

December 31, 2007

The Honorable Thomas R. Carper  
Chairman, Subcommittee on Clean Air  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am pleased to provide a summary of actions taken by the NRC in response to recommendations made by the U.S. Government Accountability Office (GAO) in its report entitled, "Nuclear Energy: NRC's Workforce and Processes for New Reactor Licensing Are Generally in Place, but Uncertainties Remain as Industry Begins to Submit Applications" (GAO-07-1129), September 2007. The NRC appreciates the time and effort that GAO invested in reviewing this important topic. The report accurately identified the accomplishments as well as the challenges that the agency faces in preparing its workforce for new reactor licensing reviews. The enclosure describes the progress made in addressing GAO's recommendations.

Sincerely,

*/RA/*

Dale E. Klein

Enclosure: Summary of NRC Actions

cc: Senator George V. Voinovich

Identical letters sent to:

The Honorable Thomas R. Carper  
Chairman, Subcommittee on Clean Air  
and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator George V. Voinovich

The Honorable Rick Boucher  
Chairman, Subcommittee on Energy  
and Air Quality  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Fred Upton

The Honorable Peter J. Visclosky  
Chairman, Subcommittee on Energy and  
Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative David L. Hobson

The Honorable Byron Dorgan  
Chairman, Subcommittee on Energy  
and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Pete V. Domenici

The Honorable Henry A. Waxman  
Chairman, Committee on Oversight  
and Government Reform  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Tom Davis

The Honorable Barbara Boxer  
Chairman, Committee on Environment  
and Public Works  
United States Senate  
Washington, D.C. 20510  
cc: Senator James M. Inhofe

The Honorable John D. Dingell  
Chairman, Committee on Energy  
and Commerce  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Joe Barton

The Honorable David R. Obey  
Chairman, Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Jerry Lewis

The Honorable Robert C. Byrd  
Chairman, Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Thad Cochran

The Honorable David M. Walker  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, D.C. 20548  
cc: Mark Gaffigan

**GAO Report - "NRC's Workforce and Processes for New Reactor Licensing  
Are Generally in Place, but Uncertainties Remain as Industry  
Begins to Submit Applications" (GAO-07-1129)  
September 2007**

In its report entitled "Nuclear Energy: U.S. Nuclear Regulatory Commission's (NRC's) Workforce and Processes for New Reactor Licensing Are Generally in Place, but Uncertainties Remain as Industry Begins to Submit Applications," the U.S. Government Accountability Office (GAO) made four recommendations to help the NRC workforce better manage its new reactor application workload and to ensure that its processes more efficiently and effectively facilitate these reviews. A summary of actions taken by the NRC in response to GAO's recommendations is provided below.

Recommendation 1

Fully develop and implement criteria for setting priorities to allocate resources across applications by January 2008.

Status:

The staff has prioritized all of its new reactor work within the following three categories: licensing, infrastructure, and construction inspection work. These three categories are prioritized separately because each is budgeted separately. The licensing category has been further divided into three subcategories: design certification (DC) applications, early site permits (ESPs), and combined license (COL) applications. The licensing reviews that have been budgeted for in the fiscal year (FY) based on the applicants' letters of intent will have greater priority. The remaining applications will be reviewed based on the remaining available budget. If and when actual licensing work exceeds the new reactor budget, the staff will consider the set of factors referenced in the Commission's guidance provided in "Staff Requirements – SECY-06-0187 – Semiannual Update of the Status of New Reactor Licensing Activities and Future Planning for New Reactors," dated November 16, 2006, when making resource allocations and schedule decisions. For the COLs, ESPs, and DCs, one common factor is the quality and the completeness of the application itself. Other notable factors include: the extent to which a COL application references a completed ESP and a certified design; the extent to which an ESP application is likely to be followed up in the near term by a COL at the designated site; and the extent to which a certification is likely to be followed up in the near term by a COL application that would reference the designated design. The Resource Management Board, which is comprised of the Deputy Directors of each division of the Office of New Reactors (NRO), meets on a monthly basis to review resource needs and adjustments are made when necessary.

The NRC considers GAO Recommendation 1 closed.

