State Programs supports this action in that he believes an effective approach would be to reduce the State Liaison Officer's FTE to meet the workload and then assign the State Liaison Officer other closely aligned direct budgeted duties.

  The Region V Regional Administrator supports this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Flatten Management Structure in the Division of Reactor Safety and Projects.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Eliminate Reactor Safety and Reactor Projects Branch Chief positions and convert Section Chief positions to Branch Chief positions.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  This action will have a net result of eliminating 1 GG-15 position. The second FTE will be used to fund the technical assistant and the team leader as full time positions. Net Savings 1 FTE.

- **Discussion of impact on mission accomplishment -**

  Because of reduced work load there should be no significant reduction in mission accomplishment. There will be a reduction of one level of management oversight and some reduction in flexibility of management office coverage. Region IV implemented a similar action several years ago and they have experienced no significant negative impact on mission accomplishment.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There will be some reduction in ability to provide regional representation at counterpart meetings and other internal meetings. Also, there will be some reduction in the current level of management oversight of individual licensees. However, with the reduced workload in Region V the amount of oversight available will be consistent with that provided in the larger Regions.

- **Discussion f impact on incident/emergency response -**

  There will be some reduction in depth of management availability in responding to events at the Base Team or Site Team. While this will not impact the Region's ability to muster a "First Response", it will lower the threshold for seeking outside response assistance to supplement any extended response. To some extent this impact can be mitigated by: (1) the full time technical assistant and the team leader being trained as assistant reactor safety managers and (2) the OI staff being trained to fill plotter, communicator or other incident response positions, thus adding depth to the organization so that managers that respond can fill the management positions.

- **Discussion of employee impact (short-term and long-term) -**

  Two of the six individuals occupying the GG-15 supervisory positions in DRSP would have to be reassigned.

- **Define the degree to which regional performance standards will be changed -**

  There should be only a minimal change in regional performance standards. This will result from having one less level of management review and oversight of work products. Work product quality and timeliness, however, will still be maintained at an acceptable level.

- **Headquarters Office/Program and/or Regional Office affected: -**

  NRR and Region V will be affected. Based upon the Region IV experience, along with the reduced workload in Region V, both NRR and the Region V Regional Administrator support this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Combine Operator Licensing Section and Reactor Safety Section, within the Division of Reactor Safety and Projects, into one operational group entitled a Branch.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Because of the reduced number of power reactor licensees and the associated reduction in workload, combine the two current functions (Sections) with separate GG-15 supervisors into one Branch with one GG-15 supervisor.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  Eliminate 1 GG-15 position. Net savings 1 FTE.

- **Discussion of impact on mission accomplishment -**

  Because of reduced workload the combination of 2 groups into 1 will have no significant impact on mission accomplishment. There will be a moderate impact on management oversight and on flexibility in office coverage by managers.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There will be some reduction in ability to provide regional representation at counterpart meetings and other internal meetings. Also, there will be some reduction in the current level of management oversight of individual licensees. However, with the reduced workload in Region V the amount of oversight available will be consistent with that provided in the larger Regions.

- **Discussion of impact on incident/emergency response -**

  There will be some reduction in depth of management availability in responding to events at the Base Team or Site Team. While this will not impact the Region's ability to muster a "First Response", it will lower the threshold for seeking outside response assistance to supplement any extended response. To some extent this impact can be mitigated by OI staff being trained to fill plotter, communicator, or other incident response positions, thus adding depth to the organization so that managers that respond can fill management positions.

- **Discussion of employee impact (short-term and long-term) -**

  One of the two individuals occupying the GG-15 positions being consolidated would have to be reassigned.

- **Define the degree to which regional performance standards will be changed -**

  There should be only minimal change in regional performance standards. This will result from having one less level of management review and oversight of work products. Work product quality and timeliness, however, will still be maintained at an acceptable level.

- **Headquarters Office/Program and/or Regional Office affected: -**

  NRR and Region V will be affected. Based upon reduced workload in Region V, both NRR, OI and the Region V Regional Administrator support this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Adjust PWR examiner resources to reflect efficiencies achieved.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Reduce by 0.5 FTE the PWR examiner resources due to efficiencies achieved because Region V has only two PWR vendor types, Combustion Engineering and Westinghouse, and these two technologies are closely related.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  Reduce Region V PWR operator examiner resources by 0.5 FTE because of efficiencies described above. Net savings 0.5 FTE

- **Discussion of impact on mission accomplishment -**

  There will be no impact on mission accomplishment.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There will be no reduction in interfaces with outside organizations.

- **Discussion of impact on incident/emergency response -**

  There would be no significant reduction in response capability. There are other PWR examiners that can adequately perform this function.

- **Discussion of employee impact (short-term and long-term) -**

  The cross-qualified examiner/inspector would be assigned additional inspection responsibility.

- **Define the degree to which regional performance standards will be changed -**

  Regional performance standard will not be degraded and quality of examinations will be maintained.

- **Headquarters Office/Program and/or Regional Office affected: -**

  This will have no effect on a Headquarters/Program Office.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action**

  Reduction of program analysis provided to technical divisions.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action**

  Combine duties and responsibilities currently assigned to the 2 management analysts and 1 program analyst into 2 positions. This consolidation of effort would be consistent with the reduced workload and corresponding reduced size of the technical staff and management. Further, the third position was only established in FY-93 following an increase in overhead allocation from the Office of the Controller.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate**

  1 FTE savings would result. Currently there are 3 positions which would be consolidated into 2 positions. Net saving 1 FTE.

- **Discussion of impact on mission accomplishment**

  There will be negligible impact on actual mission accomplishment as a result of reduced workload. Participation in all technical support counterpart activities (e.g. MIPS/IFS, etc.) may be difficult, but should be manageable.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces**

  There would be no impact on external or internal interfaces.

- **Discussion of impact on incident/emergency response**

  None.

- **Discussion of employee impact (short-term and long-term)**

  One of the three currently assigned employees would be impacted.

- **Define the degree to which regional performance standards will be changed**

  There will be minimal impact on regional performance since reduced workload should permit reassignment of all critical functions. Response time on special projects may be somewhat delayed.

- **Headquarters Office/Program affected:**

  None other than Region V. The Region V Regional Administrator supports this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action**

  Reduce the levels of service in the travel and word processing areas. Consolidate responsibilities related to licensee fee and management information reporting with other Region V staff positions.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action**

  Eliminate three positions involved in the performance of these assignments. One position is assigned full time word processing. Reduced workload makes this savings straight forward. The second position is 40% committed to travel services (mostly voucher preparation and/or auditing). This savings will be possible by no longer providing voucher preparation service and reducing the percentage of vouchers audited and assigning voucher auditing to the full time travel clerk and/or accounting assistant. Corresponding workload reductions and increased use of the Travel Management Center (TMC) should make this possible. The third position is the Computer Programmer Analyst. Data entry and retrieval duties of this position are addressed under a separate action. The remaining responsibilities which include contractor oversight, license fee management and some management information reporting will be consolidated with the Management and Resource Analyst positions. This consolidation is possible due to decreased workload.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate**

  1.9 FTE savings will be achieved. 1 FTE savings from word processing, 0.4 FTE savings from travel and 0.5 FTE savings from consolidation of management information, license fee and contractor oversight duties.

- **Discussion of impact on mission accomplishment**

  No direct impact on mission accomplishment is anticipated; however, it is anticipated that reduced services may increase response times for requested services and increase the administrative burden on the technical staff. Careful management to ensure continuous coverage for travel services will be required.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces**

  Reduced depth in the travel area may result in periods when services are provided in a less timely manner due to absences of the assigned individual. This impact can be minimized with proper management control.

- **Discussion of impact on incident/emergency response**

  In the event of an emergency, deployment of a site team in a timely manner requires short turn around for travel arrangements. Management controls will have to be established to ensure that arrangements can be readily made even in the absence of the assigned individual.

- **Discussion of employee impact (short-term and long-term)**

  Two employees would be impacted by job abolishment or reassignment. The incumbent of the third affected position has announced her intent to retire.

- **Define the degree to which regional performance standards will be changed**

  The reduced level of services provided in the travel area may result in the need for longer lead times in order to make travel arrangements and/or delays in processing vouchers and claims. It is expected that this will result in some negative staff reaction.

