

**TO BE MADE PUBLICLY AVAILABLE IN ACCORDANCE
WITH THE COMMUNICATION PLAN**

July 21, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Kenneth R. Hart, Acting Secretary */RA/*

SUBJECT: STAFF REQUIREMENTS - SECY-06-0144 - PROPOSED
REORGANIZATION OF THE OFFICE OF NUCLEAR REACTOR
REGULATION AND REGION II

The Commission has approved the staff's recommendation to reorganize the Office of Nuclear Reactor Regulation into two offices: the Office of New Reactors (NRO) with responsibility and authority for new reactor licensing as described in SECY-06-0144 and the Office of Nuclear Reactor Regulation (NRR) with responsibility for operating reactor licensing, subject to the comments below. The Commission also approved the staff's recommendation to create a Deputy Regional Administrator for Construction in Region II. NRC management should ensure that NRR and NRO are appropriately and adequately staffed to support the activities within each office and must make every effort to obtain the office space as soon as practicable to facilitate the reorganization.

To ensure that the reorganization results in the level of accountability and effectiveness envisioned by the Commission and in order to promote continued improvement in the major activities conducted by the offices, the staff should perform periodic self-assessments, including effectiveness reviews of each office's activities, and provide the results of these assessments to the Commission. The first self-assessment should be conducted following the first year of implementation of the organizational structure. Similar self-assessments and effectiveness reviews should be performed for the organizational changes in Region II and the recent reorganization described in SECY-06-0125, "Proposed Reorganization of the Offices of Nuclear Materials Safety and Safeguards and State and Tribal Programs."

When the transition is complete, each office will have its own Program Management, Policy Development, and Planning Staff (PMAS). The combined staffing of both PMAS organizations should result in only a minimal overall staff increase beyond that which would exist if the reorganization were not approved. The Commission supports the staff's recommended approach to support both NRR and NRO initially with the NRR PMAS. At the inception of the NRO, a few key staff including the business process integrator should be moved to the NRO PMAS. As soon as practicable, the staff should complete the organizational realignment, establishing as complete a PMAS as is necessary to support NRO.

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The staff should also implement the division level organization of NRO shown for FY 2008 (i.e., 5 divisions) by January 2007. The staffing of these divisions, including the number of branches and SES managers assigned to each division, should be adjusted with time, as appropriate, to address the workload.

The staff should achieve a consistent application of technical and regulatory standards, guides and requirements, for both new plant licensing and for operating plants (e.g., through use of common standards, communities of practice, steering committees, enhanced roles of senior level staff, formalized process for documenting decisions systematically, establishing a protocol between NRR and NRO for all final resolution of technical issues). The staff should continue to look for other strategies, as appropriate, to achieve and maintain the desired consistency.

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
CFO
OCA
OPA

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