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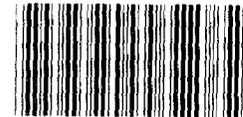
REPORT BY THE

Comptroller General

OF THE UNITED STATES

Further Evaluation Of The Proposed Interim Consolidation Of The Nuclear Regulatory Commission

The Chairman and the Ranking Minority Member, House Committee on Interior and Insular Affairs, asked GAO to answer nine questions on the proposed interim consolidation of the Nuclear Regulatory Commission (NRC). These questions sought additional information and explanation of matters discussed in GAO's September 11, 1980, report on the subject.



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GAO still believes both the proposed and an alternative NRC interim consolidation option could help strengthen NRC, but points out several unresolved issues.



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COMPTROLLER GENERAL OF THE UNITED STATES
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B-203594

The Honorable Morris K. Udall, Chairman
The Honorable Don H. Clausen, Ranking
Minority Member
Committee on Interior and Insular
Affairs
House of Representatives

This replies to your November 19, 1980, joint letter requesting our answers to nine questions on the proposed interim consolidation of the Nuclear Regulatory Commission (NRC). These questions sought additional information and further explanation of matters discussed in our earlier report on the subject prepared at the request of the Chairmen, Senate and House Committees on Appropriations. 1/

In that report, we concluded that the proposed plan as well as an alternative to it are both practical options for consolidating NRC on an interim basis. The proposed plan would consolidate the agency's senior management and about 1,200 personnel in the Matomic building in Washington, D.C., and put the remaining 1,400 agency employees in four buildings in Bethesda, Maryland. The General Services Administration (GSA) estimated that the proposed plan would cost about \$3 million if the other Federal agencies were relocated to space in suburban Maryland to be vacated by NRC, as contemplated, or about \$5.7 million if the agencies were relocated to newly acquired space.

The alternative plan discussed in our earlier report would relocate the NRC Commissioners and their staff to an NRC building in Bethesda and move other NRC employees from Bethesda to the Matomic building. The alternative plan would not reduce the number of NRC locations nor permit a large consolidation in one building. It would, however, put about two-thirds of NRC's employees in buildings within a 15-minute walk of each other and would not require moving other Federal agencies out of the Matomic building. We estimated the cost of the alternative option at about \$500,000.

We concluded that while there was an initial cost advantage to the alternative option, the more effective NRC interim consolidation option from a management standpoint involved subjective judgments which could not be clearly evaluated. Furthermore, we

1/"Proposed Interim Consolidation of the Nuclear Regulatory Commission," EMD-80-118, September 11, 1980.

said the relative importance of the cost advantage diminishes somewhat over time if budget constraints or other factors prevent the early completion of a permanent facility for NRC and the interim consolidation becomes more of a permanent fix.

Your letter expressed disappointment in the quality of our earlier report. You said it did not address significant questions and therefore derived conclusions from an incomplete investigation of relevant issues. Before turning to our specific responses to your questions, two points about the earlier report are appropriate.

First, the July 2, 1980, supplemental appropriations conference report of the Senate and House Committees on Appropriations required us to review the proposed NRC interim consolidation plan, to identify and evaluate other options which would enable presently dispersed NRC activities to be consolidated at an early date in a cost-effective manner, and to submit the results of our review and our recommendations within 60 days. The time allowed for our review was not sufficient to fully evaluate the comparative potential impacts of both options on NRC's management effectiveness or on the operations of the other Federal agencies housed in the Matomic building.

Second, the Office of Management and Budget's (OMB) instructions to GSA were to relocate most of the agencies in the Matomic building to NRC space in suburban Maryland. While GSA had tentatively decided where it would relocate some of these agencies, the agencies were resisting the relocation. Consequently, at the time of our earlier review, GSA had not made firm decisions on where these agencies would be relocated. The absence of such basic decisions also precluded us from fully evaluating the proposed interim consolidation. For example, while we recognized that NRC might realize some administrative cost savings with the proposed consolidation, these savings could be offset by increased costs to the other agencies. Without knowing where the agencies would be relocated, we could not estimate the net impact on the Federal budget.

For the above reasons, we did not make any specific recommendations in our earlier report. Instead, we attempted to lay out all of the pertinent information available to us at that time on the costs and potential impacts of both interim consolidation options.

In summary, we believe our earlier report was a reasonable response to what we were asked to do, in the time given us to do it, considering the absence of basic decisions essential to fully address all potentially relevant factors.

In answering some of the nine questions raised in your letter, we were again faced with the absence of necessary basic decisions. In other cases, records are not available to permit a complete response. For example, NRC does not maintain records of shuttle bus travel by employees among its several building locations. When necessary, we have qualified this report to reflect the quality of data available to us. On the other hand, because of the time available we were able to do additional work which we did not do for our previous report. This additional work principally consisted of

- obtaining a better estimate of the cost of the alternative;
- assessing, to the extent possible, the potential impacts of the proposed plan on all of the affected Federal agencies; and
- evaluating the importance of NRC's proximity to the Congress and other Federal agencies in determining the best interim option.

Appendix I contains our detailed responses to your nine questions, a discussion of some of the relevant new information we developed in the course of our work, and our conclusions. Appendix II discusses in detail our objectives, scope, and methodology.

In our earlier report, we concluded that both the proposed and alternative plans are acceptable options for consolidating NRC on an interim basis. That conclusion was based on their estimated costs, what each plan would accomplish, and the fact that in August 1980 the Congress authorized GSA to construct a Federal office building in Silver Spring to permanently house NRC. Our earlier conclusion did not consider the impacts of the proposed interim consolidation on the other affected agencies.

Based on our most recent work, we continue to believe that both interim consolidation options could help strengthen NRC. Two key factors have changed in favor of the proposed interim consolidation, however, as a result of our most recent work and an administration budget decision

- GSA estimates that the alternative interim consolidation would cost about \$1.3 million for renovation and personnel moving costs rather than \$500,000 as we reported earlier. An additional cost, which GSA did not estimate, would be incurred for temporary space needed to carry out this option.

--The administration has deleted the Silver Spring Federal office building for NRC from the fiscal year 1982 Federal Building Fund Budget. Therefore, the prospects for an early permanent consolidation of NRC have diminished from when we issued our earlier report.

The higher estimated cost of the alternative option, coupled with the diminished prospects for an early permanent consolidation, makes the cost differential between the two options less important in selecting one of them.

On the other hand, the proposed interim consolidation provides that other Federal agencies now in the Matomic building would move to suburban Maryland. Such a move could adversely affect these agencies. In this regard, we found that there are still many unanswered questions about how this plan would impact these agencies' operational effectiveness and efficiency. Neither GSA nor OMB evaluated the consequences of relocating other agencies to suburban Maryland. Also, OMB apparently did not recognize that two of the agencies are required to be in Washington, D.C. Furthermore, neither OMB nor GSA seriously considered the possibility of relocating these agencies within Washington, D.C., either by acquiring new space or by assigning them the highest priority for any available space under GSA's control. Such relocations would have far less impact on these agencies' operations, but could affect the space requirements of still other Federal agencies.

Finally, it is uncertain that the other agencies would directly relocate their components in the Matomic building to suburban Maryland or to other space acquired by GSA. Faced with this prospect, some of them might make larger space readjustments within their organizations to maintain or enhance their overall effectiveness. Thus, the proposed NRC interim consolidation could have a domino effect on other agencies and result in higher costs than previously estimated.

In testifying before the House Committee on Public Works and Transportation on June 18, 1980, the Executive Associate Director for Reorganization and Management, OMB, said that OMB, GSA, and NRC would conduct a final review of space options for an interim NRC consolidation after the administration selected a new permanent Chairman of NRC. The administration recently announced its selection of a new permanent NRC Chairman, but the selectee has not yet been confirmed by the Senate. As part of such a review, these agencies, in conjunction with the other affected agencies, need to resolve the above issues so that they can better weigh the overall cost and operational impacts of an NRC interim consolidation in the Matomic building. If OMB, GSA, and NRC find that these impacts are too high, they should reconsider other options for consolidating NRC, including the alternative of relocating the NRC Commissioners and their staff to Bethesda.

NRC and GSA commented on our report. NRC said its interests would not be served by a consolidation involving the current multiple locations. NRC said it still favors the proposed interim consolidation and added that the need for interim consolidation becomes more important with permanent consolidation apparently more remote. Our report recognizes NRC management's prerogative to decide what interim consolidation option is best for the agency, but points out that other agencies would be affected by NRC's preferred option. Our report also recognizes the diminished prospect for an early, permanent NRC consolidation.