- **Headquarters Office/Program affected:**

  Region V is the only organization affected. The Region V Regional Administrator supports this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Consolidate the current three branches within DRSS into two branches. Savings 1 FTE

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Because of the reduced workload within the Division resulting from the recent permanent shutdown of three Region V power reactor facilities and the recent termination of a number of materials licenses, the current three branches can be consolidated into two branches, thereby eliminating the need for one GG-15 supervisory position.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  Eliminate 1 GG-15 position. Net savings 1 FTE.

- **Discussion of impact on mission accomplishment -**

  Because of reduced workload the combination of 3 Branches into 2 will have no significant impact on mission accomplishment. There will be a moderate impact on management oversight and on flexibility in office coverage by managers. The grouping of NRR and NMSS programs into individual organizational units have advantages, for example, a more integrated oversight of specialty activities (rad. protection, emergency preparedness and security) at power reactors will occur.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There will be some reduction in ability to provide regional representation at counterpart meetings and other internal meetings. Also, there will be some reduction in the current level of management oversight of individual licensees. However, with the reduced workload in Region V the amount of oversight available will be consistent with that provided in the larger Regions.

- **Discussion of impact on incident/emergency response -**

  There will be some reduction in depth of management availability in responding to events at the Base Team or Site Team. While this will not impact the Region's ability to muster a "First Response", it will lower the threshold for seeking outside response assistance to supplement any extended response.

- **Discussion of employee impact (short-term and long-term) -**

  One of the current DRSS GG-15 Branch Chiefs would have to be reassigned.

- **Define the degree to which regional performance standards will be changed -**

  Notwithstanding the reduced workload, the reduction from five management positions to four in DRSS will cause a reduction in program implementation oversight. However, the resultant supervisor/staff ratio would be consistent with that of the larger regions.

- **Headquarters Office/Program and/or Regional Office affected: -**

  NRR and Region V will be affected. Based upon reduced workload in Region V, both NRR and the Region V Regional Administrator support this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Reduce the level of personnel assistant service and coverage and consolidate the training function with the DRMA secretary responsibilities.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  The position which is 60% committed to providing personnel services will be eliminated. (The remaining 40% of responsibilities are addressed in the action to reduce travel services above.)

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  0.6 FTE savings will be achieved by reducing the level of service/coverage in terms of general assistant activities and consolidating training coordination with the DRMA secretary.

- **Discussion of impact on mission accomplishment -**

  Overall impacts on mission accomplishment should be negligible as a result of reduced workload in terms of staff size and recruitment activity. Some delays in providing services and responding to inquiries as a result of diminished coverage are likely.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  Some time delays in terms of internal NRC interfaces may be experienced as a result of reduced coverage.

- **Discussion of impact on incident/emergency response -**

  None

- **Discussion of employee impact (short-term and long-term) -**

  One employee will be impacted as a result of job abolishment or reassignment.

- **Define the degree to which regional performance standards will be changed -**

  The principal impact in terms of regional performance will be reduced coverage to respond to employee and management inquiries. Reduced workload should make job accomplishment acceptable; however, timeliness will have to be carefully managed.

- **Headquarters Office/Program affected: -**

  The Office of Personnel and Region V are affected by this action. The OP Office Director and Region V Regional Administrator support the action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Eliminate Region V, Deputy Regional Administrator.

  This efficiency action is not a result of the Option "O" Study, but has already been approved by the EDO. Nevertheless, it is addressed in this report since it represents an action that varies from the FY-95 baseline organization. The action involves elimination of the Deputy Regional Administrator position and consolidation of the functions with the Division Directors for their respective areas. The emergency response functions will be consolidated with the Directors of DRSP and DRSS for their respective areas.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Not evaluated by Study Group.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  Not evaluated by Study Group.

- **Discussion of impact on mission accomplishment -**

  Not evaluated by Study Group.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  Not evaluated by Study Group.

- **Discussion of impact on incident/emergency response -**

  Not evaluated by Study Group.

- **Discussion of employee impact (short-term and long-term) -**

  Not evaluated by Study Group.

- **Define the degree to which regional performance standards will be changed -**

  Not evaluated by Study Group.

- **Headquarters Office/Program and/or Regional Office affected: -**

  Not evaluated by Study Group. The Office of NRR disagrees with the decision to eliminate the Deputy Regional Administrator, Region V because it would weaken the Region's ability to provide the expected senior level manager experience and expertise to respond to a significant plant event or incident.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action**

  Accomplish the RV mobile lab (van) function by alternate means. Discontinue the use of the van and have independent verification samples analyzed by a contractor or one of the large regions.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action**

  Region V proposes to modify the method with which it will administer the independent measurements portion of the routine reactor inspection program. Region V proposes to eliminate the region's current capabilities for performing the on-site (van) analyses of samples and have the samples analyzed by a contractor or one of the large regions. Region V will continue to perform the on-site verification of obtaining and splitting the sample by the licensee, will continue to review the results of the analysis, resolve any discrepancies and issue the inspection reports.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate**

  Reduction of 0.3 FTE for support of the Mobile Lab equipment and performance of sample analyses. In addition, a monetary savings associated with the maintenance of the lab equipment, estimated to be approximately $19,000 annually, would be realized.

  Costs would be incurred for the analyses of the samples. Region V received an estimate of $185 per sample from a local vendor for the analyses. It is estimated that the number of samples to be analyzed for RV annually would be 40. This would amount to $8000 per year. It is also possible that one of the larger regions could perform this service for Region V. It is estimated that it would take about 30 minutes to analyze a sample or approximately 20 staff-hours per year. Region V also contacted Headquarters (for RESL data), Livermore, Lawrence Berkeley Labs and TMA Norcal to determine the estimated costs for analysis of samples.

- **Discussion of impact on mission accomplishment**

  There would be a negligible impact on the agency's mission. There would be some reduced ability to quantify the short-lived radionuclides in routine samples due to the decay associated with the transportation time of samples from the licensee to the analysis location. Methods to compensate for this could include having licensees analyze samples spiked with known quantities of the short-lived radionuclides.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces**

  The impact on interfaces would be negligible.

- **Discussion of impact on incident/emergency response**

  There would be a time delay in the ability of the agency to place a mobile laboratory at the site should the necessity arise during an emergency. However, this could be compensated by utilizing DOE response capabilities located at Hanford, Livermore and Las Vegas.

- **Discussion of employee impact (short-term and long-term)**

  There would be no employee impact as this is currently being performed as a part time duty.

- **Define the degree to which regional performance standards will be changed**

  Regional performance standards will not be degraded. Only the analyses of samples would be transferred from the region Performance of the verification of the sample split, resolution of discrepancies and issuance of the inspection report would continue to be performed by the region.

- **Headquarters Office/Program affected:**

  NRR and Region V.

  Frank Congel, Director DRSS/NRR agrees that this action could be implemented with negligible impact on the agency's mission. Further, he believes that the analytical services could be supplied by the large regions.

  The RV Regional Administrator supports this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action**

  Contract out word processing, mail services, reproduction, filing and receptionist services.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action**

  The staff positions responsible for performing the functions identified above would be eliminated. Ongoing services would be provided by contractor support.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate**

  3.7 FTE savings (1 word processing, 1 mail/reproduction, 1 receptionist, .7 filing). The Division of Contracts estimates the dollar costs to contract out these services at a level of effort of 3.7 full time contractors would be approximately $197,000.

- **Discussion of impact on mission accomplishment**

  Given that the identified administrative services would still be available locally (they would simply be provided by contractors) no significant mission impacts are expected. Managers and technical staff may experience a slight reduction in the level of service in view of the fact that there will be less flexibility for DRMA support on any activities outside the scope of the Statement of Work.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces**

  An NRC Support Services Project Manager will need to be established and staffed to provide for internal NRC interface and coordination with contractor staff. No impacts on external interfaces are anticipated.

- **Discussion of impact on incident/emergency response**

  The staff positions proposed to be eliminated are generally assigned console operator, communicator and runner roles during exercises and/or incidents. These responsibilities would have to be covered in the contract or assigned to a different segment of the staff.

- **Discussion of employee impact (short-term and long-term)**

  Three current employees would be impacted in terms of job abolishment or reassignment. (A fourth employee would have been impacted, but has recently resigned.) It is anticipated that one of these three could be absorbed in the remaining organization with reasonable retraining.

