

Policy Statement on Regionalization

Introduction and Background

In the U.S. Nuclear Regulatory Commission Policy Statement on Regionalization published in the Federal Register on March 25, 1983 (48 FR 12619), the Commission sought public comment on initiatives that would enlarge the role of its regional offices in implementing national programs in the areas of selected licensing and support functions that historically have been centralized in NRC's headquarters organizations. The oral and written comments that were received during public meetings or in response to the Federal Register notice have been considered. This revision of the March 25, 1983 Policy Statement on Regionalization contains the following major changes:

1. Regionalization is essentially complete except for a pilot program of certain technical reviews of operating reactor license amendments. The Commission will review the pilot program at the end of 2 years and decide if such technical reviews should continue to be conducted in the regions.
2. Licensing authority and NRR project managers will not be transferred to the regions except that limited licensing authority and the project manager for Fort St. Vrain will remain in Region IV;
3. Nonpower reactor licensing will not be decentralized; and
4. License fee management will not be decentralized.

For several years, NRC has conducted various pilot programs to decentralize regulatory activities on a limited basis. Examples of such programs include selected materials licensing, reactor operator licensing, emergency planning, state liaison, and some operating reactor licensing actions. These pilot programs appear to have been successful.

A 2-year pilot program to decentralize selected selected materials licensing activities was conducted in Region III from March 1978 to March 1980. The overall experience of this pilot program has been good. It has provided better coordination between the materials

licensing staff and the regional inspectors and has provided better services to applicants and licensees.

Goals

As a result of these pilot programs and the recognition that NRC could improve the quality of regulation, the Commission developed in October 1981, basic policy goals for enlarging the role of NRC regional offices in regulatory activities beyond the scope of the pilot programs. The Commission's decision was intended to:

- Improve its coordination of licensing, inspection and enforcement activities at each facility
- Baring NRC nearer to state and local governments and the public by formalizing the role of regional offices to represent NRC in their regions
- Strengthen incident response capability by delegating certain responsibilities and authorities to the regions
- Upgrade the position of the NRC Regional Director

The goals associated with decentralizing certain headquarters regulatory activities have been achieved.

Implementation

To enlarge the role of regional offices, NRC first reorganized the Office of Inspection and Enforcement, transferred its five regional offices to direct control of the Executive Director for Operations (EDO), and upgraded the position of Regional Director to that of Regional Administrator. The position of Deputy Executive Director for Regional Operations and Generic Requirements (DEDROGR) was created simultaneously. In addition to his function as Chairman of the Committee To Review Generic Requirements (CRGR) the DEDROGR provides support to the EDO in implementing the EDO's managerial and supervisory responsibility for the regions.

Early in 1982, headquarters and regional offices developed planning assumptions and began to identify regulatory activities that could be decentralized. The planning assumptions centered on whether national regulatory programs could be more effective in serving the public and the regulated industry if some activities were implemented at the regional level.

Pilot programs for both materials licensing and reactor operator licensing have been implemented in some regions in recent years. Licensing activities for several categories of nuclear materials licenses were transferred from headquarters to Regions I and III in 1982 and to Regions II, IV and V in 1983. The authority to issue licenses to reactor operators was delegated to Regions II and III in 1982 and to Regions I, IV and V in 1983. Two-hundred and sixty operating reactor technical reviews were transferred to the regions in 1982.

In 1983, approximately 100 operating reactor technical reviews were transferred to the regions. In October 1982, NRC opened a Denver Field Office in Region IV that is responsible for uranium recovery licensing. In December 1982, limited authority for certain licensing actions for the Fort St. Vrain reactor was delegated to Region IV.

The process that has been called regionalization is essentially complete. Detailed schedules documenting what was accomplished are included in the Table.

During fiscal year 1984 (FY 84), the technical review of 280 licensing actions for operating power reactors are planned to be done in the regions. A 2-year pilot program, limited to two operating power plants in each of three regions, will be implemented to test the method of selecting licensing action for technical review in the regions. The technical reviews transferred to the regions as part of this pilot program will comprise a portion of the total number of technical reviews that will be done in the regions. The regions will perform technical reviews and safety evaluations for these licensing actions. The Office of Nuclear Reactor Regulation (NRR) will select which technical reviews are sent to the regions, will retain licensing authority, and will continue to issue all license amendments and Safety Evaluation Reports for the reactors in the pilot program as well as reactors not in the pilot program. The following are benefits that are expected to be derived from the pilot program:

- Regionalization of the technical reviews would enable closer coordination between inspection and licensing activities and better communication with the licensees which, in turn, should produce more effective licensing and inspection programs.
- Regionalization of the technical reviews would enhance safety where on site physical inspection is preferred or where first hand knowledge of plant operations is an advantage.

An audit program will be developed to measure the success of the pilot program. Quantitative criteria to be examined might include time to complete reviews, number of review hours expended, inventory reduction per fiscal year, and number of appeals. Qualitative criteria might include uniformity of program application and results among the regions, enhanced incident response capability, quality of work products and efficiency of interoffice communications. Preferably quantitative criteria, but at least qualitative criteria, will be developed to judge the effect of regional technical reviews on safety. The Commission will review the results of the pilot program at the end of 2 years. Licensing for nonpower test, research and training reactors will be retained in NRR.