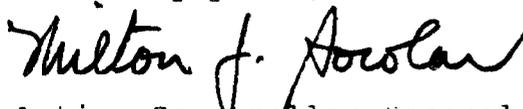
Both agencies agreed with the thrust of the report. GSA pointed out that our estimate of the cost of the alternative interim consolidation option does not include the cost of necessary temporary space to house NRC personnel while renovation work is completed. GSA did not estimate this cost; however, we changed our report to recognize that the temporary space would be required. GSA also said it had initially decided, for planning purposes, where it would relocate the agencies then in the Matomic building, but that the agencies were opposed to the relocations. We changed our report to reflect GSA's comment.

NRC's comments are included as appendix III, page 33, and GSA's comments are included as appendix IV, pages 34 and 35.

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As arranged with your Committee's office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to the Director, Office of Management and Budget, the Chairman, Nuclear Regulatory Commission, the Administrator of General Services, and other interested parties and make copies available to others upon request.

Sincerely yours,



Acting Comptroller General
of the United States

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ABBREVIATIONS

AEC	Atomic Energy Commission
DOE	Department of Energy
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
GSA	General Services Administration
NRC	Nuclear Regulatory Commission
OMB	Office of Management and Budget
OPM	Office of Personnel Management

GAO RESPONSES TO QUESTIONS
OF THE HOUSE COMMITTEE ON INTERIOR AND INSULAR
AFFAIRS ON THE PROPOSED INTERIM CONSOLIDATION
OF THE NUCLEAR REGULATORY COMMISSION

BACKGROUND

On January 19, 1975, the Atomic Energy Commission (AEC) was abolished, the Nuclear Regulatory Commission (NRC) was created to regulate commercial nuclear activities, and the Energy Research and Development Administration was established to develop nuclear and other energy technologies. The Energy Administration is now a part of the Department of Energy (DOE). The new NRC staff remained in the Bethesda, Maryland, offices it had occupied as AEC's regulatory arm. The new NRC Commissioners, however, housed themselves in the Matomic building, 1717 H Street, N.W., Washington, D.C. This office space had been used by AEC's Commissioners.

NRC was immediately faced with the need to acquire more office space because (1) certain AEC developmental functions, such as reactor safety research, were transferred to NRC, and (2) as a new agency, NRC had to develop its own supporting infrastructure. Over the next year, therefore, additional office space was leased in Bethesda, Silver Spring, and Rockville, Maryland. NRC's headquarters organization had grown from about 1,600 employees in January 1975, to about 2,700 employees in 1980.

Soon after it was created, NRC, working with the General Services Administration (GSA), began efforts to permanently house the entire headquarters organization in one building. In May 1977 GSA submitted a report on such a building to the Congress. That report was awaiting congressional approval when the accident at the Three Mile Island nuclear powerplant occurred in March 1979, thus renewing the impetus for consolidating NRC's headquarters organization. The Presidential Commission which investigated the accident reported that the geographic spread of NRC inhibited the easy exchange of ideas and therefore recommended that top management and major staff components be located in the same building or group of buildings. On December 7, 1979, the President directed GSA to consolidate the NRC Commissioners with NRC's major staff components in the same building or group of buildings close to each other. Also, in 1980, the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation authorized GSA to proceed with design and engineering on a Federal building in Silver Spring to house NRC.

On the strength of the President's Commission report, the NRC's own Special Inquiry Group report on Three Mile Island, and our own assessment of NRC's performance over its first 5 years, 1/ the NRC Commissioners and the Office of Management and Budget (OMB) decided that some interim consolidation step was essential. NRC decided, with OMB concurrence, that the best interim step would be to (1) collocate the Executive Director for Operations; the Offices of Nuclear Reactor Regulation, Nuclear Material Safety and Safeguards, and Inspection and Enforcement; and other NRC units with the five Commissioners and their staff in the Matomic building; and (2) move the Offices of Nuclear Regulatory Research and Standards Development from Silver Spring and Rockville to Bethesda. Moving the Commissioners and their staff to Bethesda was rejected because this would not consolidate key personnel in one facility and because DOE, the Environmental Protection Agency (EPA), other agencies, and the Congress are in Washington, D.C.

The July 2, 1980, supplemental appropriations conference report of the Senate and House Committees on Appropriations required us to review the proposed NRC interim consolidation plan, to identify and evaluate other options which would enable presently dispersed NRC activities to be consolidated at an early date in a cost-effective manner, and to report the results of our review within 60 days. On September 11, 1980, we reported on two practical options for consolidating NRC on an interim basis. 2/ One is the proposed plan. NRC's management preferred this option because it would consolidate senior management and key staff in the Matomic building and put the rest of NRC in Bethesda at the expense of breaking up some organizational units. GSA estimated that this option would cost from \$3 million to \$5.7 million.

The second option is to move the NRC Commissioners and their staff to Bethesda, and to make room for them by relocating other NRC employees to the Matomic building. We said this option would cost about \$500,000 and could accomplish the same basic objectives of the proposed plan. While it would not reduce the number of NRC locations or permit a large consolidation in one building, it would put about two-thirds of NRC's employees in buildings within a 15-minute walk of each other. This option was presented as an alternative because it was less costly and the Congress had authorized construction of a Federal Office building to permanently house NRC headquarters.

1/"The Nuclear Regulatory Commission: More Aggressive Leadership Needed," EMD-80-17, Jan. 15, 1980.

2/"Proposed Interim Consolidation of the Nuclear Regulatory Commission," EMD-80-118, Sept. 11, 1980.

We concluded that, although there is an initial cost advantage in moving the Commissioners to Bethesda, the more effective interim consolidation option from a management standpoint involves subjective judgments and cannot be clearly evaluated. Furthermore, we said, the relative importance of the cost advantage diminishes somewhat over time if budget constraints or other factors prevent the early completion of a permanent facility for NRC and the interim consolidation becomes more permanent.

On November 19, 1980, the Chairman and ranking minority member of the House Committee on Interior and Insular Affairs asked us nine questions about our September 11, 1980, report. Following are our answers, a discussion of how the proposed interim consolidation could affect the agencies now in the Matomic building, and our conclusions.

COMMITTEE QUESTION NUMBER 1

"The GAO investigation * * * has determined that the cost of the NRC interim consolidation plan 'could run as high as \$5.7 million', while the 'alternative would cost on the order of \$500,000.' Please provide a detailed statement of the estimated cost of each item taken into account in arriving at the projected total cost of each of the two interim consolidation options. If the following items were not considered, how would they affect the total cost projections for each option:

- Under both plans, cost of lost time as a consequence of travel between buildings?
- Under the NRC plan, the savings that would result from the reduction of the security force?
- Under the NRC plan, the savings that would result from reduced shuttle bus service for personnel and mail?
- Under the alternative plan, the cost of creating adequate public meeting space for open Commission meetings?
- Under the alternative plan, the cost of providing sufficient and secure conference room space for the Commission?"

GAO response

As stated in our earlier report, GSA estimated the cost of the proposed interim consolidation could run to about \$5.7 million if the agencies now in the Matomic building were relocated to other buildings within Washington, D.C. GSA estimated this figure as follows:

Agencies moved out of Matomic building	
Annual rent	\$3,225,000
Services and utilities	731,000
Moving costs	<u>129,800</u>
Subtotal	<u>\$4,085,800</u>
NRC-related costs	
Matomic alterations	\$1,505,000
Moving costs	<u>147,500</u>
Subtotal	<u>\$1,652,500</u>
Total	<u><u>\$5,738,300</u></u>

The above estimate is based on the following assumptions.

- GSA would lease and renovate 215,000 square feet of additional space (estimated at \$18.40 per square foot) in Washington, D.C. for the agencies to be moved from the Matomic building;
- Minimal (at \$7.00 per square foot) renovation of the Matomic building for NRC;
- No existing GSA leases on NRC space in suburban Maryland would be canceled; and
- alteration and relocation costs of computers, if needed, were not included.

GSA also estimated that the proposed interim consolidation could cost about \$3 million if the agencies in the Matomic building were relocated to NRC buildings in suburban Maryland. NRC agrees with this cost estimate.

Our statement that the alternative option would cost on the order of \$500,000 was based on doubling certain costs GSA estimated, in March 1980, for moving all NRC employees from the Matomic building to new leased space in Bethesda. GSA estimated this move would cost \$992,650 for the first year, including \$777,000 annual rent, services, and utilities for new space; \$20,650 for moving costs; and \$195,000 for special alterations. Our \$500,000 estimate slightly more than doubles the last two costs and omits the first because, under our alternative, no new leased space would be required.