- **Define the degree to which regional performance standards will be changed**

  Providing that the Statement of Work is properly scoped and requires the contractor to have sufficient depth in terms of trained personnel to ensure adequate coverage, there should be minimal effect on regional performance of these services. All staff interactions will have to be channeled through the Project Manager. It should be recognized that in relying on contractors, contractual problems may result in disruption of service(s). In addition, backup to DRSP and DRSS secretaries will no longer be available from DRMA staff. Temporary service contractors will be relied on for this type of coverage.

- **Headcuarters Office/Program affected:**

  The Office of Administration and Region V are affected. The Region V Regional Administrator and the Office of Administration support this action.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action**

  Contract out data entry and retrieval activities currently performed by the Computer Programmer Analyst.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action**

  Expand the scope of responsibilities of the data entry contractors to include pulling "canned reports" and performing ad hoc queries. Decreased data entry workload resulting from smaller staff and fewer facilities should make absorption of additional responsibilities possible without any increase in the current contractual level of effort. Services currently provided by Region V which would be contracted are estimated at 0.5 FTE.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate**

  0.5 FTE savings from contracting the data entry and retrieval activities performed by the Computer Programmer Analyst. As noted above, due to reduced workload, in fact no additional contractual effort should be required. Nevertheless, the one-half man year worth of effort under the current contract costs approximately $22,000. Net saving 0.5 FTE.

- **Discussion of impact on mission accomplishment**

  There will be negligible impact on mission accomplishment due to the reduced workload in the Region; however some increased time may be experienced for receipt of ad hoc management information from agency data bases maintained on HQ mainframe systems.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces**

  No impact on external interfaces. Internal interfaces would be reassigned.

- **Discussion of impact on incident/emergency response**

  None.

- **Discussion of employee impact (short-term and long-term)**

  No significant impact since incumbent of affected position just announced retirement.

- **Define the degree to which regional performance standards will be changed**

  There will be minimal impact on regional performance since duties will be contracted for and available locally.

- **Headquarters Office/Program affected:**

  None other than the Region V Office. The Region V Regional Administrator supports this action.

APPENDIX 8

EFFICIENCY ACTIONS EVALUATIONS

REGION IV

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Reduce sections in DRS from current number of 4 to 2 branches and reassign inspection staff to support combination of Maintenance and Engineering Sections into one branch, and Plan Support and Operation into the second branch. Reduce DRS administrative support by 1 secretary.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Because of the reduced number of inspectors in DRS in the FY-95 budget, eliminate the current DRS four Section alignment and reassign inspection staff within two DRS branches. Reduce DRS administrative support by one secretary who would be reassigned to other Region IV administrative duties.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  Eliminate 1 GG-15 position. Reassign 1 GG-15 to direct inspection activities. Reassign 1 GG-7 position to administrative duties within Region IV outside DRS.

- **Discussion of impact on mission accomplishment -**

  No significant impact on mission accomplishment. There would be a moderate impact on management oversight and on flexibility in office coverage by managers.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There would be some reduction in ability to provide regional representation at counterpart meetings and other internal meetings. Also, there would be some reduction in the current level of management oversight of individual licensees.

- **Discussion of impact on incident/emergency response -**

  There would be a reduction in depth of management availability in responding to events at the Base Team or Site Team.

- **Discussion of employee impact (short-term and long-term) -**

  Two individuals occupying DRS Section Chief GG-15 positions would have to be reassigned.

  One individual occupying an existing secretary GG-7 position would have to be reassigned within the region.

- **Define the degree to which regional performance standards will be changed -**

  There should be only minimal change in regional performance standards. This would result from having one less level of management review and oversight of work products.

- **Headquarters Office/Program and/or Regional Office affected -**

  Region IV would be affected.

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Reduce the level of service in the travel area, reassign training coordination to DRMA secretary and rely upon HQ OP for back up personnel processing.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  In Region IV the .5 FTE devoted to training coordination can not be reassigned to the DRMA secretary in other than a back-up role. Even if all functions contemplated for contracting out are actually contracted out, the DRMA secretary would be required to perform secretarial support to 15.20 FTE without backup. In addition, in such a reduced organization the secretary would be expected to serve as backup for travel and cashier.

  Personnel processing constitutes .5 FTE of the Personnel Assistant position (the other .5 FTE of the Personnel Assistant position is dedicated to training coordination). This function is already performed without on-staff backup so relying on HQ backup would not save FTE.

  In regard to the travel area, the only reduction to the current 1.6 FTE would have to be gained through reduction of travel services provided to the Region IV staff. We currently make travel arrangements (including travel authorization preparation) and audit travel vouchers for approximately 1,800 trips per year. The only area in which travel services could be reduced would be in auditing. Region IV currently audits 100 percent of all travel vouchers as compared to 10 percent sampling audits performed in HQ. If Region IV were to adopt a 10 percent sample audit policy we could save approximately .5 FTE.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  .5 FTE could be saved by reducing the extent of travel voucher auditing.

- **Discussion of impact on mission accomplishment -**

  Believed to be none.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  N/A

- **Discussion of impact on incident/emergency response -**

  None

- **Discussion of employee impact (short-term and long-term) -**

  A .5 FTE would eliminate the part time travel clerk position that assists in performing the travel arrangement and travel voucher function.

- **Define the degree to which regional performance standards will be changed -**

  Region IV experience has shown that 100 percent auditing of travel vouchers has improved the overall travel function by heading off problems. It brings consistency to travel claims.

  To reduce the degree of auditing would reduce the overall performance of the service.

- **Headquarters Office/Program and/or Regional Office affected -**

  Region IV

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Reduce personnel services.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Eliminate .5 FTE of the Personnel Assistant position. Region IV currently has 3.0 FTE devoted to the personnel function. With a reduction in staffing levels and therefore a continuing reduction in recruitment, the overall workload will be reduced. The aspects of the training function carried by the assistant (.5 FTE) can be picked up by the Personnel Officer and Personnel Specialist due to reduced work load in other personnel areas.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  .5 FTE

- **Discussion of impact on mission accomplishment -**

  N/A

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  N/A

- **Discussion of impact on incident/emergency response -**

  N/A

- **Discussion of employee impact (short-term and long-term) -**

  One employee would have to be reassigned, since the full time position would be abolished and replaced by a part-time position.

- **Define the degree to which regional performance standards will be changed -**

  Response times during periods of high activity would be reduced. Overtime would be increased to meet deadlines.

- **Headquarters Office/Program and/or Regional Office affected -**

  HQ may have to provide back-up during periods of absence on the part of remaining personnelists.

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Accomplish the RV mobile lab (van) function by alternative means. Discontinue the use of the van and have independent verification samples analyzed by a contractor or one of the large regions.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Region IV proposes to modify the method with which it will administer the independent measurements portion of the routine reactor inspection program. Region IV proposes to eliminate the region's current capabilities for performing the on-site (van) analyses of samples and have the samples analyzed by a contractor or one of the large regions. Region IV will continue to perform the on-site verification of obtaining and splitting the sample by the licensee, will continue to review the results of the analysis, resolve any discrepancies and issue the inspection reports.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  The 0.3 FTE budgeted for this program in Region IV would be saved. (Additionally, over $24,000.00 in needed equipment upgrades would be saved, in addition to the need to replace the vehicle for the mobile lab.)

- **Discussion of impact on mission accomplishment -**

  There would be no significant impact on mission accomplishment. The mobile lab would be available (on call) for reactive inspections and to support NRC emergency response activities.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  Impact would be negligible.

- **Discussion of impact on incident/emergency response -**

  The impact would result from the time delay inherent in having the van based in a different region. However, the DOE Federal Emergency Radiological Monitoring and Assessment Center (FERMAC) capability could offset this impact.

- **Discussion of employee impact (short-term and long-term) -**

  No employee impact would be felt, as Region IV has not yet replaced the recently retired staff member responsible for this program.

- **Define the degree to which regional performance standards will be changed -**

  Regional performance standards would remain unchanged. This program historically has not provided significant safety/performance insights.

- **Headquarters Office/Program and/or Regional Office affected -**

  NRR and Region IV. NRR (Frank Congel) has agreed with this proposal in concept. The Region IV Regional Administrator supports this option.