Management

NRC management controls have changed as decentralization has proceeded. In accordance with the Energy Reorganization Act of 1974, the responsibility for the licensing programs is assigned to the directors of NRC program offices. This responsibility will not be transferred, but the authority to implement certain licensing activities has been delegated to Regional Administrators. The headquarters program offices will remain responsible for their overall programs, will continue to establish broad, uniform policies and guidance based on Commission and EDO direction, and will audit regional activities to assure consistent implementation of policy guidance and consistency in interpreting NRC requirements. If decision at the regional level appear to be inconsistent in the application of regulatory requirements, licensees may appeal them through the program offices. These appeal procedures have been developed and will be implemented following approval by the Commission.

It is essential that the Commission maintain effective program oversight to ensure consistency among regions. As such, the regions are agents of the headquarters offices for implementing a variety of agency programs. For example, IE historically has established policy, defined the inspection and enforcement programs, and monitored their implementation in the regions. Likewise, for licensing activities that have been transferred to the regions the program offices will retain responsibility for policy formulation, program development, and control of implementation. The Commission through the EDO intends to ensure consistency in regional operations through the following mechanisms:

- Periodic management meetings with the Commission
- Quarterly management meetings of the EDO, Office Directors, and Regional Administrators
- Frequent meetings of Regional Division Directors, Branch Chiefs and working level personnel with counterpart headquarters staff on a DEDROGR, Office Directors, and Regional Administrators
- Development of Commission policy guidance
- Development of procedures and implementation of instructions to the regions
- Development of operating plans for each region

In addition to establishing programs and policies and performing program oversight for the activities delegated to the regions, the NRC program offices continue to perform regulatory functions which require a qualified technical staff in headquarters. The headquarters offices will continue to perform high level waste repository systems licensing

and for reactors all the safety, environmental and antitrust reviews of applications for Construction Permits (CP), Operating Licenses (OL), Standard Plants design approval and topical report approval. The NRC headquarters offices also continue to perform the activities associated with safety improvements. These include the resolution of Unresolved Safety Issues (USIs) and other generic issues, generic studies, the performance of risk and reliability assessments, and the systematic assessments of reactor operating experience. The development

and approval of new regulatory requirements and modification of existing requirements resulting from the safety improvement efforts or other efforts continue to be the responsibility of the headquarters offices. Relative to licensing actions associated with operating reactors, NRC headquarters issues all license amendments and retains the project manager except for Fort St. Vrain, where project manager and limited authority to issue license amendments have been transferred to Region IV. In addition, headquarters offices will be responsible for implementing certain generic licensing actions (e.g., requirements associated

with pressurized thermal shock and steam generator tube integrity) on all reactors to which they apply.

FOR FURTHER INFORMATION CONTACT:
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Dated at Washington, D.C. this 27th day of February 1984.

For the Nuclear Regulatory Commission,
Samuel J. Chik,
Secretary of the Commission

TABLE OF ACCOMPLISHMENTS

Function (headquarters office)	Fiscal year 1982	Fiscal year 1983	Fiscal year 1984
1 Operating reactor licensing technical reviews (NRR)*	280, all regions	100, all regions	*280 all regions
2 Licensing authority for operating power reactors (NRR)		Region IV: 1 reactor	Region IV: 1 reactor
3 Administer reactor operator license examinations and issue licenses (NRR)*		All regions	All regions
4 Authority to issue Uranium mill tailings licenses (NMSS)		Region IV	Region IV
5 Authority to issue materials license (NMSS)	5 types of high volume licenses, Region I, III	5 types of high volume licenses, all regions	10 types of high volume licenses, all regions
6 Re-issue safeguards license amendments which do not decrease effectiveness for reactors and SNM licenses (NMSS)		Regions I, II	All regions
7 Conduct transportation route surveys and review contingency plans for spent fuel and category 1 SNM shipments (NMSS)*			Region III
8 Perform closeout surveys and terminations of uranium fuel fabrication licenses (NMSS)		All regions	All regions
9 Maintain oversight of 10 CFR 70 licenses for advanced fuel (Pu) plants that have initiated decontamination and decommissioning activities (NMSS)		All regions	All regions
10 Issue proposed civil penalties with IE concurrence (IE)	All regions	All regions	All regions
11 Issue orders and make 10 CFR 2.206 decisions consistent with the transfer of licensing authority from IE, NRR, and NMSS for Fort St. Vrain and Uranium Mill (IE, NRR, and NMSS)		Region IV	Region IV
12 Review license amendments of emergency plans for operating reactors	All regions	All regions	All regions
13 Observe and appraise the annual emergency preparedness exercises for operating reactors (IE)	All regions	All regions	All regions
14 Provide legal assistance to Regional Administrators (ELD)	Regions II, IV	Regions I, II, IV, V	Regions I, II, IV, V
15 Provide State agreement officer (SP)	All regions	All regions	All regions
16 Continue State liaison functions	All regions	All regions	All regions
17 Perform budget formulation/resolution and management information reporting activities	All regions	All regions	All regions
18 Perform various administrative support services	All regions	All regions	All regions

* NRR issues the license amendments. The regions conduct certain technical reviews.

* This continues in fiscal year 1985 with a similar number of technical reviews.

* NRR will provide for contract examiner assistance.

* All regions by fiscal year 1985.