Based on recent discussions with GSA, we find that our \$500,000 original estimate was significantly understated. At our request, GSA estimated that the costs of (1) renovating a

building in Bethesda for the Commissioners, (2) renovating the Matomic building space vacated by the Commissioners, and (3) moving all affected personnel would total about \$1.3 million, as follows.

Moving costs	\$ 32,500
Alteration of 55,000 square feet of space in Bethesda, at \$15 per square foot	825,000
Alteration of 55,000 square feet of space in Matomic building, at \$8 per square foot	<u>440,000</u>
Total	<u>\$1,297,500</u>

In commenting on our report, GSA also said that an additional block of vacant space would be needed to temporarily house affected NRC employees while the necessary building renovation work was performed. The additional space would come from space already under GSA control or would have to be acquired for this purpose. GSA did not estimate the cost of this space.

The reason our earlier estimate was significantly understated is that the GSA's \$777,000 estimate for annual rent, services, and utilities for 55,000 square feet of space for the NRC Commissioners in Bethesda includes normal alteration costs which we did not include in our original calculations.

Cost savings from reduced travel
requirements, reduced shuttle bus
service, and reduced security service

Our earlier report did not include estimates of cost savings to NRC resulting from reduced staff travel, shuttle bus service, and security services. We recognized in our earlier report that NRC might realize some administrative savings by consolidating in two locations. We also pointed out that these NRC savings could be offset by increased costs to the agencies moved out of the Matomic building.

NRC operates shuttle bus service among its suburban Maryland locations, and between Bethesda and the Matomic building. It does not, however, maintain utilization records necessary to determine how much agency time is spent on inter-office travel. Shuttle bus travel times are listed on page 14.

NRC estimated that implementing the proposed interim consolidation plan would

--eliminate the suburban Maryland shuttle bus service at a savings of \$160,000 a year;

- reduce NRC building security requirements by about \$630,000 a year;
- eliminate the present staff time spent on travel between the Bethesda, Silver Spring, and Rockville locations; and
- increase staff travel between the Matomic building and Bethesda.

Under this option, employees located in Bethesda would be within a 5-minute walk among other Bethesda office buildings. The only lengthy travel involved would be between Bethesda (about 1,400 employees) and the Matomic building (about 1,300 employees), roughly a 40-minute one-way shuttle bus trip.

The alternative option would maintain NRC in its present dispersed building locations; therefore, shuttle bus routes and security requirements would be unchanged. Under this arrangement, however, there would be much less travel between suburban Maryland and the Matomic building because the NRC Commissioners would be in Bethesda. About 1,800 NRC employees in Bethesda would be within a 5- to 15-minute walk of the Commissioners and other NRC employees in Bethesda, about 500 NRC employees would be 5 miles away in Silver Spring, and another 160 employees would be 5 miles away in Rockville, Maryland. The remaining NRC headquarters employees--selected on the basis of requiring less frequent contact with NRC's senior management--would be located in the Matomic building.

Under the proposed interim consolidation plan, the Director, OMB, directed GSA to relocate the agencies now in the Matomic building to space in suburban Maryland to be vacated by NRC. If this occurs, reductions in staff time spent in travel, transportation costs, and security costs realized by NRC may be offset by increases to the other agencies. The potential impacts of the proposed NRC interim consolidation on the other agencies are discussed in more detail beginning on page 21.

Space for open Commission meetings and secure conference room

When GSA originally estimated a cost of \$992,650 to relocate the NRC Commissioners and their staff to Bethesda, it did not prepare its costs estimate in sufficient detail to identify specific types of rooms. GSA's estimate was based in part on leasing 55,000 square feet at an annual rental cost (including initial alterations) of \$627,150, plus \$196,000 in special alterations computed on the basis of 13,000 square feet of special requirements at \$15 per square foot. GSA did not specifically estimate the cost of either a public meeting room or a secure conference room.

As stated earlier, our estimated cost of the alternative option was based on doubling GSA's special alterations and moving cost estimates. Therefore, our estimate also did not specifically include a public meeting room or secure conference room. As shown above, however, GSA now roughly estimates that the cost of altering and renovating existing NRC space in Bethesda for the NRC Commissioners and their staff would be about \$825,000. This figure would include, but not be limited to, public meeting and secure conference facilities.

COMMITTEE QUESTION NUMBER 2

"Certain specific information should be considered in choosing between interim consolidation options. With this in mind, please provide a detailed statement, including a map, containing the following information for each of the two interim consolidation options:

- The total number and address of all buildings housing NRC staff.
- The office affiliation (disaggregated to the branch level) of NRC staff to be located in each building.
- The likely mode of transportation and the estimated travel time between each NRC office.
- The total floor space in each building; the amount of floor space in each building to be occupied by NRC personnel; and names of non-NRC tenants in each building and the amount of floor space they occupy.
- The owner of each building and the expiration date for each lease.
- The year in which each building was first occupied and an assessment of the general repair of each building."

GAO RESPONSE

For each of the 10 buildings NRC occupies, the chart on page 11 shows the building names and addresses, total floor space, space assigned to NRC and other Federal agencies, building owners and lease expiration dates, year of first occupancy, and GSA's appraisal of the building condition. The map on page 10 shows the locations of these buildings. As shown in the chart, the Matomic and Landow buildings are also occupied by other Federal agencies. The Federal agencies besides NRC which occupy the Matomic building are identified on page 21. The National Institutes of Health, Department of Health and Human Services, occupies about 104,000 square feet of the Landow building.

Office affiliation of NRC staff
to be located in each building

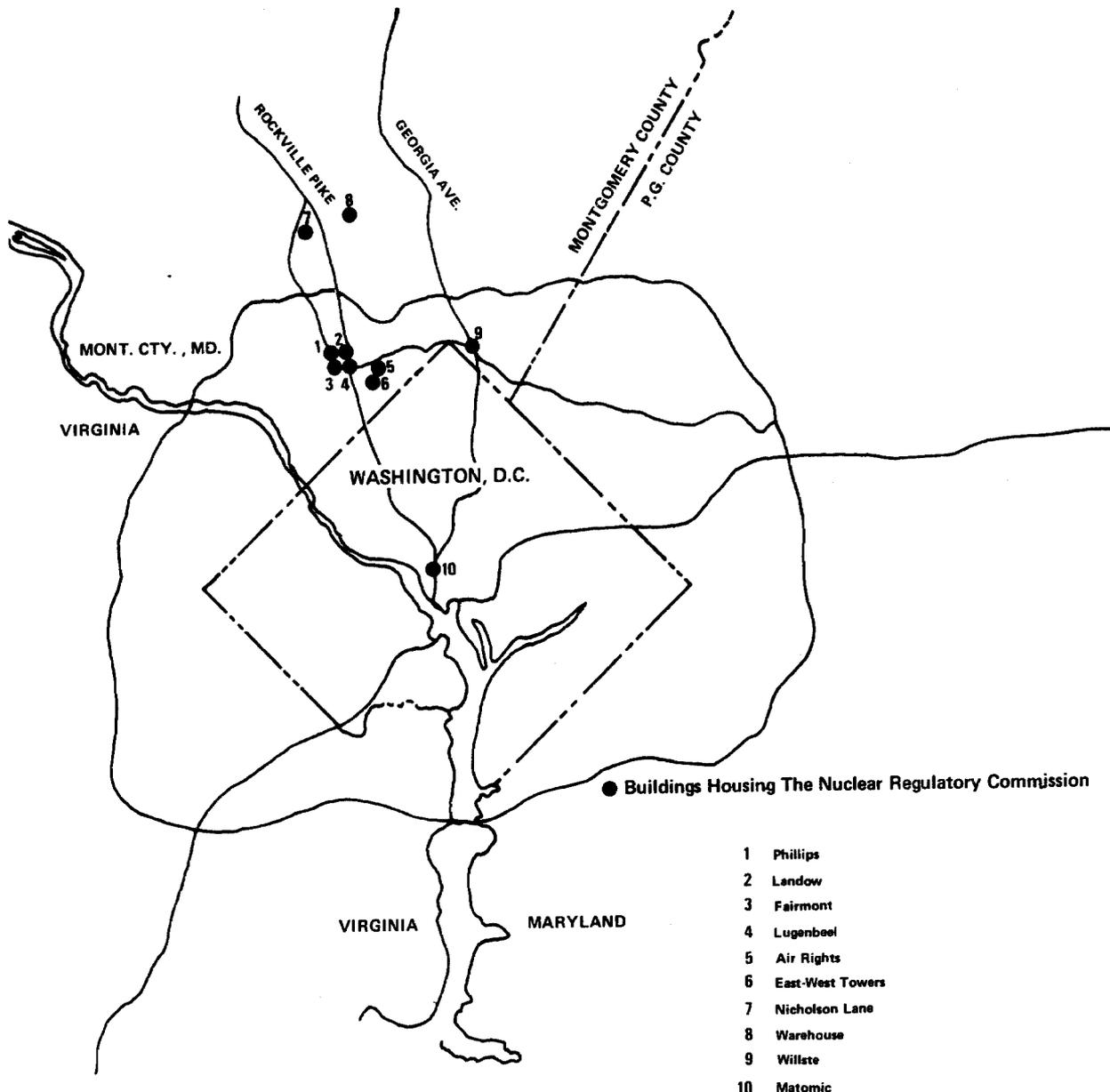
NRC has not decided down to the branch level which buildings its many organizational units would occupy under the interim consolidation plan. In August 1980, however, NRC tentatively decided which units would be in the Matomic building and which would be in Bethesda, as shown in the following table. This is based on a headquarters workforce of 2,723 personnel.