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Contract out: (1) word processing, (2) mail services, distribution (reproduction), (3) filing, (4) telecommunications, and (5) receptionist services.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  The staff positions responsible for performing the five functions identified above would be eliminated. Services would be provided by contractors.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  5.0 FTE savings would be gained: two mailroom/distribution/reproduction; one telecommunications; one receptionist; Region IV eliminated its filing positions and its word processing positions as part of earlier staff reductions. These functions are performed via "part time" efforts (plus overtime efforts not counted towards FTE savings) on the part of several clerical employees. The part time efforts or the part of several employees adds up to approximately 1 FTE for filing and word processing.

  If the majority of the clerical staff were to be eliminated by implementing this option, the capability to perform the word processing and filing functions would be lost and would have to be regained by contractor support. Based on our analysis of "part time" contributions plus overtime efforts our estimate is that to perform the four clerical functions via contractor support would require a level of effort equal to 5.5 (1.0 word processing, 2.0 mail services; 1.5 filing [1.0 main file room and .5 materials file room]; 1.0 receptionist.) Using figures provided to RV by the Division of Contractors, the estimate of dollar costs for this contractor support would be $292,836 ($53,243 per contractor year of effort.)

  In addition, the cost of a full service and maintenance agreement for the AT&T telephone switch and related phones and hardware is estimated to be $20,400 per year.

  The contract costs in the clerical areas would appear to be substantially greater than the current salary expenses. For example, the 3 FTE involved in the mail services and receptionist functions are two GG-5's and one GG-3. Using Step 5 of each grade for calculation purposes would equate to a total of $58,119 in salary for the three employees as compared to $159,729 for three contract support FTE (2.7 times the expense). The expense of

employee benefits would partially reduce the difference.

The contract cost in the telecommunications area would also appear to be substantially higher since the annual salary of the incumbent of the position is $21,128 per year but only about 1/2 of his efforts are devoted to telecommunications (the remainder is in general building operations and serving as back up to the mail and reception functions).

- **Discussion of impact on mission accomplishment -**

  Dependent upon flexibility and success of contract.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  Internal NRC interfaces would be modified in that other NRC technical and administrative staff could not deal directly with contract employees in providing job assignments, but rather all communications would channel through the project officer.

  There might be an expense for remodeling the current office space to create a separate space for the contractor support personnel to be grouped together to function as an administrative services center.

- **Discussion of impact on incident/emergency response -**

  Clerical functions necessary for incident response could be handled through contract employees if the contract so stipulates.

- **Discussion of employee impact (short-term and long-term) -**

  Four current employees would be directly impacted by job abolishment or reassignment. In the specific instances involved, none of the four could relocate to HQ or to another Region even if offered an assignment.

- **Define the degree to which regional performance standards will be changed -**

  If the contract is written to provide the same degree of flexibility in the use of the contractor support staff as we derive from the statement in all our position descriptions that says "performs other duties as assigned," the impact should be minimal regarding day to day administrative support. However, the degree to which administrative support will be affected over the long-term is more of a concern.

In the long-term, the "corporate" knowledge of how to perform these functions will be lost. Employees currently in the DRMA ranks serving as management analysts or as technicians have worked their way up through the ranks and have performed many of these functions in doing so. Consequently, when an employee in the clerical ranks leaves the Region, knowledge still exists to perform the function on an "as needed" basis and to train replacements. Once this function has been performed solely by contractor employees for an extended period of time, this capability will be lost. Additionally we currently have the ability to use rotational assignments of clerical employees to familiarize those employees with the technician functions so that a knowledgeable applicant pool is available upon turnover in the technician ranks. This knowledgeable applicant pool will be lost. The degree to which these factors could impact DRMA support capability is difficult to determine.

In regard to the applicant pool, knowledgeable contract employees could perhaps be available for hire. The loss of corporate knowledge is of greater concern. For the file, word processing, and reception functions, the concern is lessened because the region can perform in the short-term without these functions should a contractor fail to perform. The training of temporary or other contractor personnel in these areas can be accomplished in a matter of two or three days to produce at least a basic ability to perform the function. The mail room function, however, takes several months of training to successfully perform the full range of duties. If there were to be a contractor failure, the Region could not even function in the short-term without the mail room services. Thus immediate back up would be required from another region or from HQ where knowledgeable personnel exist.

- **Headquarters Office/Program and/or Regional Office affected -**

  Headquarters employees may have to be relied upon to fill vacancies for interim periods in the technician or analyst positions and in the mail room positions should the contract fail.

REGION IV
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Eliminate computer support function by eliminating the Computer Programmer Analyst position and Office Automation Assistant.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Contract out Computer Programmer Analyst and Office Automation Assistant function.

- **Amount and type of savings/costs (FTE, $, etc.) expected and the basis for the savings/costs estimate -**

  1.7 FTE could be saved (1.0 Computer Programmer Analyst, GG-11 and .7 Office Automation Assistant, GG-8). The Division of Contracts and Property Management has advised that this function could be contracted out and contractor effort would be required.

  Contract services are more expensive than employee salaries and benefits. An estimate for cost of such contractor effort based on a current contract would be approximately $100,000 per year.

- **Discussion of impact on mission accomplishment -**

  The impact on the mission accomplishment should be negligible but is dependent upon the flexibility and success of the contract.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  External interfaces are a minimum, with NIH and outside repair personnel being the primary external contacts. Internal interfaces involve problem solving with the various computer systems controlled by HQ's personnel. At times, these could impact other regional personnel to a great extent.

- **Discussion of impact on incident/emergency response -**

  None

- **Discussion of employee impact (short-term and long-term) -**

  Employee impact would mean eliminating the two positions. The employee filling the Computer Programmer Analyst position is presently eligible for early retirement, but she would take a reduction in her retirement pay and she does not desire to take this reduction. However, since the position would be abolished, the individual would be terminated under discontinued service retirement.

  The employee filling the Office Automation Assistant position is not eligible for discontinued service retirement and could not accept a reassignment to HQ or another region. However, she will be eligible for optional retirement in August of 1994 with a minimum retirement annuity under FERS. She does not wish to take retirement under such conditions. However, since the position would be abolished, the individual would be terminated under the appropriate retirement authority.

- **Define the degree to which regional performance standards will be changed -**

  The requirements for special reports in order to perform analyses and for reprogramming of regional tracking systems to support data requirements placed upon the region will continue to exist. A contractor would have to obtain in a timely manner all of the specialized knowledge necessary to support our requirements in our maze of computer systems. This affects the reports regarding utilization of FTE, and financial and technical analysis.

- **Headquarters Office/Program and/or Regional Office affected -**

  The Regional Office may be affected in our timely response to requested actions by other program offices.

APPENDIX 9

REGION V EMPLOYEE SUBMISSIONS

JULY 29, 1993

NOTE TO: KEN PERKINS

FROM: DAVE CORPORANDY

SUBJECT: INPUT FOR CONSIDERATION IN EVALUATION OF OPTION O

SEE ATTACHED

A FEW
THOUGHTS FROM DAVE CORPORANDY ON REGION V

~~THE CHALLENGE~~

~~IF~~ LIKE ANY BUSINESS WE NEED TO ADAPT TO A CHANGING ~~MARKET~~ PLACE, A DECLINING NUCLEAR INDUSTRY FACED WITH COMPETITION FROM LESS EXPENSIVE ALTERNATIVE ENERGY RESOURCES.

~~IF~~ A POINT THE CHAIRMAN MADE WAS THAT WE NEED TO BECOME MORE EFFICIENT, SO THAT WE CAN REDUCE THE COST OF OUR SERVICES. THE OTHER THING WE NEED TO DO IS TO ADD MORE VALUE TO THE SERVICES WE PROVIDE TO OUR LICENSEE'S AND THE GENERAL PUBLIC.