Recommendation 2

Provide the resources for implementing reviewer and management tools needed to ensure that the most important tools will be available as soon as is practicable, but no later than March 2008.

Enclosure

Status:

To assist the review of DC and COL applications, the NRC in FY 2007, completed updates to key infrastructure documents such as the standard review plan and regulatory guidance for applicants preparing COL applications. The staff has developed templates to assist reviewers in preparing the written safety evaluation reports (SERs) for COL applications associated with different reactor designs. The templates, applications, key reference documents, and project management tools are available on an electronic platform that provides an integrated work space for the NRC staff.

In addition, the staff has been provided with the resources needed for implementing reviewer and management tools to ensure that the most important tools will be available as soon as is practicable. For example, the agency has provided training to staff on the use of the Enterprise Project Management (EPM) system, a newly developed software tool to help manage the schedule for reviewing new reactor projects (ESPs, DCs, and COL applications). This system provides comprehensive information technology tools that integrate resource and schedule planning functions with the actual tracking of resource hours expended on a project. EPM is designed to facilitate efficient workflow and schedule management for the agency. Management and staff have loaded resources and hours into the EPM and are using the tool to manage and track resources and review status for the new reactor projects. The agency continues to provide training to improve staff's skill with EPM. In addition, procedures have been provided that guide all levels of users in the operation of EPM.

The staff is developing additional tools to assist in the review of DC and COL applications. One is a knowledge management tool, called Wizard, designed to assist the reviewers in accessing important reference documents. Another tool is an electronic system for preparing and tracking requests for additional information (RAIs) for COL applications reviews. These additional tools will be available for staff use by the second quarter of FY 2008.

The NRC will close GAO Recommendation 2 after the tools discussed above are developed and made available for staff use by the second quarter of FY 2008.

Recommendation 3

Clarify the responsibilities of NRO's Resource Management Board in facilitating the coordination and communication of resource allocation decisions.

Status:

The staff has proposed revisions to Chapter 6 of the New Reactor Licensing Program Plan, "Change Management," which clarifies the roles and responsibilities of NRO's Resource Management Board (RMB) in facilitating the coordination and communication of resource allocation decisions. The roles and responsibilities of the RMB are being reviewed by NRO staff and management and will be issued in a revision to the New Reactor Licensing Program Plan by second quarter of FY 2008.

The NRC will close GAO Recommendation 3 when the revised New Reactor Licensing Program Plan is issued by the second quarter of FY 2008.

#### Recommendation 4

Enhance the process for requesting additional information by (1) providing more specific guidance to staff on the development and resolution of RAIs within and across design centers, and (2) explaining forthcoming workflow and electronic process revisions to COL applicants in a timely manner.

#### Status:

The NRC uses various administrative tools to ensure that the review process works efficiently and that RAIs do not unreasonably delay the completion of the NRC review. Upon receipt of an application, the staff has been trained to perform an acceptance review to ensure that the application includes sufficient information to docket the application. To ensure that questions posed during the review have a nexus to the ultimate agency decision regarding an application, the NRC has structured a format for RAIs. Each question is reviewed and approved by management before a formal request is sent to an applicant.

In lieu of identifying RAIs based on the application's content, the staff has been trained to follow a process whereby a draft SER with open items will be written; and the gaps that are identified in the SER will form the basis for RAIs sent to applicants. This process reduces the number of RAIs and ensures that the additional information requested from the applicant is needed to support the agency's decision-making process.

In addition, to ensure that applications contain the necessary information in a consistent format, and to reduce the number of RAIs, the staff has issued various guidance documents for use by applicants. The NRC staff continues to hold routine meetings with the industry to discuss issues of content and format of applications.

The NRC has implemented tracking systems for ongoing DC reviews and has developed an improved electronic system for creating, approving, and tracking questions to applicants. As mentioned in the response to Recommendation 2, another electronic system will be deployed for use during the NRC review of the COL applications and will include the ability to identify questions and responses from DC and COL reviews.

The NRC will close GAO Recommendation 4 after the tracking system for COL applications has been deployed by the second quarter of FY 2008.