Tentative location of NRC units under
proposed interim consolidation plan

<u>Organization</u>	<u>Matomic building</u>	<u>Bethesda</u>	<u>Either location</u>
Commission and its Offices	190		
Advisory Committee on Reactor Safeguards	39		
Atomic Safety and Licensing and Appeal Boards		51	
Executive Director for Operations	11		
Administration	75	417	
Controller	25	49	
Equal Employment Opportunity	5		
Executive Legal Director	83	31	
International Programs	31		
State Programs		30	
Management and Program Analysis	40	20	20
Analysis and Evaluation of Operational Data			20
Office of Nuclear Material Safety and Safeguards	335		
Office of Inspection and Enforce- ment	150	10	
Office of Nuclear Reactor Regulation	325	415	20
Office of Nuclear Regulatory Research	2	172	
Office of Standards Development (see note a)	<u>2</u>	<u>155</u>	<u>—</u>
Total	<u>1,313</u>	<u>1,350</u>	<u>60</u>

a/Effective April 5, 1981, NRC consolidated the Office of Standards Development with the Office of Nuclear Regulatory Research.

BUILDINGS HOUSING THE NUCLEAR REGULATORY COMMISSION



Location, Ownership, Size, and Status of Buildings Occupied by NRC

<u>Municipal area</u> <u>Building name & address</u>	<u>Building owner</u>	<u>Lease expiration date</u>	<u>Year first occupied</u>	<u>Building Floor Space (note a)</u>			<u>Building condition (note b)</u>
				<u>Total</u> - - - - square feet - - - -	<u>Assigned to NRC</u>	<u>Assigned to others</u>	
Bethesda Phillips 7920 Norfolk Ave.	Mrs. Rosalie Phillips	7/29/81	1963	133,425	133,425	0	average
Fairmont 7735 Old Georgetown Rd.	Fairmont Assoc.	3/19/85	1964	66,580	66,580	0	good
Lugenbeel 4922 Fairmont Ave.	Michael Sutton	7/24/81	1961	16,900	16,900	0	average
Landow 7910 Woodmont Ave.	Landow & Co.	10/31/82	1971	120,470	16,345	104,125	very good
East-West Towers 4350 East-West Hwy.	East-West Towers Sec. I	5/31/81	1972	41,300	41,300	0	very good
Air Rights III 7315 Wisconsin Ave.	Bethesda Air	7/14/85	1981 (note c)	36,210	36,210	0	very good
Rockville Nicholson Lane 5650 Nicholson Lane	Investex Mgmt. Corp.	4/3/81	1964	31,925	31,925	0	average
Warehouse 4924 Boiling Brook Pkwy.	Randolp Assoc.	8/31/82	1974 (note c)	29,600	29,600	0	average
Silver Spring Willste 7915 Eastern Ave.	Willste Realty Inc.	1/8/82	1963	102,850	102,850	0	average
Washington, D.C. Matomic 1717 H St., N.W.	Matomic Operating Co.	8/1/80	1955 (note c)	279,235	58,118	221,117	good
				<u>858,495</u>	<u>533,253</u>	<u>325,242</u>	

a/Total space under GSA lease.

b/Per GSA building condition appraisals.

c/Year building first leased by GSA. Building is older.

Units listed above with regulatory responsibilities which will be split between the two locations are tentatively broken down by NRC as follows:

	<u>Matomic building</u>	<u>Bethesda</u>	<u>Either location</u>
Executive Legal Director	<u>83</u>	<u>31</u>	
Director and program support	<u>18</u>		
Regulations division	13		
Rulemaking and enforcement division	9		
Hearing division	43		
Antitrust division		15	
Operations and administra- tive division		16	
Management and Program Analysis	<u>40</u>	<u>20</u>	<u>20</u>
Director's office	<u>3</u>		
Analysis and planning	17		
Internal information systems	20		
Licensee events and applied statistics		20	
Automated systems and special projects			20
Office of Inspection and Enforcement	<u>150</u>	<u>10</u>	
Incident response center support		10	
All others	150		
Office of Nuclear Reactor Regulation	<u>325</u>	<u>415</u>	<u>20</u>
Director and management	<u>44</u>		
Planning and program analysis	26		
Licensing project management	160		
Safety technology	75		
Three Mile Island cleanup	20		
Engineering		185	
Human factors		65	
Systems integration		165	
Emergency planning			20

NRC officials recently told us they have not refined the above tentative plan, although organizational changes have occurred since the plan was developed. Specifically, the Office of Nuclear Reactor Regulation has been reorganized, all of the emergency planning and preparedness functions in NRC have been consolidated into the Office of Inspection and Enforcement, and the former Office of

Standards Development is now a part of the Office of Nuclear Regulatory Research.

Under the alternative option of moving NRC Commissioners and their staff to Bethesda, we would expect that the five Commissioners, their immediate staffs, and the personnel in the Office of Congressional Affairs, General Counsel, and Policy Evaluation would be relocated to Bethesda. According to NRC administrative officials, the Fairmont building is the most suitable present NRC building in Bethesda for the Commissioners. It now houses all or parts of these units:

- Office of Public Affairs
- Executive Director for Operations
- Analysis and Evaluation of Operational Data
- Management and Program Analysis
- Equal Employment Opportunity
- Executive Legal Director
- Office of International Programs
- Office of State Programs
- Office of Administration
 - Director's Office
 - Division of Facilities and Operations
 - Division of Rules and Records

As shown in the table on page 12, under the proposed interim consolidation NRC tentatively planned to leave all or portions of the Offices of Management and Program Analysis, Executive Legal Director, State Programs, and Administration in Bethesda. Also, NRC had not decided whether to relocate the Office of Analysis and Evaluation of Operational Data to the Matomic building or leave it in Bethesda. It would seem logical that those units or portions of units which NRC considered leaving in Bethesda under the proposed interim consolidation plan could be moved to the Matomic building under the alternative option.

In addition to the above candidate units, we would expect that NRC's public documents room could remain at the Matomic building. Other candidates for the Matomic building would include the Advisory Committee on Reactor Safeguards, now housed in the Matomic building, and NRC's Atomic Safety and Licensing Board Panel and Atomic Safety and Licensing Appeal Board Panel, now located in East-West Towers.

Transportation mode and travel time

At present, the normal mode of transportation between NRC's Bethesda and Matomic building locations is by shuttle bus. Buses operate every 35 or 45 minutes, in both directions, depending on the time of day. Travel time is about 40 minutes. Shuttle bus is also the normal transportation mode among suburban Maryland

locations. To and from the Willste building in Silver Spring and the Matomic building, NRC employees walk or take the suburban route shuttle bus to the Silver Spring subway station, and then take the subway to within two blocks of the Matomic building. NRC's suburban route shuttle buses operate every 20 or 30 minutes depending on the time of day. Approximate one-way travel times are shown below.

Travel time by shuttle bus among NRC locations

	<u>Phillips, Landow and Fairmont</u>	<u>East-West Towers</u>	<u>Willste</u>	<u>Matomic</u>
	-----Minutes-----			
Nicholson Lane	15	25	45	75
Phillips, Landow and Fairmont		5	25	40
East-West Towers			15	50
Willste				50

Existing transportation routes, modes, and times would be unchanged if the NRC Commissioners and their staff were relocated to the Fairmont building. Staff travel between suburban Maryland and the Matomic building, however, should be substantially reduced because relatively few NRC personnel--selected on the basis of infrequent direct contact with NRC's senior amangement--would be in the Matomic building. The Office of Nuclear Reactor Regulation in the Phillips building would be a 5-minute walk from the Commissioners and Executive Director in the Fairmont building. The Office of Inspection and Enforcement and the incident response center, located in East-West Towers, would be a 15-minute walk (or 5-minute shuttle bus ride) from the Fairmont and Phillips buildings. The Offices of Regulatory Research and Nuclear Material Safety and Safeguards would be a 15-minute shuttle bus ride away from the Bethesda buildings.