~~WHERE AND HOW TO FIND THE THE SOLUTION~~ THOUGHTS ON THE SOLUTION

~~[illegible]~~ LOWER COSTS FOR OUR SERVICES

AS DISCUSSED BY THE CHAIRMAN, WE NEED TO SET TARGETS FOR PERSONNEL REDUCTIONS. IN MY EXPERIENCE IN THE NUCLEAR FIELD, THE MOST EFFECTIVE ORGANIZATIONS WERE THE ONES THAT DEPENDED ON SMALL SECTIONS (ABOUT THE SIZE OF OURS) TO ~~BE~~ BE SOLELY RESPONSIBLE FOR ACCOMPLISHING WORK. A GOOD DEAL OF OUR WORK UNECESSARILY INVOLVES 2 OR 3 ADDITIONAL LEVELS OF MANAGEMENT (e.g. REVIEW OF ALLEGATIONS, REVIEW OF MANY LICENSEE ~~E~~EVENTS, AND, TO SOME EXTENT INSPECTION REPORTS) ~~[illegible]~~ IN MOST CASES, A BRIEFING OF THE DIVISION DIRECTOR BY THE SECTION CHIEF SHOULD SUFFICE. IF WE SET A TARGET REGION V ORGANIZATION STRUCTURE FOR A CERTAIN TIME IN THE FUTURE, MANY OF THE HIGH ACHIEVERS IN DISPLACED POSITIONS WILL HAVE AN OPPORTUNITY TO MOVE ON TO OTHER AREAS OF OUR ORGANIZATION (SOME WITH PROMOTIONS) ALONG THE SAME PATH AS THEIR INDIVIDUAL DEVELOPMENT PLANS.

SUBJECT TO APPROVAL BY THE DIVISION DIRECTOR AND REGIONAL ADMINISTRATOR, THE SECTIONS SHOULD DESCRIBE HOW THEY PLAN TO IMPLEMENT THE DETAILS OF THEIR MISSION. ~~IF~~ THE SECTIONS SHOULD

DESCRIBE RESPONSIBILITIES FOR EACH SECTION MEMBER AND HOW SPECIFIC TASKS (e.g. ALLEGATIONS, LICENSEE EVENTS) WILL BE STAFFED AND ACCOMPLISHED. TWO IMPORTANT POINTS ARE ACCOMPLISHED HERE: (1) THOSE WHO PERFORM THE JOBS AND [redacted] ARE FAMILIAR WITH HOW THEY ARE ACCOMPLISHED ARE THE ONES WHO CAN PLAN HOW TO REDUCE UNNECESSARY WORK AND MAKE THE MOST EFFECTIVE USE OF THEIR TIME, AND (2) IT IS SENSIBLE THAT THOSE WHO PARTICIPATE IN DEFINING THE GOALS AND OBJECTIVES OF THEIR JOB WILL HAVE A SENSE OF OWNERSHIP AND ACCOUNTABILITY FOR THEIR SUCCESSFUL ACCOMPLISHMENT.

FINALLY IT IS IMPORTANT TO EMPHASIZE THAT SECTION PLANS NEED TO COVER DOWN TO THE DETAILS OF ADMINISTRATIVE SUPPORT.

ADDING
VALUE [redacted] TO OUR SERVICES

A COUPLE THOUGHTS

(1) WE NEED TO SPEND MORE EFFORT IN PREPARING FOR INSPECTIONS. THIS SHOULD INCLUDE THE GATHERING OF INFORMATION / PERTINENT DOCUMENTS FROM THE LICENSEE PRIOR TO THE INSPECTION (I THINK A LOT OF TIMES WE STILL THINK BACK TO THE DAYS WHEN MOST INSPECTIONS WERE UNANNOUNCED).

(2) WE NEED TO TAKE MORE ADVANTAGE OF LICENSEE PRA STUDIES IN PRIORITIZING AND FOCUSING OUR INSPECTION EFFORTS AND IN OUR FOLLOWUP OF EVENTS. PROJECT INSPECTORS SHOULD BE ABLE TO APPLY BASIC PRA TECHNIQUES, USING DATA FROM LICENSEE PRA STUDIES, TO BE ABLE TO DEFINE PLANT SPECIFIC RISK SIGNIFICANCE DUE TO EVENTS AND EQUIPMENT UNAVAILABILITY. RISK BASED INSPECTION

From: Louis C. Carson (LCC1)
To: RAS1, JHR1
Date: Thursday, July 22, 1993 11:17 am
Subject: OPTION 0 PROPOSAL FOR DRSS/FRPB

REGARDLESS OF THE N+1 PROGRAM, AND THE THOUGHT THAT NRR IS CONSIDERING THAT CURRENT RESIDENT INSPECTORS PERFORM RAD. CONTROLS INSPECTIONS. I PROPOSE THAT DRSS/FRPB FTEs (0 OPTION)BE ALLOCATED AS FOLLOWS:

* 1 FTE IN RICHLAND, WA TO HANDLE WNP-2, SIEMEN, TROJAN, AND ANY OTHER RAD EVENT (IE. NMSS) THAT COULD OCCUR IN THE NW(OR,WA,&AL).
* 1 FTE AT PVNGS 1,2,3; UNIV AZ
* 1 FTE AT SONGS 1,2,3; G.A., & ROCKWELL
* 1 FTE AT RV TO HANDLE DC, RS, GE, & DECOMISSIONING
* FACILITIES RAD CON INSPECTORS WILL AUGMENT OTHER REACTIVE INSPECTIONS AROUND THE REGION, IF HQ DOES NOT PROVIDE HELP.

THIS PROPOSAL SAVES: FTE, TRAVEL $, DIE, & THE MISSION.

APPENDIX 10

REGION IV EMPLOYEE SUBMISSIONS

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

MEMORANDUM FOR: Samuel J. Collins, Director, Division of Reactor Safety, RIV

FROM: George L. Constable, Chief, Plant Support Section, DRS, RIV

SUBJECT: Evaluation Of Efficiencies Achievable In Operation Of The Region IV and Region V Offices (RN 0118).

On hearing about the efficiencies of operation that Region V has proposed, I became concerned because the organizational structure proposed by Region V was strikingly similar to the organization that existed in Region IV in the early 1980's. Region IV's organizational structure was changed significantly due to perceived management failures during the mid 1980's. I would not like to see us go back to an organizational structure that could be so easily overloaded. I believe the major cause of that management failure to be a workload issue. It is very difficult for regional managers to say no to program office expectations when resources are strained.

It is easy to reduce FTE in the name of efficiency, but it is hard to measure the loss of depth in NRC management oversight when work load changes, and it is impossible to foresee how this lack of depth will impact decisions when the agency is challenged with an exigency. If challenged, a smaller organization could get in trouble.

An important part of the root cause of the Region IV management failures has been resolved in that the depth, in terms of numbers of managers and supervisors has improved; however, the fundamental issue of how to properly set priorities for NRC's heavy work load remains a matter of shared judgement and is a daily challenge. We must retain the depth to make these judgments. I am concerned because, at present, we seem barely able to keep up with the work load. As you know, the inspection staff is concerned about the way we schedule inspections because they feel that they often do not have enough time to properly prepare. Also, the core inspection procedures assigned to my section (64704 - Fire Protection and 40500 - Self Assessment) have not, in my view, been budgeted the amount of inspection hours to enable the staff to draw the conclusions necessary to support the SALP process. Continued management oversight is needed if we are to improve scheduling and properly evaluate the amount of inspection effort needed.

I think it would be a mistake to significantly reduce our staffing, because of the direct impact it would have on our mission and our ability to respond to emerging safety issues.

George L. Constable, Chief
Plant Support Section
Division of Reactor Safety
Region IV

July 28, 1993

NOTE TO: 7/29 S. Collins

FROM: J. Pellet

SUBJECT: RIV EFFICIENCIES

Below are some off-the-cuff suggestions where we could probably save resources by being more efficient, with a brief discussion of pros and cons as I see them. We could save 5 FTE and still accomplish our normal mission. However, I believe such an organization would make it very difficult to meet event like the Cooper response this weekend, much less something more serious, without interrupting normal activities at other sites. I do not understand how RV can meet their emergency response obligations with the staffing levels I've seen for the future -- I am not sure we can.

Administrative

- Travel claim processing could be done in headquarters. When added to the workload already there, our claims would be more efficiently handled. The only drawback would be slower payment. This should not be burdensome since NRC Diner's Club cards are available and do not require payment until after NRC pays the traveller. The same could be considered for major purchasing efforts. This could save up to 1 FTE.

- SINET/MIPS technical support could be placed under existing resource management or information management, if it is created. This function fits well in an information management organization, with the possibility of increased support from interaction with other information specialists. This could save up to 2 FTE.

Reactor Programs

- The region could eliminate the team leader position or combine it with the DRS Technical Assistant. We do not use a team leader full time and could borrow one from HQ or other regions. This could save 1 FTE.

- N+1 resident for good performers could be eliminated. We handled event at all performers with 2 people for ~15 years adequately. Since we have 3 dual unit sites, this could save 1-2 FTE.

- Since DRS is down to ~14 inspectors for FY94, we could eliminate one Section Chief position. This could save 1 FTE.

- With the growth in DRSS due to the incorporation of URFO, DRSS activities related to power reactors (EP, HP, security) could move to DRS. Increased efficiency should save 1-2 FTE.

- The role of a full time allegation coordinator in a small region with no construction or startup activities may be unnecessary. Stable operating workload should be estimable and could result in this function being combined. The same could be said for the Regional Counsel. This could save 1 FTE.

9/28

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
61' ''AN PLAZA DRIVE, SUITE 400
NGTON, TEXAS 76011-8064

AUG - 6 1993

MEMORANDUM FOR: Blaine Murray, Chief
Facilities Inspection Programs Section

FROM: Wes Holley, Radiation Specialist
Facilities Inspection Programs Section

SUBJECT: UTILIZATION OF THE MOBILE LABORATORY FOR DECOMMISSIONING ACTIVITIES

In response to Mr. Milhoan's RN 0118, "Evaluation of Efficiencies Achievable in Operation of the Regions IV & V Offices," I would like to present my views that might possibly save some FTEs from being eliminated.

As you know, I have been involved with decommissioning activities for the past few years. During these activities, the Commission has contracted with Oak Ridge Institute of Science and Education (ORISE) to perform the final confirmatory surveys after the licensees have completed their final surveys. We, also, engage ORISE to perform various surveys which includes analyses of soil, water, air, vegetation, scoping and preliminary surveys, and other related tasks. In the last few years, we have expended approximately $150,000 for ORISE's activities concerning the decommissioning of Pathfinder, the research reactors at the Universities of Texas and Kansas, and preliminary survey at the Kerr-McGee Cushing site.

In the next few years, we will contract to ORISE a lot of work for the decommissioning activities of Ft. St. Vrain, Cushing, Fansteel, and the Brigham Young University research reactor. If the merging of Regions IV and V becomes a reality, more work will be contracted with ORISE which may include a power reactor decommissioning.

I have become more familiar with the capabilities of the mobile laboratory, since I have joined your section, and I believe that the region could do with the mobile laboratory the activities that we are contracting to ORISE. There are several advantages for the region doing this work, but the most important are the more efficient use of the mobile laboratory and the saving of a FTE or more. This utilization of the mobile laboratory should be considered by Region-IV.

Wes Holley, Radiation Specialist
Facilities Inspection Programs Section

Caro Bartley

ISSUES:

ANALYSIS:

- FTE SAVINGS, COST SAVINGS/INCREASES ASSOCIATED WITH TRAVEL, TRANSPORTATION, RELOCATION, ADMINISTRATIVE SUPPORT

  1. To establish a travel office capable of in-house airline ticketing, etc. This could be initiated by negotiating with American Airlines to utilize their Sabre system to book flights, hotels and rental cars; thus, consolidating travel plans into one place, accessible to all NRC travel offices.

  2. Use more contractors in order to save OT payment. (A contractor could be used at the reception area or to perform administrative support duties, such as typing, filing, etc.)

  3. The number of section chiefs should be in direct proportion to the number of inspectors.

- INTERFACES WITH LICENSEES, PUBLIC, MEDIA, STATE AND LOCAL GOVERNMENTS, FEDERAL AGENCIES, AND INTERNAL NRC INTERFACES.

- INCIDENT/EMERGENCY RESPONSE

- EMPLOYEE IMPACTS, BOTH SHORT TERM AND LONG TERM

- DEGREE TO WHICH REGIONAL PERFORMANCE STANDARDS WILL BE CHANGED.

APPENDIX 11

EFFICIENCY ACTION EVALUATIONS FOR THOSE SUGGESTIONS NOT RECOMMENDED FOR IMPLEMENTATION WITHIN EITHER REGION IV OR REGION V AS PART OF OPTION 0

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Eliminate Regional Counsel position.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Eliminate regional position and have Headquarters OGC perform support activity with no increase in FTE.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  1 FTE

- **Discussion of impact on mission accomplishment -**

  Regional staff would need to consult with OGC instead of Regional Counsel on all legal issues, including those involving enforcement, employee conduct, FOIA, personnel, third party discovery requests, and contracts. Due to technical staff's lack of familiarity with OGC organization and personnel, requests for legal advice initially could be misdirected or be unnecessarily delayed, or take more time to focus on important legal issues.

  IG Report OIG-89A-13 reviewed the Regional Counsel program. The Report noted that:

  > All the NRC staff we interviewed stated that the Regional Counsel function was important and provided very useful services, ... [including] a decline in travel to the Regions by OGC attorneys. One such area mentioned was for hearings. The Regional Counsel can usually prepare witnesses for testimony so that the Hearings attorneys do not have to travel to the Regions for witness preparation. The Regional Counsel can also line up meetings and research information that is needed from the Region that OGC staff attorneys would otherwise have to travel to the Region to obtain. Another benefit mentioned was that Regional Counsel can identify legal problems that the regional staff may not recognize, such as in the area of conflict of interest. It was also stated that the Regional Counsel provides a regional perspective and is a good legal intermediary between the Regional Offices and OGC.

  The IG concluded that "Regional Counsels provide a valuable, and in the eyes of some Regional Administrators, indispensable service to the Regional

Administrators and regional staff."

In addition to the above, Regional Counsel provides legal advice and counsel as a participant in Enforcement Boards, Enforcement Conferences, Allegation Review Boards and in connection with Severity Level IV and V enforcement actions.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  Essentially no impact.

- **Discussion of impact on incident/emergency response -**

  No impact.

- **Discussion of employee impact (short-term and long-term) -**

  The Region V Regional Counsel position would be eliminated and the person currently occupying this position would have to be relocated to Headquarters or another Region.

- **Define the degree to which regional performance standards will be changed -**

  Since there would be no local presence of Legal Counsel, routine activities would not be reviewed for legal concerns and routine legal involvement in personnel actions, enforcement actions, and other activities would not occur.

- **Headquarters Office/Program and/or Regional Office affected: -**

  OGC and Region V are affected. Lawrence Chandler (OGC) believes there would not be one full FTE of savings with this option in that OGC would have to add some amount of FTE to pick up the workload, and that certain functions could not, as a practical matter, be routinely performed, for example, attendance at Enforcement Boards, Enforcement Conferences and Allegation Review Boards, review of Severity Level IV and V enforcement actions, and early involvement in personnel actions and routine ethics matters. The travel involved, the diversion of attorneys from other obligations and need to assure timely actions would limit OGC's ability to provide such services except in the more significant matters. He believes that if Option 0 is selected, the preferred option in this case is to combine the Regional Enforcement Officer/Allegation Coordinator position with the Regional Counsel position for a net savings of one full FTE. The Region V Regional Administrator agrees with Mr. Chandler's evaluation.

Reason This Action is Not Being Recommended by the Study Group for Implementation as Part of Option 0

The Study Group evaluated this suggestion and determined that since some level of legal counsel service was required in Region V, it could best be provided by reducing the level of effort of the Region V Regional Counsel from 1 FTE to 0.5 FTE and consolidating the Enforcement Officer/Allegation Coordinator functions with the Regional Counsel function for a net savings of 0.5 FTE.

Since the total elimination of the Regional Counsel function within a regional office is a generic type issue affecting all five regional offices, the Study Group recommends this suggestion be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Combine Public Affairs Officer and State Liaison Officer functions in one individual.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Reduce State Liaison function from 1 FTE to 0.5 FTE because of lack of workload. Have the Public Affairs Officer perform the 0.5 FTE State Liaison activity which would in turn reduce the amount of time available for Public Affairs activities by 50%.

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  By having the Public Affairs individual perform both functions a net savings of 1 FTE could be obtained.

- **Discussion of impact on mission accomplishment -**

  There would be reduction in the amount of Public Affairs activity currently being conducted in the Region V area. There would be essentially no impact on the State Liaison mission in that current workload only requires about 0.5 FTE.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There would be impact on interfaces with licensees, public, and the media in that current Public Affairs activities would be reduced by about 50%.

- **Discussion of impact on incident/emergency response -**

  There would be some impact on emergency response in that during an emergency the assigned individual would have to cover Public Affairs activities and some other individual would have to be assigned the State Liaison function. This impact could be minimized with proper management controls.