COMMITTEE QUESTION NUMBER 3

"The GAO report * * * states:

'GSA's lease on the Matomic building has expired with no immediate prospects for renewal.'

Then, * * * the following statement is made:

'GSA officials could not estimate when they might finally be able to obtain a new lease (on the Matomic building), but they also said they foresee no difficulty in eventually obtaining one.'

What is GAO's explanation for the discrepancy between these two statements? What is the current status of the GSA lease on the Matomic building? Why was this matter brought into the discussion if there was no foreseeable difficulty regarding lease renewal? To what extent did GAO check on other leases governing NRC occupancy of other buildings?"

GAO response

We do not believe there is a discrepancy between the two statements. We considered the expired Matomic building lease important in its potential effect on the proposed interim consolidation primarily because of GSA's prohibition against renovations in excess of \$50,000 on buildings in a "hold-over" status--buildings occupied by Federal agencies without a lease. Failure to obtain a new lease on the Matomic building in time could delay implementation of the proposed interim consolidation because, according to GSA's regulations, it could not perform even minimal renovations to the building for NRC as contemplated in the proposed interim consolidation.

On April 7, 1981, GSA told us that it has completed negotiations on a new lease on the Matomic building, but that execution of the new lease is in abeyance pending approval of the lease prospectus by the Subcommittee on Public Buildings and Grounds, House Committee on Public Works and Transportation.

In our earlier review, we did not inquire into the status of GSA leases on any other buildings NRC occupies. In this regard, GSA and NRC officials recently told us that GSA is losing its lease on the Lugenbeel building (16,900 square feet) in Bethesda. NRC and GSA are now trying to lease additional space in the Air Rights building. The status of the leases of each building now occupied by NRC is shown on page 11.

COMMITTEE QUESTION NUMBER 4

"Please provide a statement describing in detail the GAO investigative work that supports the following statement * * *:

'Our discussions with area realtors, developers, and county government officials confirmed that there is no realistically available option for permanently consolidating NRC in an existing federally owned or leased building in the Washington, D.C. metropolitan area.'

GAO response

In our earlier review, we discussed the possibility of permanently consolidating NRC in the Washington, D.C. metropolitan area in a building or building complex now standing or under construction. In addition to GSA and NRC officials, we discussed this matter with the following:

- Office of Economic Development, Montgomery County (Maryland) Government;
- two representatives of the Carey Winston Company, realtors and mortgage bankers in Bethesda, Maryland;
- Office of Economic Development, Fairfax County (Virginia) Government; and
- a major commercial property developer in Fairfax County, Virginia.

For a consolidated headquarters location, NRC needs a building or building complex of about 750,000 square feet, not counting warehouse space. Yet, as of September 1980, when we issued our earlier report, GSA had a backlog of 180 requests for space in the Washington, D.C. metropolitan area totaling about 3 million square feet. As we recently reported, the lack of sufficient Government-owned space in the metropolitan area has been a fundamental and persistent problem for GSA. ^{1/} Compounding this situation, the vacancy rate in the lease market has been extremely low, with new building projects substantially leased before ground-breaking. According to GSA, in this environment some building owners will not accept the terms and conditions of a standard Government lease.

COMMITTEE QUESTION NUMBER 5

"The following statement is made * * *

'In the final analysis, the issue boils down to whether or not it is better, from a management effectiveness viewpoint, to split NRC in half in two locations, or to have the Commissioners and about two-thirds of the agency within walking distance of each other.'

^{1/}"Delays in Providing Office Space for the Merit Systems Protection Board and the Federal Labor Relations Authority," LCD-18-14, Dec. 5, 1980.

To what extent does GAO believe that this is largely a subjective decision that should be made by the Commission? Inasmuch as GAO has apparently arrived at a different conclusion than the Commission on this matter, what specific criteria are the basis for GAO's conclusion? What similar studies of other independent regulatory agencies has GAO conducted?"

GAO response

We believe that whether NRC could operate more effectively under the proposed interim consolidation or an alternative plan is largely a subjective judgment which can best be made by NRC's management. The proposed interim consolidation, however, would also affect the agencies listed on page 21. Therefore, we believe a decision on an interim consolidation for NRC must be made at a level appropriate for considering the potential impacts on all of the affected agencies.

In regard to the above, on April 22, 1980, the Director, OMB determined that there is a pressing and immediate need to improve the headquarters operations of NRC. Therefore, the Director requested GSA to plan and implement an interim consolidation of NRC in the Matomic building and in Bethesda. The Director's request included the stipulation that most of the agencies then in the Matomic building should be moved to suburban Maryland space to be vacated by NRC. On June 18, 1980, however, the Executive Associate Director for Reorganization and Management, OMB, testified before the House Committee on Public Works and Transportation that OMB, NRC, and GSA would conduct a final review of space options once a new Chairman of NRC is selected.

On April 7, 1981, the Administrator of GSA's Washington, D.C. regional office told us that GSA had not implemented the proposed interim consolidation plan, as directed by OMB, because

- GSA did not have congressional approval of GSA's prospectus for a new Matomic building lease, and it would have been imprudent to proceed with the interim consolidation absent such approval;
- the House Public Works and Transportation Committee, on August 26, 1980, resolved that GSA should relocate NRC, on an interim basis, from the Matomic building to suitable space in Bethesda;
- GSA did not have available space to use on a temporary basis to implement the move; and
- the agencies in the Matomic building aggressively opposed the proposed plan.

In our earlier report, we did not disagree with the NRC's conclusion that the agency's management effectiveness could best be improved under the proposed interim consolidation. We did conclude that relocating the Commissioners and their staff to Bethesda is an alternative which might accomplish NRC's improved management effectiveness objective at less cost. We also pointed out that the relative importance of our alternative option's cost advantage diminishes somewhat over time if an interim consolidation becomes more permanent. In this regard, when we issued our earlier report the Congress had only recently authorized GSA to construct a new Federal office building in Silver Spring to permanently house NRC's headquarters operations. Since then, however, the Federal office building has been deleted from the fiscal year 1982 Federal Building Fund Budget.

We have not conducted any studies of the effects of dispersed office locations on the effectiveness of Federal regulatory agencies. In our recent overall assessment of NRC, however, we did conclude that its scattered physical locations diminished its efficiency. 1/

COMMITTEE QUESTION NUMBER 6

"To what extent does GAO believe that intangible factors that do not readily lend themselves to specific financial cost estimates are the dominating factors in determining the best option for both interim and final consolidation of the NRC?"

GAO response

We believe the potential intangible benefits to NRC of an interim consolidation over a 5- to 10-year period are worth the estimated financial cost of either the proposed or the alternative interim option. Also, as we stated in our earlier report, the financial cost of an NRC interim consolidation diminishes in importance if the planned permanent facility for NRC is delayed.

We would point out, however, that the benefits NRC may realize as one agency from the proposed interim consolidation will be offset to some degree--depending on one's subjective judgment--by adverse impacts on the operations of the components of Federal agencies to be moved from the Matomic building. If these components of agencies are relocated to space in suburban Maryland vacated by NRC, the inconvenience to some of them may be particularly great, and their administrative costs will increase. This is discussed in more detail beginning on page 21.

1/"The Nuclear Regulatory Commission: More Aggressive Leadership Needed," EMD-80-17, Jan. 15, 1980.

With respect to the final or permanent consolidation of NRC, we believe that one essential step to improve NRC's efficiency and effectiveness is to consolidate the entire agency headquarters in one building or building complex.

COMMITTEE QUESTION NUMBER 7

"What is the basis for GAO's underlying assumption * * * that proximity to the Department of Energy offices in Germantown, Maryland, is a relevant consideration in evaluating options for the interim consolidation of NRC?"

GAO response

On June 18, 1980, in a statement before the House Committee on Public Works and Transportation, the Executive Associate Director for Reorganization and Management, OMB, said that moving NRC's senior leadership to Bethesda was considered and rejected for two reasons:

--The NRC Commissioners' belief that NRC's programmatic effectiveness would be improved at a Washington, D.C., location, because key NRC contacts and essential working relationships with others (including DOE, EPA, and the Congress) are in Washington.

--GSA had no facility in the Washington, D.C. suburbs large enough to contain all of NRC.

Our earlier report merely pointed out that except for the Assistant Secretary for Nuclear Energy's immediate office, the Department of Energy's nuclear energy staff is located in Germantown, Maryland, rather than in Washington, D.C.

COMMITTEE QUESTION NUMBER 8

"To what extent was the proximity of the Commission to other Federal agencies (e.g. the Environmental Protection Agency, the Federal Emergency Management Agency, the Council on Environmental Quality, and the Office of Management and Budget) and the Congress considered as a factor in determining the best option for interim consolidation of NRC?"

GAO response

In preparing our earlier report, we did not include proximity of NRC to the Congress or other Federal agencies as a criterion because the overriding purpose of an interim NRC consolidation is to bring NRC's organizational units and senior management closer together to enhance intra-agency communications and improve the agency's management effectiveness.

We believe that NRC and OMB have overemphasized proximity to the Congress and to other Federal agencies as an advantage of the proposed interim consolidation. We discussed this issue with NRC managers at the branch chief and assistant director levels in NRC's Offices of Nuclear Reactor Regulation, Nuclear Material Safety and Safeguards, Inspection and Enforcement, and Standards Development. We also obtained from NRC's Office of Congressional Affairs a statement of the number of times NRC personnel testified in 1980 before Congressional Committees. From these sources we learned that:

- NRC interacts on a face-to-face basis primarily with EPA's Office of Radiation Programs located near National Airport in Crystal City, Virginia; the Federal Emergency Management Agency's (FEMA) Directorate for Plans and Preparedness located at 18th and F Street, N.W., Washington, D.C.; DOE's nuclear energy program staff located at Germantown, Maryland; and the U.S. Geological Survey located at Reston, Virginia.
- Individual NRC branch and directorate meetings with EPA's Office of Radiation Programs occur at a frequency of one per month or less.
- NRC's Division of Emergency Preparedness, Office of Inspection and Enforcement, meets with FEMA every 3 weeks (alternating at FEMA and NRC offices) for emergency preparedness steering committee meetings. In addition, the Division meets with FEMA and individual utilities about once every 3 weeks to discuss emergency plans for utilities' nuclear powerplants. All of the NRC managers we talked to said their meetings with the other agencies listed above average about one meeting a month or less.
- NRC meets with the Council on Environmental Quality on the average of about two times a year.
- NRC personnel testified before congressional committees on 31 occasions in 1980.

All of the NRC managers told us that proximity to other Federal agencies is of little importance.

COMMITTEE QUESTION NUMBER 9

"What is GAO's rationale for determining that a 'disadvantage' * * * of NRC's proposed interim consolidation plan is that the Office of Inspection and Auditor, the Management and Program Analysis Office, and the equal employment opportunity office, would be located in the Matomic Building?"

GAO response

The overriding consideration in the proposed interim consolidation was to collocate units critical to nuclear regulation (specifically, reactor safety and inspection, nuclear waste management, and emergency response) with NRC's senior management in the Matomic building. Support functions and program areas requiring less frequent contact with the NRC commissioners were to be located in Bethesda. Clearly, the Offices of Inspector and Auditor, Management and Program Analysis, and Equal Employment Opportunity are not critical to nuclear regulation because none of them directly regulates nuclear activities.

HOW THE PROPOSED NRC INTERIM
CONSOLIDATION MIGHT AFFECT
THE OTHER AGENCIES NOW IN
MATOMIC BUILDING

As shown in the chart on page 11, other Federal agencies occupy about 221,000 square feet of the Matomic building. The agencies and the space currently assigned to them are as follows:

<u>Agency</u>	<u>Space</u> (square feet)
ACTION	4,475
Equal Employment Opportunity Commission - Washington Area Office	12,625
Office of Personnel Management	62,075
Merit Systems Protection Board	52,647
Department of the Interior-Fish and Wildlife Service	29,555
Department of State U.S. - Canada Commission	5,560
Radio Technical Commission for Aeronautics	2,000
International Communication Agency	48,975
GSA - Joint use	<u>2,205</u>
Total	<u>221,117</u>

On March 21, 1980, the Administrator of GSA wrote to the Director, OMB outlining three alternatives for an interim NRC consolidation. The alternatives were

- lease space in Bethesda for the NRC Commissioners and their staff;
- relocate the agencies in the Matomic building to new space acquired for that purpose, and assign the Matomic building to NRC; and
- do nothing until the facility for permanently consolidating NRC is available.

The Administrator did not, however, develop the second option in sufficient detail to identify new space for the agencies in the Matomic building. In fact, the Administrator recognized that implementation of the option depended on the availability--unknown at the time--of suitable blocks of space.

On April 22, 1980, however, the Director, OMB instructed GSA to prepare a specific implementation plan for the proposed interim NRC consolidation which required that agencies leaving the Matomic building should "backfill" space vacated by NRC movement from the Maryland suburbs with two exceptions--the Merit System Protection Board would be relocated within Washington, D.C., and the Office of Government Ethics (part of the Office of Personnel Management) would remain in the Matomic building. The Director also stated that (1) NRC would pay the costs of relocating agencies to suburban Maryland, and (2) any agency justifying new lease space must pay for it. The Director's instruction ended serious study of the possibility of keeping all the agencies in Washington, D.C. either by acquiring new blocks of space in the Matomic building or by assigning these agencies the highest priority for assignment of space under GSA's control.

Following is a discussion of the functions of each agency's component housed in the Matomic building and the potential effects of the proposed interim NRC consolidation on each agency assuming that OMB's instructions for the consolidation were applied.

ACTION

ACTION has recruiting and administrative service functions in the Matomic building. The building is within 2 blocks of the agency's headquarters at 1806 Connecticut Avenue. Relocating its recruiting office to suburban Maryland, according to an agency administrative official, could hinder recruitment operations because of the distance between the recruiting office and

headquarters. The agency has no special facilities, equipment or security arrangements in the Matomic building which would affect the cost of this relocation.

Equal Employment Opportunity
Commission - Washington
Area Office

This agency handles employment discrimination complaints. In fiscal year 1979, 931 of 1,153, or 81 percent, of the discrimination complaints the agency processed were made by residents of Washington, D.C. Agency officials said the agency must be accessible to the Washington, D.C., minority community because of the large percentage of complaints which come from District of Columbia residents. Relocating this agency to what is now NRC space in Bethesda, Silver Spring, or Rockville would be a major hindrance to its operations. The agency has no special facilities, equipment or security requirements which affect the cost of relocating it to another building.

Office of Personnel Management

The Office of Personnel Management (OPM) has its Washington, D.C., area personnel investigation staff, parts of its Bureau of Personnel Management and Evaluation, parts of its Retirement and Insurance Division, and the Office of Government Ethics housed in the Matomic building. The OPM headquarters building is about 5 blocks away at 1900 E Street, N.W.

According to OPM personnel investigation officials, a move to suburban Maryland would be inconvenient but could be accommodated. The major inconvenience would be to officials of other government agencies who frequently come to the Matomic building to review personnel investigation files.

According to an official of the OPM Retirement and Insurance Division, the major result of relocating from the Matomic building to suburban Maryland would be the increased risk of losing some of the enormous quantities of correspondence and case files processed by the Division. Other impacts would include additional costs to transport documents and personnel between suburban Maryland and OPM's main building and other satellite offices near the main building.

The Office of Government Ethics occupies about 5,100 square feet of space in the Matomic building. In requesting GSA to implement the proposed interim NRC consolidation, the Director,

OMB, stated that this Office should be allowed to remain in the Matomic building because it had only recently moved into the building.

The Retirement and Insurance Division has some telecommunications equipment, and is planning to install more, which would have to be moved if the Division was relocated to another building. The Division did not have any estimate available of the cost to relocate this equipment.

Merit Systems Protection Board

The entire Merit Systems and Protection Board headquarters (including its independent Special Counsel) is presently housed in the Matomic building. The Board is responsible for adjudicating Federal employee appeals in personnel administration matters. The Board's headquarters is required by law (5 U.S.C. 1201) to be located in Washington, D.C. For this reason, OMB excepted the Board from OMB's stipulation that GSA should move agencies in the Matomic building to NRC space in suburban Maryland. The Board's Matomic building space lacks adequate library, hearing, and conference space, and, according to Board officials, their total assigned space is too small. For these reasons GSA just completed leasing space for the Board in a new building on Vermont Avenue, Washington, D.C.

NRC has asked for the Board's space in the Matomic building, to be vacated sometime this summer, but GSA has not yet reassigned this office space.

Fish and Wildlife Service

The Service is primarily located in the main Department of the Interior building at 2401 E Street, N.W., Washington, D.C. Overflow of 15 Service program and administrative functions is housed in the Matomic building. The principal impacts of relocating this overflow to suburban Maryland would be increased transportation costs and increased lost staff time due to the longer commute to and from the Department of the Interior Building. The Service has no special facilities, equipment, or security requirements at the Matomic building.

Department of State

The U.S./Canada International Commission and the Radio Technical Commission for Aeronautics, chartered commissions operating under the wing of the Department of State, are now housed in the Matomic building. The charters of both commissions require that they be located in Washington, D.C.;

therefore, relocating them to suburban Maryland is not a realistic option. Both commissions work with, but are not a part of, the Department of State. Neither commission has any special facility, equipment, or security requirements.

International Communication Agency

The International Communication Agency (formerly the United States Information Agency) is scattered among 12 office and 4 warehouse locations in the Washington, D.C., metropolitan area. About 45 percent of its office space is in two buildings at 1750 and 1776 Pennsylvania Avenue and the Matomic building. The Matomic building is about a 5-minute walk from the other two buildings.

All Agency operations in the Matomic building are overflow from units housed on Pennsylvania Avenue. These include the Directorate for Educational and Cultural Affairs, the Directorate for Management and Administrative Services, the Comptroller's Office, and the Finance Division.

According to the Agency's Office of Administrative Services, if the agency components now in the Matomic building were to be relocated to suburban Maryland

- Employees regularly circulating among the Matomic building and the agency's two Pennsylvania Avenue locations would be faced with much longer inter-office travel times.
- The agency's costs of providing security for storage of up to top secret material would increase by about \$136,000 a year, plus a one time equipment cost of about \$9,000.
- The agency's transportation costs to move supplies, personnel, and classified messages would increase by about \$90,000 a year.
- Adapting space at the new locations, based on recent experience and considering special requirements for electronic data processing equipment now installed in the Matomic building, would cost about \$280,000.

CONCLUSIONS

Based on our current evaluation of the proposed interim consolidation, in conjunction with our earlier report, we find that:

- Both the proposed interim NRC consolidation plan and the alternative option of relocating the NRC Commissioners and their staff to the Fairmont building in Bethesda are practical options for consolidating NRC on an interim basis.
- The proposed plan has been suspended since our earlier report was issued on September 11, 1980. At present, GSA has no plans to assign the Matomic building to NRC and consolidate the rest of that agency in Bethesda.
- GSA estimates that relocating the NRC Commissioners and their staff from the Matomic building to an NRC building in Bethesda, and filling the Matomic building space with other NRC personnel, would cost about \$1.3 million for building renovation and personnel moving costs. An additional cost would be incurred for temporary space to carry out this option. The \$1.3 million includes the cost of providing Commissioners' public meeting and conference facilities. GSA's rough estimates of the first year cost of the proposed interim consolidation plan range from \$3 million to \$5.7 million. The actual cost would depend on where the agencies now in the Matomic building are relocated and how much building alteration and renovation work is performed in conjunction with the interim plan.
- The proposed interim consolidation would enable NRC to reduce its building security and shuttle bus costs by about \$800,000 annually. These cost savings could be offset by increased costs to the agencies now housed in the Matomic building; however, until GSA decides where these agency units will be relocated, the increased costs to the agencies are indeterminable. One agency, the International Communication Agency, estimated that relocating its personnel now in the Matomic building to a suburban Maryland location would increase its annual transportation cost by \$90,000 and its annual security costs by \$136,000 for a total of \$226,000.
- The salary and productivity costs of time spent due to travel are indeterminable for at least three reasons. First, the effect of this factor on the agencies to be moved from the Matomic building cannot be estimated until GSA decides where they will be located. Second, NRC does not maintain records from which one can measure its official local travel. Third, the proposed interim consolidation would both create new NRC inter-office travel patterns and eliminate existing ones. That is, NRC organizational units frequently interacting with various other units would be brought closer to some units but be further away from others.

- Proximity of NRC to the Congress and other Federal agencies is not an important criterion for an interim NRC consolidation relative to the proximity of various NRC organizational units to each other.
- Neither OMB nor GSA has seriously pursued the possibility of relocating the agencies in the Matomic building within Washington, D.C., as an alternative to moving them to suburban Maryland.
- The original plan to relocate the other agency units now in the Matomic building to space in suburban Maryland to be vacated by NRC is unrealistic for the most of the affected agencies. The charters of the two Department of State-related commissions require that they be housed in the District of Columbia. Also, relocating units of OPM, the International Communication Agency, and the Equal Employment Opportunity Commission's Washington Area Office to suburban Maryland would significantly increase costs and/or reduce the effectiveness of their operations.

In our earlier report we concluded that both the proposed and alternative plans are acceptable options for consolidating NRC on an interim basis. That conclusion was based on the estimated costs of the two options, what each plan would accomplish, and the fact that in August 1980 the Congress authorized GSA to construct a Federal office building in Silver Spring to permanently house NRC. Our earlier conclusions did not consider the impacts of the proposed interim consolidation on the other affected agencies.

Based on our most recent work, we continue to believe that both interim consolidation options could help strengthen NRC. Two key factors have changed in favor of the proposed interim consolidation, however, as a result of our most recent work and an administration budget decision:

- GSA estimates that the alternative interim consolidation would cost about \$1.3 million in building alterations and moving costs, plus the cost of temporary space.
- The administration has deleted the Silver Spring Federal office building for NRC from the fiscal year 1982 Federal Building Fund Budget. Therefore, the prospects for an early permanent consolidation of NRC have diminished from when we issued our earlier report.

The higher estimated cost of the alternative option, coupled with the diminished prospects for an early permanent consolidation, makes the cost differential between the two options less important in selecting one of them.

On the other hand, the proposed plan would affect the other Federal agencies now located in the Matomic building, and we found that there are still many unanswered questions about how this plan would affect these agencies. Neither GSA nor OMB evaluated the potential impacts on the other agencies if they were relocated to suburban Maryland, nor apparently did OMB recognize that two of the agencies it anticipated relocating to suburban Maryland are required to be located in Washington, D.C. Also, neither OMB nor GSA seriously considered the possibility of relocating these agencies to other space within Washington, D.C., either by acquiring new space or by assigning these agencies the highest priority for any existing available space under GSA's control. Such relocations would have far less impact on these agencies' operations, but could affect the space requirements of still other Federal agencies.

Finally, it is uncertain that the other affected agencies would directly relocate their components in the Matomic building to suburban Maryland or to other space acquired by GSA. Faced with this prospect some of them might make larger adjustments within their organizations to reflect what they perceive to be in the interests of their agencies' overall effectiveness. Thus, the proposed NRC interim consolidation could have a domino effect for other agencies, resulting in a higher interim consolidation cost than previously estimated.

In testifying before the House Committee on Public Works and Transportation on June 18, 1980, the Executive Associate Director for Reorganization and Management, OMB, said that OMB, GSA, and NRC would conduct a final review of space options for an interim NRC consolidation after the administration selected a new permanent Chairman of NRC. The administration recently announced its selection of a new permanent NRC Chairman, but the selectee has not yet been confirmed by the Senate. As part of such a review, these agencies, in conjunction with the other affected agencies, need to resolve the above issues so that they can better weigh the overall cost and operational impacts on an NRC consolidation in the Matomic building. If OMB, GSA, and NRC find that these costs and impacts are too high, they should then reconsider other options for consolidating NRC, including relocating the NRC Commissioners and their staff to Bethesda.

AGENCY COMMENTS

We obtained written comments on our report from NRC and GSA. NRC said the proposed interim consolidation is still the most viable option. With permanent consolidation apparently more remote, NRC said, it wishes to begin active cooperation with all parties to accomplish an interim consolidation at the earliest possible time. NRC also said its interests would not be served

by a consolidation involving the current multiple locations. Our report recognizes NRC management's prerogative to decide what is the best interim consolidation option, but also points out that several other agencies would be affected by NRC's preferred option. Our report also recognizes the diminished prospects for an early, permanent NRC consolidation.

GSA said it is prepared to cooperate on any interim NRC consolidation plan. GSA added that potential agency disruptions, costs of multiple relocations, and implementation times should be fully considered before a specific plan is selected.

Regarding the estimated cost of relocating NRC Commissioners to Bethesda, GSA said our report does not consider the cost of temporary space to house NRC employees while renovations are completed. GSA did not provide us with a cost estimate of such space. Nevertheless, we changed our report to recognize that such space would be required.

GSA also said it had initially decided, for planning purposes, where it would relocate the agencies then in the Matomic building, but that the agencies were opposed to the relocations. We changed our report to reflect GSA's comment.

NRC's comments are included as appendix III. (See p. 33.)
GSA's comments are included as appendix IV. (See pp. 34 and 35.)

OBJECTIVE, SCOPE, AND METHODOLOGY

Simply stated, our objective was to answer the House Committee on Interior and Insular Affairs' questions as accurately and completely as possible within the limits of information available at GSA and NRC. Five committee questions--numbers 3, 4, 5, 7, and 9--required only additional explanations of matters presented in our earlier report.

The remaining four questions--numbers 1, 2, 6, and 8--required additional work. Some of this work involved obtaining factual information on the size, condition, ownership, and status of leases of buildings occupied by NRC. We obtained this information from GSA's Washington, D.C., regional office. GSA's regional office also explained to us how it estimated the proposed interim consolidation could cost \$5.7 million if the agencies now in the Matomic building were to be relocated within the District of Columbia, or \$3 million if the agencies were relocated to what is now NRC space in suburban Maryland. GSA's estimates were based on what it said were generally prevailing rates for leasing and renovating office space in Washington, D.C., and suburban Maryland. We accepted GSA's cost estimates as reliable and did not independently estimate the cost of the proposed interim consolidation plan or the alternative option because (1) where the agencies now in the Matomic building would be relocated under the interim plan is still uncertain; and (2) GSA's regional office continually leases and renovates office space in the Washington, D.C., metropolitan area, and therefore has the essential expertise to estimate the costs of the two options.

NRC provided us with estimates, and its bases for them, of the annual security and shuttle bus cost savings it could achieve under the proposed interim consolidation. Its estimate of security-related savings was based on security personnel salaries and the number of security personnel assigned to the Willste, Nicholson Lane, and East-West Towers buildings. NRC said its estimate of shuttle bus savings was based on eliminating its present suburban Maryland service.

We relied on NRC's published shuttle bus schedules, supplemented by discussions with NRC personnel, in responding to the segments of questions 1 and 2 related to travel times and modes among NRC's several locations. These sources gave us information on travel times among buildings, but because NRC does not maintain shuttle bus utilization records we were unable to accurately measure past travel and to confidently predict, as requested in question 1, the amount of lost time NRC would experience under each option.

NRC also provided us with its tentative plan for relocating specific organizational units under the proposed interim consolidation plan. To identify candidate units for relocation to the Matomic building under our alternative option, as requested in question 2, we relied on NRC's prior identification of units and portions of units to remain in Bethesda under the proposed interim consolidation. In essence, by earmarking these units to remain in Bethesda, NRC decided that they did not need to be collocated with senior NRC management.

The Committee's question 8 asked to what extent we considered proximity to certain Federal agencies and the Congress in determining the best interim consolidation option for NRC. In the strictest sense, answering this question did not require any additional work on our part because we did not consider this factor in our earlier report. We addressed this issue in responding to the question, however, because of the Committee's interest and because proximity to other Federal agencies and the Congress has been used as an argument in support of the proposed interim consolidation. To address this issue, we talked to eight officials in four major NRC organizational units and obtained from NRC's Office of Congressional Affairs the number of occasions during calendar year 1980 that NRC officials testified before congressional committees. The eight officials we talked to were the:

- Director, Division of Emergency Preparedness,
Office of Inspection and Enforcement;
- Assistant Director for Environmental Technology,
Office of Nuclear Reactor Regulation;
- Assistant Director for Radiation Protection,
Office of Nuclear Reactor Regulation;
- Chief, Low-Level Waste Branch,
Office of Nuclear Material Safety and Safeguards;
- Chief, High-Level Waste Branch,
Office of Nuclear Material Safety and Safeguards;
- Chief, Radiological Health Branch,
Office of Standards Development;
- Chief, Environmental Protection Branch,
Office of Standards Development; and
- Chief, Occupational Health Branch,
Office of Standards Development.

Weighing intangible factors against tangibles such as financial costs in selecting the best option for an interim and permanent NRC consolidation required the most new audit work. This was the subject of Committee question 6.

To properly respond to this question and related parts of the Committee's questions, we examined the potential intangible and tangible impacts of the proposed interim consolidation and the alternative option on all of the affected agencies. Our work on this subject was limited, however, because GSA has no plans at present to relocate the agencies now in the Matomic building (except for the Merit Systems Protection Board) and assign the building to NRC. In discussing the potential impacts of a relocation with representatives of each agency, we concentrated our work on the potential impacts of relocations to suburban Maryland, in line with the proposed interim consolidation plan criteria set out by the Director, OMB on April 22, 1980. We also discussed with GSA the possibility of relocating the agencies in the Matomic building within Washington, D.C. We found, however, that this alternative had not been given sufficient detailed study to enable us to evaluate the potential impacts of such relocations on the affected agencies.



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

May 13, 1981

Mr. J. Dexter Peach, Director
Energy and Minerals Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Peach:

We appreciate the opportunity to comment on the draft proposed report on the "Evaluation of the Proposed NRC Interim Consolidation." NRC's position has not changed from that previously stated; namely, that the interests of the Agency would not be served by a consolidation involving the current multiple locations. Considering the options addressed in your report, relocating key staff to the Matomic Building with the remainder of the staff located in Bethesda is still the most viable option in the Commission's opinion. We recognize the impact on the other Federal agencies involved in the relocation plan. However, we are confident that a concerted effort by GSA, particularly with respect to acquiring space in the Washington, D.C. area and assigning a high priority for existing space under GSA's control, can minimize the impact on the other agencies.

With permanent consolidation apparently more remote, the need for interim consolidation becomes increasingly critical to NRC's efficient operation. This report, as we view it, supports the NRC need for consolidation, both interim and permanent. The NRC wishes to begin active cooperation with all necessary parties to plan, schedule, and accomplish this interim consolidation at the earliest possible time.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. Dircks".

William J. Dircks
Executive Director for Operations



MAY 26 1981

Honorable Milton J. Socolar
Acting Comptroller General of
the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Socolar:

We have reviewed the draft General Accounting Office Report 25-1040-W, "Further Evaluation of the Proposed Nuclear Regulatory Commission Interim Consolidation (code 301564)," and have the following comments:

Page 2, Paragraph 3, Line 3 (Transmittal Letter)*

"...GSA had not decided where these agencies would be relocated."

Comment: GSA had decided for planning purposes where the agencies would have to be relocated. There was, however, opposition from the agencies to the relocation.

Page 4, Paragraph 2, line 10 (Transmittal Letter)

"Also, neither OMB nor GSA seriously considered the possibility of relocating these agencies to other space within Washington, D.C. either by acquiring new space or by assigning these agencies the highest priority for any existing available space under GSA's control."

Comment: The initial GSA studies assumed relocation of agencies in new space in Washington, D.C. A review was also made at the time of the study of any suitable vacant space available either Government-owned or leased. No such space was available or projected to become available.

Page 1, Paragraph 3, Line 4 (Appendix I)

"In May 1977 GSA submitted a prospectus..."

Comment: GSA submitted an 11b Report.

*Page numbers have been changed to reflect final report.

2

Page 13, Paragraph 1, Line 6 (Appendix I)

"...the Fairmont Building is the most suitable present NRC building in Bethesda for the Commissioners."

Comment: Any plan to move the Commissioners from Washington, D.C. into buildings already occupied by other NRC components must provide for "swing space." Swing space would be an additional block of vacant space to move existing element(s) out in order for space to be renovated for the Commissioners. If a decision is made to proceed with this alternative, suitable vacant space will have to be identified under GSA control or additional space will have to be acquired for this purpose. The GAO report does not factor or consider the lead time or cost of the swing space.

Page 27, Line 5 (Appendix I)

"...Neither OMB nor GSA have seriously pursued the possibility of relocating the agencies in the Matomic Building within Washington, D.C. as an alternative to moving them to suburban Maryland."

Comment: See comment for Page 5, above.

Page 32, Paragraph 1, Line 13 (Appendix II)

"We also discussed with GSA the possibility of relocating the agencies in the Matomic Building within Washington, D.C. We found, however, that this alternative had not been given sufficient detailed study..."

Comment: See comment for Page 5.

The General Services Administration is prepared to cooperate fully in implementing any plan that is selected. The potential agency disruptions, extensive costs of multiple relocations and the time required to implement an interim consolidation should be fully considered before a selection is made.

Sincerely,



Ray Kline
Acting Administrator



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