- **Discussion of employee impact (short-term and long-term) -**

  The person currently occupying the State Liaison position would have to be reassigned.

- **Define the degree to which regional performance standards will be changed -**

  There would be some reduction in Public Affairs activities since this overall activity would be reduced by 50%. Public Affairs Officer would have to be trained and become proficient in the State Liaison Program.

- **Headquarters Office/Program and/or Regional Office affected: -**

  Office of States Programs, Office of Public Affairs, and Region V .

  Joe Fouchard, Director, Public Affairs, believes the Public Affairs Officer in Region V is currently being fully utilized and he is against reducing the amount of Public Affairs coverage on the West Coast. Mr. Fouchard also believes that it would be extremely difficult for the Public Affairs Officer to have a dual responsibility such as State Liaison work.

  The Region V Regional Administrator believes the State Liaison function should be reduced by 0.5 FTE because of reduced workload. However, he does not believe this function should be performed by the Public Affairs Officer. He believes it would be more appropriate to realize a 0.5 FTE savings by having the State Liaison Officer assigned 0.5 FTE of inspection workload.

  Shelley Schwartz, Deputy Director, State Programs, does not believe that the Public Affairs Officer would be effective in the performance of State Liaison activities. Mr. Schwartz believes a more effective approach would be to reduce the State Liaison Officer's FTE to meet the workload and then assign the State Liaison Officer sufficient inspection activities to fully utilize his time.

<u>Reason This Action is Not Being Recommended by the Study Group for Implementation as Part of Option 0</u>

The Study Group determined, with input from the Deputy Director, Office of State Programs and the Region V Regional Administrator, that due to the decreased workload in Region V, the level of effort of the State Liaison Officer could be reduced from 1 FTE to 0.5 FTE without significant impact on mission accomplishment. However, input from the Director, Office of Public Affairs and the Region V Regional Administrator, indicates that the current level of effort of the Region V Public Affairs Officer could not be significantly reduced without significant impact on the Region V Public Affairs program.

In consideration of the above, the Study Group recommends that within Region V the State Liaison Officer function be reduced to a level of effort of 0.5 FTE to match the existing workload, and consolidate other work activities such as RAC and emergency preparedness inspection activities with the current work performed by the State Liaison Officer. This recommended action has been previously addressed in this report.

Since the question of whether the level of effort of the Public Affairs function could or should be reduced within a regional office is a generic issue affecting all five regional offices, the Study Group recommends this question be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

REGION V
ITEM FOR EFFICIENCY CONSIDERATION

- **Description of efficiency action -**

  Realignment of Materials and State Agreements programs to more effectively use current staff and possibly reduce one supervisory staff.

- **State how efficiency will be achieved (e.g., elimination, function transfer, etc) and basis for suggested action -**

  Reassign Utah and Idaho (Option A), or Utah, Idaho, Montana and North Dakota (Option B) to Region V from Region IV.

	Status Quo	Option A	Option B
NRC Materials licensees			
Region IV	720	620	520
Region V	245	345	445
Agreement States			
Region IV	9	8	7
Region V	5	6	7

- **Amount and type of savings (FTE, $, etc.) expected to be achieved and the basis for the savings estimate -**

  Option A) - The additional 100 licensees in Region V would improve Region V efficiency by increasing the workload to a level which is more consistent with the larger regions. Additionally, airline connections to the Salt Lake City/Boise regions are better from Region V than Region IV. This would decrease travel time and thereby increase available inspection time. This increased inspection time is estimated at 1 to 3 hours per trip depending on location. Further, trained materials inspection staff is already available in Region V. This option may alleviate the cost of relocating Region V staff elsewhere in the agency but would necessitate the transfer of the associated Region IV technical staff to Region V.

  An additional advantage to this realignment is that since Utah is an Agreement State, it would change the number of Agreement States in Region IV and Region V to 8 and 6, respectively, allowing for a more improved, efficient oversight with the more balanced workload. (Note: However, the efficiency gained by reducing the Region V RSLO budgeted level of effort, 0.5 FTE would have to be revisited for both regions.)

  Option B) - There is a little, but not significant, advantage in accessibility to Montana and North Dakota from Region V. There is already trained inspection staff available in Region V and Region V could absorb all four states without an increase in management but would necessitate the transfer of the associated Region IV technical staff to Region V. The

additional 200 licenses in Region V would result in a licensee/FTE ratio that is more consistent with the larger regions and a workload close to Region IV.

In addition, this option would result in 1 FTE savings. The corresponding reduction in materials licenses in Region IV would allow for the reduction in NMSS sections from 3 to 2 thereby eliminating one GG-15 Section Chief.

The Agreement State breakout under this option would be seven in Region IV and seven in Region V allowing for improved performance with a balanced workload.

- **Discussion of impact on mission accomplishment -**

  There may be a little, but not significant, improvement in the efficiency of the materials program implementation because of the closer proximity of Region V.

  Oversight of the Agreement States would become more consistent and efficient because of an equalization of the workload between the regions with the same regional resource distribution.

- **Discussion of impact on interfaces with licensees, public, media, state and local governments, federal agencies, internal NRC interfaces -**

  There would be no impact except that the states would have to get used to a new region.

- **Discussion of impact on incident/emergency response -**

  There would be a slight improvement because of the closer proximity to Region V.

- **Discussion of employee impact (short-term and long-term) -**

  These options may alleviate the necessity of two to five Region V staff relocations. However, the impact of transfer and relocation of staff is shifted to Region IV and would have to be determined.

- **Define the degree to which regional performance standards will be changed -**

  There should be an increase in Region V management and support staff efficiencies.

- **Headquarters Office/Program and/or Regional Office affected: -**

  NMSS, OSP, Region IV, Region V.

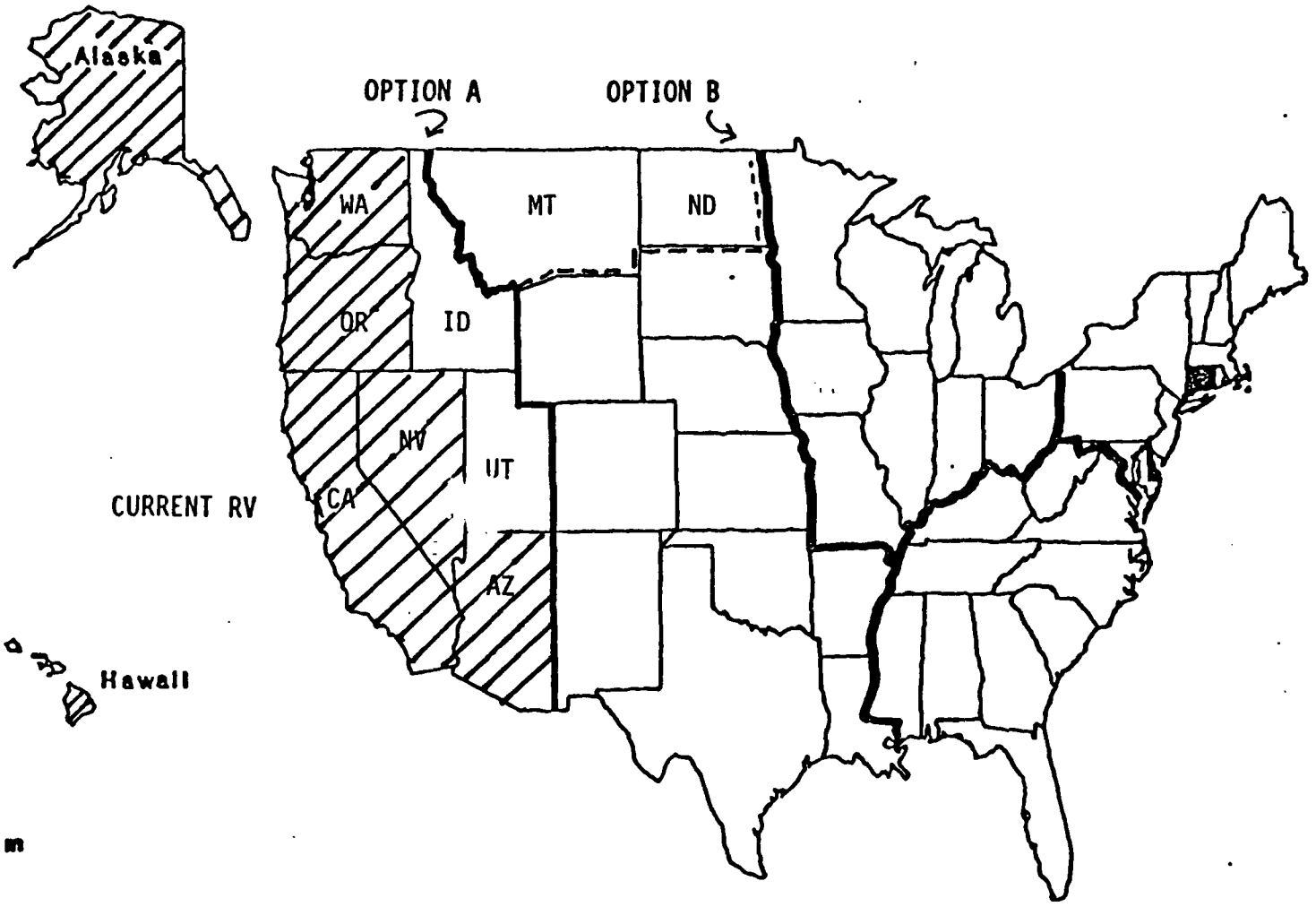
Bill Brach of NMSS stated, after discussion with Bob Bernero, that NMSS feels that this is a matter worthy of evaluation but offered that realignment of regional boundaries be referred to the Regional Optimization Review. Any realignment of the States would also need to address the inspection of uranium recovery licensees which is centralized in region IV (i.e., URFO program activities). They feel that the materials program in the four subject states can be successfully implemented from either region.

Shelley Schwartz of OSP stated that equalizing the Agreement States workload between the regions has a distinct advantage.

Reason This Action is Not Being Recommended by the Study Group for Implementation as Part of Option 0

Since the thrust of this suggestion appears to be more toward the realignment of regional boundaries and redistribution of workload between Regions IV and V, the Study Group recommends that this suggestion be referred to the Optimization of Regional Organization and Functions Study Group for their evaluation.

RIV/RV REALIGNMENT OPTIONS



	Chairman's Handout					Option 0	RV FY 95 Option 0(A)	Option 0(B)
MATERIALS PROGRAM	RI	RII	RIII	RIV	RV			
Materials licenses	2415	900	2444	720	245	245	345	445
Licenses/FTE	62	38	63	27	22	49	53	56
Licenses/Inspector	109	54	104	53	35	65	77	81
Supervisors/inspectors	0.32	0.27	0.28	0.41	0.62	0.25	0.22	0.20
Licenses/Supervisor	340	200	370	129	56	260	348	401

APPENDIX 12

EXAMPLES OF MANAGEMENT FLEXIBILITY FOR REGION V

APPENDIX 12

Examples of Management Flexibility for Region V

The Region V Administrator believes that the 13 efficiency actions could be implemented in Region V in a manner that would continue to meet the current Region V Operating Plan commitments. Further, he believes that the impact of implementing the 13 efficiency actions is manageable, but would require NRC management to provide some flexibility. Examples of the types of flexibility that would be necessary are discussed below:

a. Emergency Response

(1) The Region V organization under Option O would have adequate depth to muster and dispatch a "first team" response. However, in a prolonged event, backup from another region or headquarters to fill the second shift and any supplemental positions would be necessary. This backup would include the Director of Site Operations position, in the event of a Federal Response Plan activation.

This backup function should be institutionalized by AEOD and NRC management. A backup region should be identified and a plan for familiarization of at least key potential responders should be developed and implemented.

As a further backup measure, Region V would maintain a roster of NRC managers with prior Region V experience that could be called upon in

an emergency, e.g., Jack Martin, Roy Zimmerman, Al Chaffee, Ed Butcher.

To assure the continuation of the ability to provide a "first team" response, Region V would periodically review its ability to staff the response organization to assure there are adequate numbers of the right people.

(2) The NRC's Emergency Response Plan requires that, in the case of a radiological emergency at a licensed nuclear facility where the Federal government responds (e.g., DOE, FEMA, HHS, etc.) a Director of Site Operations (DSO) will be appointed. According to the plan, the candidates for DSO are the Regional Administrators and Deputy Regional Administrators or Headquarter's managers. In Region V, the Regional Administrator plans to consolidate this deputy function with the Director of the Division of Reactor Safety and Projects for power reactors, and with the Director of the Division of Radiation Safety and Safeguards for fuel cycle facilities and materials to provide flexibility in the event of an emergency that results in a Federal response. Further flexibility would be provided by familiarization of the backup regions' Regional Administrator and Deputy Regional Administrator. In addition, Jack Martin has excellent familiarity with Region V sites and could provide backup to the DSO positions.

NRC management should recognize the Regional Administrator's proposal to provide flexibility in filling the DSO position in the event of a Federal response.

AEOD should incorporate the above discussed flexibility actions in their planning. The NRC management should recognize that the resource impacts of site familiarization which would primarily be travel cost and some management time have not yet been developed for the backup region.

b. Participation In DETs/IITs And Other Special Efforts

The Region V organization under Option O would provide limited opportunity for SES managers to participate in DETs/IITs or other special efforts out of the region. For a Region V SES manager to participate in such activities, to assure adequate office coverage, it would be necessary to rotate an SES manager from headquarters or another region to Region V.

NRC management should recognize the need for maintaining SES coverage and the developmental opportunity to rotate SES managers to Region V when putting Region V SES managers on special assignments.

c. Level of Representation By Region V At Headquarters And Counterpart Meetings

The number of managers and SES in Region V is reduced under Option O. Program offices occasionally request regional management representation at a specified level to attend meetings on given subjects. Region V's ability to respond to such requests at the specified level would occasionally not be possible. In those situations, Region V would participate at a level that is appropriate to the Option O Region V organization, eg. there would be situations where a Branch Chief would attend instead of an SES manager.

NRC management should recognize that Region V's ability to participate in meetings would be limited and at times would not be at the management level requested, but would be at a level that is appropriate to the Region V Option O reorganization.

d. Frequency Of Conducting Press Conferences

The Option O reduces the Region V staff a managers available to meet the commitments of the current Region V Operating Plan. Region V reactor sites has decreased to four.

Based on the current day-to-day working relationship with the press in Region V and the experience in conducting press conferences over the past year and a half, Region V would conduct press conferences semi-annually rather than quarterly and achieve adequate press coverage of the region.

NRC management should accept Region V's proposal to conduct press conferences on a semi-annual basis.

APPENDIX 13

NRR VIEW ON REGIONAL STAFFING FLEXIBILITY

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

September 1, 1993

MEMORANDUM FOR: James H. Sniezek
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations and Research

FROM: Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

SUBJECT: REGIONAL STAFFING FLEXIBILITY

This memo is to provide NRR views on the proposal to eliminate the Deputy Regional Administrator (RA) position in Region V. For several reasons, including my own experience as a Regional Administrator for four years, I believe the elimination of the Deputy Regional Administrator position would have a negative impact on the reactor safety program. If it were important to reduce the SES positions in Region V, I would suggest considering the Deputy Director of DRP rather than Deputy RA position.

1. Looking a few years beyond the current circumstances and individuals involved, the proposal to eliminate the Deputy RA position would create a Region that would not be a full participant in vital NRC safety activities (DET, IIT, counterpart meetings and task forces). The draft proposal to cobble together an ad hoc arrangement to handle emergency responses will not, in my judgment, be viable over time and is an extreme response to a problem that can and should be avoided altogether. I believe NRC would wind up utilizing more senior management resources over time to compensate for what I believe would become to be seen as a Region somewhat outside the mainstream of NRC activities.

2. When I need to communicate with a Region on a safety or policy issue, it is very important for me to talk with an RA or Deputy RA to get the broad perspective I'm seeking. This is not to say that Division Directors are not capable people (on the contrary, they are the future leaders of NRC), but they do not have the same broad perspective today that a Deputy RA has. Ask any Division Director who has stepped up to a Deputy RA position.

3. We should view a Deputy RA position as a means for developing candidates for an RA or other position in NRC.

In summary, I believe the gain in eliminating this one position of Deputy RA would be strongly outweighed by the negative impact over time on NRR's program and indeed on NRC's interests.

Thomas E Murley

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation