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2 UNITED STATES OF AMERICA
3 NUCLEAR REGULATORY COMMISSION

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5 BRIEFING ON PROJECT AIM 2020

6 PUBLIC MEETING

7 + + + + +

8 WEDNESDAY

9 FEBRUARY 18, 2015

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11 ROCKVILLE, MARYLAND

12 + + + + +

13 The meeting convened in the Commissioners'
14 Conference Room, at the Nuclear Regulatory Commission,
15 One White Flint North, Rockville, Maryland, at 1:30 p.m.

16 COMMISSIONERS PRESENT:

17 STEPHEN BURNS, Chairman

18 KRISTINE L. SVINICKI, Commissioner

19 WILLIAM C. OSTENDORFF, Commissioner

20 JEFF BARAN, Commissioner

21 NRC STAFF PRESENT:

22 MARK SATORIUS, Executive Director for Operations

23 MAUREEN WYLIE, Chief Financial Officer

24 MICHAEL WEBER, DEDMRT, OEDO/Team Leader, Project Aim

25 KAREN FITCH, Deputy Team Leader, Project Aim

26 MARGARET DOANE, OGC

27 ANNETTE VIETTI-COOK, SECY

28 SHERYL BURROWS, President, NTEU

P R O C E E D I N G S

1:32 p.m.

CHAIRMAN BURNS: I'll call our meeting to order. I want to welcome the NRC staff and members of the public and other stakeholders who are listening on computer or observing this from video. The purpose of today's meeting is to provide the Commission with the report on the results of the Project Aim 2020 study which includes recommendations and a roadmap to enhance the NRC's ability to plan and execute its mission in an effective, efficient, and agile manner.

The Project Aim 2020 report provides the Commission a starting point for its consideration on how to position the Agency for the future, continue achieving exemplary nuclear regulation in the service of the American people, and in a different environment and with potentially different challenges.

Today's discussion will aide the Commission in its deliberation on the report, on the report's recommended strategies to right-size the Agency and streamline Agency processes, and improve timeliness in our decision making. I want to thank the staff for their hard work and the contributions of all internal and external stakeholders who gave their time, and effort, and insights towards the effort.

I look forward to your presentations, I'll

1 also note that the Agency has made the report available
2 online via its website, and that was done this morning.
3 So those who are interested, it will be available there
4 for you to take a look at. And before we begin I would
5 ask my fellow Commissioners if they have anything they'd
6 like to say. Okay. I'll turn the meeting over then to
7 the --- go ahead.

8 COMMISSIONER SVINICKI: No, it wasn't on.

9 CHAIRMAN BURNS: It was not on.

10 COMMISSIONER SVINICKI: On the webcast line
11 so that was ---

12 (Simultaneous speaking.)

13 CHAIRMAN BURNS: Again, for those who are on
14 line the thing I'll mention is that the report, our
15 report itself that we're going to discuss today, this
16 Project Aim 2020 Report is available on the NRC website
17 for you to look at, and download, and read as you desire.
18 And with that, I'll turn over the meeting to the
19 Executive Director for Operations, Mark Satorius, to
20 proceed.

21 MR. SATORIUS: Thank you, Chairman. Good
22 afternoon, Commissioners. Before we move on to the
23 Staff's presentation, I wanted to take just a moment to
24 also thank the leadership and staff of all the business
25 lines, all the offices, and the regions for their input
26 into this project. Also, the Guiding Coalition who had

1 spent doing dozens of meetings providing input so that
2 we could get to this point today. And then lastly, I'd
3 like to acknowledge that each of you Commissioners also
4 provided us with an opportunity to sit down one on one
5 and have some discussions, and to take away directions
6 on how we should proceed.

7 So, before we ask the Staff to get started,
8 I'd like to see if the CFO had anything that she would
9 want to add. I would just note that this is her first
10 trip to the table as the CFO.

11 MS. WYLIE: Well, thank you very much, Mark.

12 I would simply add that this report has
13 essentially overlapped my entire time here, so we have
14 been focused on seeking efficiencies, understanding the
15 future, understanding the workforce. And I've been
16 impressed by the openness of the process, and the
17 openness to feedback from both internal and external
18 stakeholders. So, thank you very much for the support
19 you've given to the project, and I would turn it over
20 to Mike.

21 MS. FITCH: Thank you. Good afternoon,
22 Chairman, Commissioners. It is a pleasure to brief you
23 today on Project Aim 2020. Next slide, please.

24 In my presentation this afternoon I will be
25 talking about the purpose of the project, why the NRC
26 needs to change, the project's approach, what we might

1 look like in 2020, the roadmap and strategies provided
2 to the Commission for consideration, and what is
3 required for success. Next slide, please.

4 Consistent with the Commission-approved
5 charter, the purpose of Project Aim is to provide
6 recommendations for improving performance now and in
7 the future, and to provide specific projections for
8 workload and associated resource and staffing levels in
9 2020. Next slide, please.

10 Project Aim was initiated to improve the
11 efficiency and to meet future change. We have been quite
12 successful over the past 40 years in accomplishing our
13 mission. To continue this high success, we need to
14 operate more efficiently. To improve regulatory
15 efficiency, we recommend the NRC change in four
16 significant ways. First, right-sizing the Agency to
17 retain the appropriate skill sets needed to achieve its
18 mission. Second, streamlining Agency processes to use
19 our resources more wisely. Third, enhancing in
20 timeliness of regulatory decision making and responding
21 quickly to changing in conditions. And, fourth,
22 promoting unity of purpose with clear Agency-wide
23 priorities and a culture of one NRC. Next slide, please.

24 The flow chart on this slide shows the
25 approach we used beginning with the internal and
26 external outreach, conducting the gap analysis, and

1 developing and aligning on a critical few strategies
2 that we recommend to transform the Agency. Next slide,
3 please.

4 One of the essential objectives of Project
5 Aim was to project the workforce and the workload in 2020
6 under a variety of different scenarios. Based on the
7 information collected and analyzed we can expect the
8 workload in most of our programs to be about the same,
9 or down slightly. Despite progress that we are seeing
10 today in new nuclear power plants and the constructions
11 and licensing of them, the largest reduction in Agency
12 workload is expected to occur in the new reactors
13 business line. Next slide.

14 When considering NRC's future workforce
15 needs we need to look not only at the numbers, but also
16 at the grades and competencies of the employees and our
17 supporting organizations, such as the National Labs,
18 our Agency partners, universities, and contractors.
19 Most workforce competencies are expected to be about the
20 same in 2020 as we have now with the exception of the
21 new reactors and corporate support business lines. Next
22 slide, please.

23 So, what might we look like in 2020 in terms
24 of our workforce and total resources? We developed this
25 graph based on the financial analysis conducted as part
26 of Project Aim. It reflects the Agency budget and

1 workload over 40 years. As you can see, both have grown
2 and contracted in response to changes in the workload,
3 such as the accident at Three Mile Island in 1979, and
4 following the terrorist attacks on 9/11. The largest
5 growth occurred after the enactment of the Energy Policy
6 Act in 2005 with relatively larger projections of new
7 nuclear power plants and other nuclear facilities.

8 By considering the workforce trends and the
9 workforce needs in 2020, we can expect the Agency to
10 contract by about 10 percent. This will bring us back
11 to where we were in the mid-2000s, and reflect workload
12 reductions associated with new nuclear construction,
13 the completion of actions related to the Fukushima
14 Lessons Learned, and the elimination of the Operating
15 Reactor Licensing backlog.

16 This also reflects aspirations of improved
17 efficiency and a reduction in corporate overhead based
18 on the successful implementation of the strategies
19 recommended in the report.

20 I would like to emphasize that this is what
21 the Agency could look like in 2020. We cannot predict
22 the future. This estimate is a planning estimate to help
23 drive the Agency. It is not meant to be a budget-quality
24 forecast.

25 As the Commission is well aware, we have a
26 rigorous process to plan and formulate our budget

1 subject to the careful oversight of the Commission, the
2 Office of Management and Budget, and the Congress. It
3 does, however, represent collective evaluation by the
4 team and of our senior staff leaders. It provides a
5 useful aim point and helps lead the Agency in the right
6 direction. Next slide, please.

7 Consistent with our charter, we recommend
8 adoption of a series of strategies that together
9 comprise the roadmap to enhance the efficiency,
10 effectiveness, flexibility, and agility of the NRC. The
11 strategies are grouped into three themes, people,
12 planning, and process. Next slide.

13 Our people are our most important assets.
14 Their actions are essential for accomplishing the
15 safety and security mission. Under the people theme, we
16 recommend the Commission adopt actionable strategies
17 including improving talent management to ensure we have
18 the right people with the right skills at the right time,
19 enhancing employee agility to reduce the amount of time
20 it takes to shift resources to meet the demands of a
21 changing environment, and increasing organizational
22 agility and efficiency by improving the Agency's focus
23 on one NRC. Next slide, please.

24 Limitations of our planning in the past
25 have landed us where we are today, so under the planning
26 theme we are recommending a couple of strategies to

1 improve the planning and budget formulation process,
2 and re-baselining the work of the Agency. Next slide.

3 As a well-established Agency, we operate
4 under numerous regulatory and corporate processes. The
5 efficiency and effectiveness, particularly those we use
6 100 to 1,000 times help determine the overall
7 performance of the Agency. Under the process theme, we
8 recommend strategies to improve the transparency and
9 predictability of the fee process, and to simplify how
10 we calculate and account for fees, to improve the
11 Operative Reactor Licensing process, and to clarify,
12 streamline, and standardize the Agency processes,
13 including the roles and responsibilities. Next slide,
14 please.

15 We look forward to the Commission review of
16 our recommendations in implementing the Commission's
17 direction. We recognize that successful implementation
18 of that direction requires all of the elements listed
19 on this slide consistent with the communication and
20 implementation plan in the report.

21 The Project Aim provides new opportunities
22 to think differently to prepare for the future. Line
23 office leadership and accountability is necessary to
24 effect these changes along with frequent communication
25 in various means with our employees and external
26 stakeholders. Successful implementation will also

1 require openness, transparency, and engagement of our
2 employees in executing the strategies and careful
3 monitoring of performance to drive success and achieve
4 the desired outcomes.

5 This concludes my presentation, and I turn
6 it over to Mark Satorius for the conclusion.

7 MR. SATORIUS: Just I think that that's a
8 good encapsulation of the work we've done. The report
9 goes into it in much more detail, but we thought a better
10 use of time might be to work it at this level and then
11 get directly into questions, so we are ready for any
12 questions that the Commissioners may have at this point.

13 MS. WYLIE: I don't have anything to add at
14 this moment.

15 CHAIRMAN BURNS: Okay. Well, this afternoon
16 we'll begin our questioning with Commissioner
17 Ostendorff.

18 COMMISSIONER OSTENDORFF: Thank you,
19 Chairman. Thank you for your presentations. Thank you
20 to the team members for all your work on this. I know
21 it's been an intense project in many respects. The
22 Commission does appreciate --

23 My mic wasn't on. Testing. I got it now. I
24 lost my place. As Chairman Burns mentioned in, I think,
25 the NRC's press release this last 24 hours, this is the
26 starting of a dialogue, and I think --- I really

1 appreciated the way you phrased that, Chairman Burns.
2 I think this is not a thumbs up/thumbs down, you know,
3 Roman gladiator confrontation Coliseum. Some more
4 thoughtful subjugation needs to occur as we look at this
5 in a pretty in depth manner.

6 We're fortunate as an Agency to have the
7 opportunity to do this. Many agencies do not. Sometimes
8 it's thrust upon agencies. I did this twice in the
9 Department of Interior, Department of Defense in the
10 1990s, once after Gulf War I when I was a personnel
11 planner back at the Bureau of Naval Personnel, and then
12 there was a time in the submarine force in the Cold War
13 and significant impact, went from 100 attack submarines
14 to 50 over the space of about 10 years, with a
15 significant impact on personnel. So, I've seen this in
16 different contexts and it's far harder to get smaller
17 than it is to get bigger. So, for those who are involved
18 in trying to ramp up this Agency back 2005-2009, that's
19 a piece of cake compared to what this will be going
20 forward to implement.

21 So let me start off a couple of questions.
22 I'll address them to Karen. If you all want to address
23 them, that's fine. I really resonate with the notion of
24 re-baselining the work of the Agency. That is --- that
25 by itself is a monumental task, just that one item. Can
26 somebody talk a bit more about how that might be done,

1 and how might it be directed, how might one achieve
2 consistency across the Agency.

3 I'll note as a sidebar, Glenn Tracy in NRO
4 has already kind of done some of that with the new
5 reactor work line. Cathy Haney, Brian Holian and the
6 NMSS-FSME merger have already addressed this to a
7 certain extent. They've tried to address some of the
8 corporate support issues, so I'm looking at a little
9 more detail how might re-baselining this Agency be
10 accomplished?

11 MR. WEBER: Thanks, Commissioner. When we
12 did this for the first time in the mid-90s, we did it
13 across the Agency at the branch level, and that's when
14 branches were at the Senior Executive Service Manager
15 level. And for each branch there was an analysis done
16 identifying what was the work, and on what basis was the
17 work conducted, and what was the relative degree or size
18 of that work in terms of full time equivalence or in
19 terms of dollars. And then the results of those reviews
20 were then rolled up at the Agency level and we reviewed
21 at the Agency level to ensure that there was some
22 consistency in how those reviews were done.

23 And having personally experienced the
24 process, I think it was valuable. It gave us insights.
25 And, particularly, we honed in on this strategy because
26 the Agency has grown considerably over the last decade,

1 and so it's time to take a fresh look at why are we doing
2 what we're doing, and are we clear on why we're doing
3 what we're doing? Is there a clear statutory basis,
4 Commission direction basis, or other directive that
5 we're trying to be responsive to?

6 COMMISSIONER OSTENDORFF: Okay. Let me
7 explore that just a little bit.

8 MR. WEBER: Okay.

9 COMMISSIONER OSTENDORFF: Am I hearing that
10 it was more of a bottoms-up approach?

11 MR. WEBER: It was a bottoms-up supporting
12 the Commission's development of the strategic plan.

13 COMMISSIONER OSTENDORFF: Yes. I guess I'm
14 struggling with it. Do a bottoms-up approach in every
15 stovepipe part of an organization, how do you get a
16 consistent philosophical approach to rightsizing the
17 Agency?

18 MR. WEBER: That guidance was provided at
19 the Agency level. There was a Deputy EDO at the time who
20 led that effort, Mal Knapp. And there was a panel that
21 he chaired to look across the Agency as all those results
22 were fed up --- to ensure that there was some
23 consistency in how that review was done. And the
24 Commission was well integrated into that process.

25 COMMISSIONER OSTENDORFF: Would a
26 re-baseline review --- let me back up a second. We spent

1 a lot of time, this group of individuals, with you, Mike,
2 and with others on the team discussing concerns and the
3 efficiency of the NRR licensing process in the context
4 of a fairly significant licensing backlog. To what
5 extent does the re-baseline effort look at or not look
6 at what efficiencies should be achieved by how we do
7 business, whether it be the concurrence process or
8 getting to a final decision, or how we're currently
9 doing business. Can you talk about that just a moment?

10 MR. WEBER: Sure. Re-baselining as we
11 proposed it in the report is really not going to get to
12 that efficiency component. And that's why separate from
13 re-baselining, we've recommended that we specifically
14 look at the reactor licensing process.

15 Now, you're probably aware the Office of
16 Nuclear Reactor Regulation has already commenced some
17 of those review efforts, and is looking internally at
18 its own licensing process. Baselining or re-baselining
19 would tell us what --- we're doing reactor licensing,
20 why are we doing reactor licensing? Is it mandated by
21 the statute, is it directed by the Commission, what have
22 you.

23 The specific efficiency of the process
24 would have to come from a more intrusive process review,
25 such as what's conducted through our Business Process
26 Improvement.

1 COMMISSIONER OSTENDORFF: Okay, thank you.
2 I'm going to shift to a different topic now to Centers
3 of Expertise, which has also generated quite a bit of
4 discussion. And I think it's very helpful to have that
5 in the recommendations.

6 Is there any Agency experience where we
7 have actually stood up a Center of Expertise within one
8 office director's purview for he or she to direct
9 allocation of those resources across the entire Agency?
10 I know we have seismic hydrologists over there, Scott
11 Flanders in NRO, we have digital I&C folks under Glen
12 Tracey and under Bill Dean, and under Brian Sheron, but
13 has there ever been an effort with complete reliance
14 upon a Center of Expertise?

15 MR. SATORIUS: I'm not sure if it's going to
16 go directly to what you're thinking of, but we do have
17 a Center of Excellence as far as fuel cycle inspection
18 and oversight in Region II. Irrespective of where the
19 locations are, that is the center there.

20 COMMISSIONER OSTENDORFF: I'm thinking
21 more about those technical disciplines that are
22 required for various office directors to do their jobs,
23 whether it be licensing new reactors, or oversight of
24 existing reactors. Digital I&C is an example, hydrology
25 is another. Was there a thought in your preparation of
26 this report as to how the Agency might approach

1 identifying who would be the host organization?

2 MR. WEBER: Yes. As time has gone on, we've
3 had various experiences with Centers of Expertise. For
4 example, one of those centers is the High Level Waste
5 Program which was consolidated within Nuclear Material
6 Safety and Safeguards. However, even in that situation
7 while the bulk of the work was conducted there, you also
8 had other components of the Agency that had to share in
9 the resources associated with the Commission-directed
10 work; for example, the Atomic Safety and Licensing Board
11 which is under the Commission's supervision rather than
12 the EDO's supervision.

13 So, the thought here was to build on the
14 progress that we've had to date and further expand the
15 application of those Centers of Expertise. So, it's a
16 crawl, walk, run strategy. There have been instances
17 where we've attempted to do this and it hasn't worked
18 as well. In the extreme, you would go towards a matrix
19 management organization, and the Agency has had some
20 less than positive experiences with going that route
21 over the years.

22 Now, some of that information, those
23 insights are dated because it's historical, and may not
24 work in today's environment with today's needs, and
25 today's capabilities.

26 COMMISSIONER OSTENDORFF: Staying with the

1 Center of Expertise notion, did the teams interviews or
2 focus groups discern any different application of
3 technical standards because we have multiple groups
4 right now across the organization that are doing say
5 digital I&C one way in one organization, and maybe a
6 little different focus in other organizations?

7 MR. WEBER: Yes, we did. And that's one of
8 the challenges associated with --- and opportunities
9 associated with creating Centers of Expertise.

10 COMMISSIONER OSTENDORFF: I'm out of time.
11 Thank you all. Thank you again for your work.

12 CHAIRMAN BURNS: Commissioner Baran.

13 COMMISSIONER BARAN: Thank you. I just want
14 to add my thanks to those of Commissioner Ostendorff for
15 all your hard work on this. I know this was a lot to do
16 in a relatively short period of time, and thanks to the
17 team and those who have assisted them.

18 The Project Aim Report contemplates the NRC
19 workforce and budget being about 10 percent smaller in
20 2020, as Karen mentioned. Can you take a couple of
21 minutes and just walk us through how the team came up
22 with this, I think you called it a planning estimate?

23 MS. FITCH: We looked at what was causing
24 the increases over the years. Obviously, the
25 Renaissance was the biggest increase, but we also looked
26 at security increasing, cyber security. There was also

1 some fixed costs that was hit with some federal
2 mandates, those types of things that are not going to
3 go away. So, when we balanced what work was going to
4 reduce, such as new reactors, and Fukushima being over,
5 and eliminating the backlog for licensing, we balanced
6 that with some of the increases that are not going to
7 go away, and that was how we got to that 3,400, about
8 \$900 million.

9 COMMISSIONER BARAN: And following up on -

10 MR. SATORIUS: I think Maureen wanted ---

11 COMMISSIONER BARAN: I'm sorry, Maureen. Go
12 ahead.

13 MS. WYLIE: If you don't mind, if I could
14 just expand on that a little bit. You know, when you look
15 at our budget requests over a long period of time you
16 can see very discrete chunks of workload. One of the
17 things that's harder to see is the increasing complexity
18 of government.

19 We tried to take into account that the
20 regulatory environment in which we operate as a federal
21 agency has also changed over the period, and so that was
22 part of our analysis to try to get away from what's our
23 40-year average going forward? Government today
24 requires different things than government 10, 20, or 30
25 years ago.

26 Of particular importance to us as an Agency

1 is the growth of security-based requirements after
2 9/11. When you look at the chart that we've provided,
3 Slide 8, and you see the ramp-up, the first big chunk
4 of that ramp is associated with 9/11. The second chunk
5 is the environmental, Energy Policy Act. So, there are
6 chunks of work that are subject to change based on the
7 industry environment, and then chunks that are subject
8 to change based on the government environment.

9 COMMISSIONER BARAN: Does anyone else have
10 anything you want to add on that one? So, just to kind
11 of summarize that. So, it's --- this isn't a number you
12 all pulled out of the air, and it's not just based on
13 kind of trends from --- trends over the decades. What
14 you tried to do is --- this is super loud now. What you
15 tried to do is look at in a thoughtful way what are the
16 pieces of workload that we're going to have in the
17 future, and if there are pieces of workload that we have
18 now but we'll have less of them, or vice versa, account
19 for that and come up with the appropriate workforce and
20 resources to match that workload.

21 MR. SATORIUS: That's exactly what we are
22 proposing. And I'll just put it another way, too, is that
23 this is --- Aim Point 2020 is not a one-shot deal because
24 next October and November we're going to be analyzing
25 where do we think based on what we know the Agency is
26 going to be, what's its workforce going to look like,

1 and what's the work we're going to have to do in 2021?
2 So, you'll have iterations as you cycle through the
3 years where you're headed off in the right direction,
4 and I'm --- 3,400 could be plus or minus 50 or 60. So,
5 as long as we're heading in the right direction we're
6 moving towards where we need to be, and that will refine
7 itself in 2021, 2022. That's the idea.

8 COMMISSIONER BARAN: And I wanted to ask a
9 question to follow-up on Commissioner Ostendorff's
10 question about re-baselining, just to try to, again,
11 kind of get our arms around what this would look like
12 in practice.

13 Is the idea here that the inquiry is focused
14 exclusively on, is an activity that's being conducted
15 right now one that is required by statute or required
16 by Commission direction, or is the idea to take a broader
17 look at what are the efforts that would have the most
18 value for our mission which should be the highest
19 priority, and also understand, you know, what
20 direction, if any, that that's being pursued under it?
21 Can you give a sense of the kind of breadth of the inquiry
22 here?

23 MR. WEBER: Well, I like your latter
24 description better than your former description. I
25 would say when we did it in the mid-90s, it was more the
26 former. I think in light of the set of strategies that

1 are recommended in Project Aim today, it would be more
2 of the latter.

3 I think --- and when we had our Senior
4 Leadership meeting in early January, we discussed how
5 a lot of what we do may not be explicitly established
6 by law, and so there's always going to be a judgment call
7 that has to be made at the highest levels of the Agency
8 on how do we best implement our legislative mandate as
9 reflected in the law? So, it can't just be a plug and
10 chug review of, is everything we're doing tied to
11 legislation somewhere? It's got to be more wholesome
12 than that, more fulsome by looking at is this the best
13 return on the investment in terms of our mission.

14 COMMISSIONER BARAN: One could imagine, or
15 would imagine, I would imagine that there would be some
16 efforts underway at this Agency right now that are
17 pursuant to Commission direction from five years ago,
18 where if you looked at it today you'd say well, that's
19 maybe not really the highest priority. We were told to
20 do it, but maybe we should revisit that. And there may
21 be efforts that the Commission never explicitly said you
22 should do this, but it's really a very valuable
23 activity, and it should have the priority it has, or even
24 higher priority. So, I think just kind of repeating what
25 Mike said, but that would be my only thought about that
26 kind of --- as I read that recommendation.

1 You know, one concept that's pretty
2 prominent is this one NRC concept. And as I understand
3 it, the idea here is to encourage Staff to think
4 Agency-wide about our overall mission and not have a
5 kind of siloed thinking. Can you briefly share some of
6 the team's thoughts about how you actually implement
7 this type of cultural change, and particularly how you
8 do it without detracting from the elements of the NRC
9 culture that are really positive right now?

10 MR. SATORIUS: Well, it starts with me, and
11 our Senior Leadership team, and it --- and the tentacles
12 then work out into the office directors, the business
13 line leads. It's got to be everybody's on board that when
14 we do our quarterly reviews of our performance and
15 compare it to the strategies within the strategic plan,
16 what are those areas, irrespective of what organization
17 that you're associated with, that meet the needs of the
18 most important for the Agency? And what it means is it
19 means some selfish, or unselfishness, and that my
20 business line needs to opt to and agree that the
21 resources need to be over in this other business line
22 because that's where we're going to get the most bang
23 for the safety buck.

24 MR. WEBER: If I could just add, when I
25 became an Office Director the then EDO took me aside and
26 said, "Now, Mike, we want NMSS to succeed, but more

1 importantly we need the NRC to succeed. So, this is not
2 about your office being better or worse than anybody
3 else. The entire Agency needs to accomplish its mission,
4 or else we as an organization fail in accomplishing that
5 mission." And that resonated with me, and I think if we
6 look across the Agency we've seen instances where we
7 have risen to that. For example, in the continued
8 storage effort a number of offices across the Agency
9 gave up some of their strongest performers to meet a very
10 high priority Agency need.

11 I think we're seeing it today in the Office
12 of New Reactors as that office cooperates, collaborates
13 with Office of Nuclear Reactor Regulation and working
14 together to accomplish the highest priorities of the
15 Agency with respect to implementation of the Fukushima
16 enhancements.

17 Those are two examples, but I think it's
18 inculcating that mind set and reinforcing that set of
19 expectations, and all the way down the line if we find
20 ourselves in a situation where it's I'm putting my
21 interests above the Agency's needs, that's a warning
22 sign that we've got to respond to.

23 COMMISSIONER BARAN: And on the broader
24 implementation question, I want to make sure I
25 understand what the proposal is there. Is the idea that
26 implementation would occur only through line

1 management, or would there be --- is there a proposal
2 for like a dedicated implementation committee for any
3 of this work? I know that was one of the suggestions that
4 outside folks had, and I just wanted to get your thoughts
5 on that.

6 MR. SATORIUS: It's the --- we don't really
7 see a committee so much as we see the line organization
8 that will be tasked with the deliverables. And if you
9 look at Appendix A where it walks through the various
10 recommendations and facets, they've got a timeline.
11 When are we going to start? When are we going to know
12 when we're there? How long do we see it's going to take?
13 So, we lay back those, we see more or a line type of a
14 --- but still that being said, there's got to be an
15 overall ---

16 MR. WEBER: And it's ---

17 MR. SATORIUS: And I see it sitting at this
18 table.

19 MR. WEBER: And just to build on that, it's
20 really cross-cutting so, for example, during our
21 Strategic Workforce Planning it's identifying where are
22 those future opportunities so that our Staff who is on
23 board today who aspire to continue to grow and develop,
24 and broaden their programmatic experience have that
25 reinforcement, if you will, that it's okay and
26 encouraged actually to broaden your set of skills so

1 that you can better contribute across the organization.
2 We've been doing that in our Leadership Development
3 programs, but less so in the technical programs.

4 Another example is in the quarterly
5 performance reviews, and how we can work together to
6 tackle Agency-level needs rather than continue to focus
7 more on a business line by business line focus.

8 COMMISSIONER BARAN: Thank you. I wish I
9 could go on for another hour, but I should let the
10 Chairman ask questions, too. Thanks.

11 CHAIRMAN BURNS: Thanks, Commissioner.
12 I'll pull back. Thanks, Commissioner.

13 One of the observations I have in some of
14 the discussion is that whether we would be at the size
15 suggested in the report or not, that there might be merit
16 to some of the things that are done here. And, of course,
17 Mike alluded to some experiences in the past. I also went
18 --- lived through the re-baselining effort in the
19 1990s, but some of the --- a number of these things go
20 to what I would call how the Agency carries out its work,
21 and whether it's become, one word we say, more baroque,
22 or complicated over the years sometimes. I understand
23 the reason for that, as is my word, I wish I were in the
24 '50s and look at those Federal Register Notices that had
25 about a five-paragraph justification and then a rule,
26 but we know that won't work in today's environment, and

1 we have other requirements. We have NEPA, we have Reg
2 Flex, we have --- I can --- somebody else can --- I'll
3 make the General Counsel go down through the list and
4 tell me all the additional requirements since I don't
5 remember them.

6 So, I appreciate, as Maureen said, that
7 there's a level of complexity that's introduced, and
8 those are for a good reason. It's because in some cases
9 the perception that agencies, at least in the eye of the
10 Congress, that agencies have failed to carry out their
11 mandates in an effective way. So, that's always I think
12 a cautionary tone, or a cautionary note for us.

13 I guess my first question might be, though,
14 is when we --- again, looking at some of the
15 recommendations that are there which seem to me have
16 merit in themselves even if we projected ourselves as
17 the current work, or the workload projected in 2006 or
18 '7 with respect to new reactors and other activities,
19 to what extent is the number that you've provided in the
20 report really a reflection primarily of the reduction
21 in workload, as opposed to efficiencies that might be
22 gained?

23 Again, perhaps at a rough level, can you
24 tell me how you would allocate, if that's the right word,
25 or how you would parse what you're seeing as the future,
26 and what's attributable to the reduction in work, and

1 what might be attributable to efficiencies or better
2 ways of doing our work?

3 MS. WYLIE: So, I can't really give you a
4 complete approximation, but certainly if you look at the
5 recommendations associated with the plan to merge NRO
6 and NRR, those types of activities will lead you to
7 explicit savings. But from our perspective, part of the
8 desire was to create an estimate that was real enough
9 to pressurize the process. So, when you go through a
10 re-baselining and you don't have a resource constraint
11 associated with it, you could end up with greater
12 requirements rather than streamlining your needs based
13 on a very comprehensive reading of underlying law and
14 regulation. So, rather than try to estimate at this very
15 early stage a detailed number on each of our
16 recommendations, we have some things that will give us
17 subjective savings. You can see it. A recommendation to
18 expand centralization to the regions as related to their
19 corporate support. But in other areas we're trying to
20 essentially energize the process to get people to
21 actually seek savings.

22 MR. WEBER: So, I would add there's not an
23 explicit coupling between the strategies and that 3,400
24 or the \$900 million. I think the real drivers for the
25 strategies are the recognition that we do need to
26 operate more efficiently, and so by setting a target for

1 ourselves, in part a reflection of the workload, but
2 also as Maureen has pointed out, as a driver for us to
3 push because sometimes the things that we do, we do
4 because we can do them, and that's not the right driver.
5 We really need to be focused on the outcomes that we seek
6 to achieve, and then right-size those processes so we
7 can do that in a timely, and in an efficient way.

8 CHAIRMAN BURNS: Okay. In the
9 recommendation, I guess it's 1-2, talking about
10 enhancing employee agility, what I'm trying to
11 understand is what the barriers are to that now, I
12 understand, for example, that you're hired under a
13 particular position description and you don't reassign
14 as a seismic reviewer, someone who basically is a
15 biologist unless they have that type of capability. I
16 understand those types of things, but I'm trying to
17 understand, again from my own experience at the Agency,
18 what are the barriers to that agility that sort of call
19 out this as a recommendation?

20 MR. WEBER: Some of those barriers are
21 self-inflicted with people coming in saying I want to
22 be the world's expert on X, and we need world experts
23 on X. But we don't need too many world experts on X.
24 Right? So, we've had success with this over the years
25 where people have come in, they've sought early advice
26 from their supervisor and their line organization, and

1 from the Office of Human Capital, and identified that
2 while they may today be well qualified in a particular
3 area, as they aspire to move forward in their careers
4 they will have more opportunity should they broaden
5 themselves not just from a regulatory program
6 perspective, but also from perhaps a technical
7 perspective, picking up additional breadth of
8 expertise. Not everybody, but some people, and so the
9 more people we have that are cross-trained like that,
10 the more fungible, the more agile, more adaptive the
11 workforce becomes.

12 And this isn't just an NRC thought, this is
13 a thought that's being worked in the Office of Personnel
14 Management as they try to help agencies develop more
15 agile workforces.

16 MR. SATORIUS: Just to add to that, an
17 aspect of that is also involves recessions in the
18 economy. We find it more difficult to entice people to
19 move out and take jobs in the regions to where they
20 become what I think is the keystone of agility and
21 resilience. Those jobs out there you have to be able to
22 do, especially Resident Inspector jobs. It requires a
23 lot of the type of agility and the flexibility that we're
24 looking for, so the challenges that we have in getting
25 people to migrate back and forth from headquarters to
26 the regions, and bring in some of that diversity of

1 experience that you get when you're able to do different
2 jobs.

3 MS. FITCH: If I can add, we're also trying
4 to look at how we train people to go from position to
5 position, for lack of a better word. Being trained in
6 one area and going through all the qualifications and
7 then going through a whole series to be trained in a
8 second one isn't the most efficient way. You could look
9 and see where there's a lot of overlap and then just
10 supplement the needed training that's needed so that you
11 can be qualified in multiple disciplines.

12 MR. WEBER: That would be an example of an
13 institutional barrier, and I think we've heard it from
14 the Commission when project managers transfer from one
15 office to another office, how much requalification is
16 really warranted and necessary, or if you are a
17 qualified project manager in one program, maybe you
18 ought to start as a qualified project manager in a
19 different program. Gain the additional insights you
20 need, but don't go back to zero in terms of resetting
21 your clock.

22 CHAIRMAN BURNS: One of the major people
23 strategies is to develop a strategic workforce plan. How
24 is that different from --- or new from what's done
25 today, and different from the workforce planning tool
26 that was adopted when I was here in an earlier life, I

1 think around 2009. Are we starting from scratch, are we
2 tweaking the workforce planning tool? What are we trying
3 to do there?

4 MR. WEBER: I could start, and maybe Miriam
5 wants to add to this. I think she's here, or Jody. But
6 the Office, the Chief Human Capital Officer sunset our
7 use of the strategic workforce planning tool some years
8 ago because they recognized it wasn't delivering what
9 was needed for the cost that it was requiring of the
10 Agency, and since has been looking at alternative tools
11 that would be useful, and would support our needs as an
12 Agency.

13 Today we really rely on supervisory
14 knowledge of the capabilities and strengths, and word
15 of mouth from person to person in terms of who's
16 available to serve what need should that need arise.
17 We're trying to do this more strategically, so we look
18 at the longer term staffing needs of the Agency and
19 identify okay, well, who's in the pipeline to fill those
20 needs? That's not being done as systematically today as
21 it should be, and as recommended in our strategy. So,
22 it's intended to look at the workforce, look at where
23 we're going to evolve to, or at least where we project
24 we'll evolve to, and then insure that we're taking
25 concrete action today and in the interim to make certain
26 we have the workforce we need in the future. Miriam, do

1 you want to add to that? Our Chief Human Capital Officer,
2 Miriam Cohen.

3 MS. COHEN: Thanks. So, Mike has basically
4 the story down. I think the finer point I would just add
5 to what he mentioned is that this is actually not that
6 complicated. And when I look at sort of where the growth
7 came in, especially new reactors. A lot of those people
8 came from NRR. If those people are still here, many of
9 those people have a lot of those same skill sets. So,
10 I think a very practical approach to the potential, what
11 I will call in this room overages that we see based on
12 the workforce, changes in competencies that are
13 required, is going to be to have some frank discussions
14 between the people that run those two offices along with
15 my office to figure out what we can do to make sure that
16 the new positions that might be available in NRR can be
17 filled by people that might be in new reactors.

18 And, again, I believe that many of these
19 people came from NRR. They should have many of the same
20 fungible skill sets. And I think one of the things that
21 we can be doing now, and we don't need a fancy tool like
22 a lot of these other agencies that have 20-30,000
23 employees. We just need to identify the areas where we
24 can see the overages now and say okay, what could we do
25 to start making sure that they do actually have the skill
26 sets needed so that they can fill those positions in

1 those other offices when that becomes available. So, I
2 think we can do some of those things very quickly and
3 easily. Some of the things that we can do also include
4 maybe having like a database of skill sets where people
5 can quickly put in what they can do, and validate it in
6 a way that's not painful like it was on the old system
7 that you remember that had Op Plan measures associated
8 with it. But I think it's a very, very actual simple
9 problem, and our approach is going to be to keep it
10 simple and not over-complicate the situation.

11 CHAIRMAN BURNS: Okay. Thanks, Miriam.
12 Commissioner Svinicki.

13 COMMISSIONER SVINICKI: I'm almost afraid
14 to turn this on because someone is having fun with us
15 on the microphones and turning like the speakers up and
16 down, but I think mine is working okay.

17 Well, I want to add my thanks to the hard
18 effort of all of the NRC Staff who participated. I spent
19 a lot of time with this document, with your work product.
20 I learned about the fact that you ambush people in the
21 lobbies to get feedback and input.

22 The Agency has supporters, we have critics,
23 and I think, though, in fairness, we've released this
24 publicly today so we can all expect the trade press and
25 others to find some interesting thing that we
26 overlooked, that taken out of context will make for the

1 interesting trade press of tomorrow. But if we take the
2 work, the effort, this work product as a whole, I think
3 you could criticize us on a number of things. You could
4 say it's too ambitious, it's not ambitious enough, but
5 I think the thing that you can't fairly criticize is our
6 sincerity.

7 I just --- I was really struck by --- I
8 don't know a lot of organizations of this size that I
9 think could demonstrate the measure of honesty that's
10 measured here. Human beings by their nature, it's very
11 difficult to challenge our own thinking to be truly and
12 sincerely critical of ourselves, but I think that this
13 is very refreshing in terms of an Agency self-analysis.

14 Now, we did get the National Academy of
15 Public Administration to do a review of the methodology
16 and approach, and as I was spending more time with this
17 yesterday I thought the ghost of former Chairman,
18 Allison Macfarlane was hovering in the background. She
19 kept warning us about some of the analytical techniques,
20 and getting the cohorts of people to be surveyed, the
21 survey instruments. And NAPA talked about some of that,
22 so in all fairness I think it's very useful feedback for
23 us if we move forward on trying to use some of these same
24 instruments to implement some of these actions, or to
25 design the ways that we might go about doing this.

26 So, I think what will happen now is the

1 Commission will analyze this. We will hear from external
2 critics about what they think is not ambitious enough,
3 and then we may hear internally from people who maybe
4 don't --- and I have to admit it wasn't always apparent
5 to me as I read this, when you went from problem to saying
6 well, we need to do this. We need more mobile computing
7 platforms. I thought the how you got, what the necessity
8 and need was between the one and the other wasn't always
9 documented here. That doesn't mean that you didn't have
10 it, wasn't always as clear to me.

11 The culture piece is very interesting.
12 Commissioner Baran was talking about that a little bit.
13 We had an interesting panel of luminaries here a month
14 or so ago to talk about foreign ownership control and
15 domination, and they talked about the fact that if you
16 want to start framing an issue through a different
17 prism, what you have to do is really convince people that
18 there is a need to do that, and then get that change in
19 thinking moving forward.

20 Very interesting to me that when you looked
21 at our organization, looked at tendency for very
22 conservative decision making, but then said truly
23 high-performing organizations have innovation and a
24 tolerance for some level of --- of accepting some level
25 of risk. So, I think that the changes that you want to
26 make, this culture piece will ride alongside. It isn't

1 in and of itself the implementation, and it isn't the
2 end state in and of itself, but I think it will be
3 difficult. To go to Commissioner Ostendorff's point
4 about it's a lot harder to contract an organization, I
5 think that if you haven't made the case and you haven't
6 inspired people to follow your leadership into this
7 change process, I think that a lot of things become
8 orders of magnitude more difficult as you move along.

9 So, I would ask a question about that. You
10 talked to many hundreds of employees, some much more in
11 depth than others. So, you're recommending some
12 changes. If the Commission agrees that some of these
13 changes are needed, if I'm riding the elevator three
14 months from now and there's a random collection of NRC
15 employees in there, how many of them believe that change
16 is needed? Am I going to find that there is a general
17 view, or do we have yet to communicate that message that
18 change is needed, that change is coming, and that it
19 really is needed?

20 MR. SATORIUS: I think Mike and his team
21 when they first talked to the senior leaders in
22 November, that was one of the biggest focuses, that not
23 why change, but we have to change. And he also --- we
24 sent the senior leaders back to their offices, and
25 regions, and business lines with the tasking to --- you
26 need to talk to your leadership teams and ---

1 COMMISSIONER SVINICKI: But do you think
2 the message is getting through, though? When I think
3 about, reflect on my time at NRC and think about, you
4 know, where we were, where we are now, and where we're
5 going, I think a really important thing to remember so
6 that you don't become defensive about making change, is
7 that change isn't about whether you were doing some
8 things really well, or some things less well, and maybe
9 some things you were kind of on auto pilot. It's about
10 the need to do some things differently. And what's
11 interesting and spread throughout your report is the
12 fact that we build a lot of our resourcing,
13 organization, and budgets based on these estimates and
14 forecasts we get from the regulated community outside
15 the building, and yet somehow over time we find that
16 we've become really less able to adjust. So, on the one
17 hand we build everything around these external forces
18 that we don't have any control over, and you would think
19 that would lead us to be a high-performing organization
20 when it comes to agility and nimbleness, and yet we find
21 that we're not as agile and nimble as we need to be.

22 That was the other thing I didn't clearly
23 find documented in your report. It doesn't mean you
24 didn't talk about it, but how do we find ourselves, you
25 know, where we are? Kind of a root cause analysis, and
26 I know on some of the budgeting and finance pieces,

1 Maureen, you tried to get there. You looked a lot at
2 overhead. And while indicating there's no standard
3 government approach, we also conclude in the report that
4 NRC's overhead is, we say artificially elevated, so if
5 there's no standard and yet we feel that we've backed
6 ourselves into a corner on that, I mean, that's what
7 makes all of these issues I think really difficult, is
8 that it's not like oh, there's some standard to go be
9 adopted and we'll just do that.

10 And on the point that Commissioner Baran
11 was asking about of the re-baselining, also
12 Commissioner Ostendorff talked about this quite a bit,
13 I think it would be fundamental core knowledge for us
14 to engage in that re-baselining. I think it's a
15 tremendous undertaking. It's a lot of work. I'm not sure
16 by what's reflected here that I even saw an
17 acknowledgment of how much work and effort it could be
18 to conduct the re-baselining, but I think in addition
19 to looking at whether things are required by statute or
20 Commission direction, the Commission will need to be
21 part of leading this change, as well.

22 Not everything --- I'm sorry, my
23 colleagues are all going to faint dead away here. Not
24 everything that we think of as a Commission is
25 necessarily the highest priority, is not necessarily
26 something that needs to be acted on right now. And I've

1 talked to my colleagues about how our annual vote on the
2 budget and a few other votes that we take on
3 reprogramming and other things are the only time as
4 individual decision makers or as a group, a small group
5 of decision makers we have to look across activities and
6 say if I want X, then maybe Y is going to take two years
7 longer to get done. And when we vote on issues and issue
8 these taskings, we generally look only within the four
9 corners, so we say oh, do we want that? Well, of course
10 we want that because we're not looking at any tradeoffs.

11 So, I would encourage the Commission, and
12 I've talked to my colleagues about my proclivity to say
13 no to a number of new ideas. It's not just because I enjoy
14 it, but it's because I know that in a fixed budget, or
15 maybe even a tightening budget arena something else
16 won't get done. And once you've been here for, you know,
17 well, I'll be starting my eighth year next month, then
18 I know that a lot of those old taskings are things that
19 I thought were great ideas because I was part of the
20 Commission direction that said go off and do that. So,
21 I don't have maybe such an arm's length connection to
22 some of the standing Commission direction that you have,
23 so we need to be a part of that.

24 And on budget formulation, I don't know if
25 Maureen --- if she's smart she won't wade into this and
26 say anything, but speaking of old, old things, the whole

1 time that I've been here, when I first came, Chairman
2 Kline asked me if I'd be willing to take a fresh eyes
3 look and lead a small staff team looking at the budget
4 formulation process. So, we looked closely at
5 Management Directive 4.7, at the management directive
6 structure, and I was told at the time, although I've not
7 verified it lately, that an Inspector General finding
8 related to Management Directive 4.7 and the lack of
9 documents which enshrine our budgeting process is one
10 of the oldest, unclosed IG findings. Now, the Agency
11 doesn't dispute the finding, we just have never been
12 able to produce the things to close it. So, I know that
13 this doesn't seem like the greatest moment in this
14 dynamic moment to finally have perhaps some directives
15 and instructions that would enshrine hey, how do we
16 create a budget, and how do we implement a budget? But
17 I think maybe it's needed now more than ever, and if you
18 walked into something, Maureen, that seemed kind of
19 murky to you, people almost a decade ago already
20 identified that it was murky.

21 MS. WYLIE: It doesn't make me feel any
22 better that it's still murky, I have to say. We do have
23 a plan to update all of the 4.XX Management Directives.
24 We had a formulation draft in work. We needed to get it
25 realigned with our strategic planning and performance
26 process, so they're all on my desk in some form or

1 fashion with the exception of strategic planning. We're
2 working on that together with the EDO, so I hear you
3 about documentation. It's close to my heart.

4 COMMISSIONER SVINICKI: Well, and for me,
5 so when I read in here, you know, a finding or outcome
6 that our budget formulation process needs to be
7 improved, and you've probably encountered this in your
8 own OCFO. People who say well, you know, yes, of course,
9 that's a longstanding thing. So, I'm sure there was a
10 lot of, you know, head nodding and people who viewed Aim
11 as an opportunity to maybe get these issues in front of
12 us again. That doesn't make them any less meritorious,
13 though. It's just things we know that we need to work
14 on. But, again, we just know, I think, that we can do
15 some things better. And I hope that if the Commission
16 embraces some, or all, or many of these recommendations,
17 that I would hope that the Agency Staff as a whole
18 wouldn't view that as some kind of repudiation. It
19 doesn't mean --- and, again, I think that NRC often
20 acknowledges that this is a very high-performing
21 organization. We wouldn't have the kind of reputation
22 as a regulator around the world that we have if that
23 weren't true, but everyone can improve and do things
24 better. And I think we know that, so as we look at
25 licensing processes, I hope we'll look at things about
26 why does a design certification, you know, take 10 years

1 when Part 52 was going to fix all that. So, I think we
2 do need maybe to do a little bit more looking.

3 As you move on individual recommendations,
4 I hope you'll be doing a little bit of root cause, so
5 that way you'll be testing the voracity of your fixes.
6 And I think that that will be a more --- I know you didn't
7 have time to do all that now as you propose these things,
8 but I hope that would be an element of implementing
9 anything that the Commission approves. And with that I
10 think I'll conclude. Thank you.

11 CHAIRMAN BURNS: Anything else? Just for a
12 matter of clarification for our audience, we do expect
13 another --- you might just explain what we do expect
14 from the National Academy for Public Administration.
15 We're getting an additional report I think at the end
16 of March, but just so our audience who may be listening
17 understands what that is, could you explain that?

18 MS. FITCH: Yes. We've asked NAPA to review
19 the actual report and all of the appendices and give us
20 some reaction and some recommendations of how we could
21 better implement some of the strategies that we have
22 planned.

23 We've also asked them to look at what our
24 challenges are in our operations. So, very specifically
25 to get at the heart of, you know, what's in our way?

26 CHAIRMAN BURNS: Okay, thank you.

1 MS. WYLIE: So, we're also embarked upon a
2 separate contract with EY to look specifically at our
3 corporate support and overhead.

4 (Off microphone comment.)

5 MS. WYLIE: Well, they're EY now. Everybody
6 is known by their initials, yes. It's easier to text,
7 I think. So that we can get at the specific Congressional
8 requirement to look at our overhead definition and our
9 --- for opportunities to reduce our corporate support.
10 So, we have our entrance meeting with them today, I
11 think. We were affected by the snow day. And that will
12 marry up with the work that NAPA will be doing for us
13 for the Congressionally required report.

14 CHAIRMAN BURNS: Okay, thank you. Anything
15 else? I'd like to invite Sheryl Burrows, the President
16 of the NRC Chapter of the National Treasury Employees
17 Union. Sheryl.

18 MS.BURROWS: Chairman Burns,
19 Commissioners, Mr. Satorius, executives, managers, and
20 fellow bargaining unit employees, I'm Sheryl Burrows,
21 President of NTEU Chapter 208, the exclusive
22 representative of our bargaining unit employees at
23 headquarters, the regions, and the technical training
24 center. Joined by several of our union officers and
25 stewards, I am here to comment on Project Aim 2020.

26 We are heartened that Project Aim team

1 reached outside the Agency to identify best practices
2 and recommendations. However, we do not believe that the
3 Agency has reached out to the union or our employees to
4 the same degree. The Project Aim team briefed union
5 officers a few times about what it has been doing. This
6 included setting up focus groups which employees could
7 participate in in order to provide raw data to the team
8 on futuristic scenarios. These interactions, however,
9 do not equate to an exchange of ideas on the team's
10 proposals, or partnering with NTEU.

11 Please consider my comments in light of the
12 letter I sent to you last month. In it, I addressed
13 ongoing concerns related to the implementation of TABS,
14 the Agency-wide initiative, Transforming Assets into
15 Business Solutions that was conceived to improve
16 efficiencies and effectiveness of many support
17 functions across the NRC.

18 Many of the lessons learned in the EDO's
19 Report to the Commission are attributed to the concerns
20 that NTEU repeatedly brought to management's attention
21 throughout the implementation of TABS based on our
22 observations and analysis, as well as input from our
23 employees. NTEU recognizes that change is inevitable.
24 We also recognize that change is painful even when
25 ultimately it makes things better.

26 NTEU was given access to the Project Aim

1 report last week prior to our last briefing. This report
2 contains a tremendous amount of information, a lot which
3 focuses on change. We do know that this document is now
4 publicly available, and we applaud the Agency's
5 openness and transparency.

6 In the interest of time, my comments today
7 will consider two of the recommendations contained in
8 Appendix A, people and planning. First I will address
9 the people recommendation. Engagement is critical to
10 the success of this initiative. To that end, the GALLUP
11 organization has conducted polling for more than 30
12 years on this issue. The number one aspect of engagement
13 is knowing what is expected. The White House, OMB, and
14 OPM recently issued a memorandum directed at employee
15 engagement.

16 To build engagement, this memorandum
17 points out the importance of clarity with respect to
18 roles and responsibilities. NRC FEVS results indicate
19 that there are several opportunities for the NRC to
20 improve in this area, as well.

21 Training is another key aspect of the
22 people recommendation. The FEVS result showed that
23 there's been a declining trend regarding the questions
24 addressing adequate training for the job. Additionally
25 troubling is that there's a marked difference between
26 the responses of senior leaders and non-supervisory

1 staff.

2 We suggest that in order to effectively
3 lead the Staff, our managers need to focus more on the
4 areas where there's a large disparity, and not simply
5 explain them away by noting that there will always be
6 differences in the way that management and staff view
7 any given area.

8 Now I will address the planning
9 recommendation. In too many cases, planning at the NRC
10 seems to be little more than the identification of a task
11 and a due date, and the expectation that Staff will do
12 whatever it takes to meet the due date. A bargaining unit
13 employee commented to us that in response to his
14 question about how to prioritize his work, his Senior
15 Executive Service Division Director answered, "It's all
16 priority."

17 Last September at the All Employees
18 Commission meeting, a project manager asked about his
19 excessive workload. A Commissioner stated that senior
20 executives were taking notes. One Commissioner said,
21 "It certainly sounds like this merits a thoughtful reply
22 by our front row leadership here." Based on the nodding
23 heads in the audience, the question resonated with Staff
24 across the Agency. While the specifics may vary from
25 business line to business line, many employees could
26 identify with that project manager.

1 To this date, the union is not aware of any
2 communications with the Staff at large regarding this
3 question. This is a widespread issue presented to
4 Commissioners, yet employees remain wondering where is
5 the thoughtful reply by our front row leaders? This is
6 particularly important when we read in the Project Aim
7 Report not just about add and shed, but add, shed, and
8 squeeze?

9 I will close with the proverb that says, "A
10 shipwreck on the beach is a lighthouse to the sea." Many
11 think of TABS as the shipwreck. Let's learn from it.
12 Project Aim is potentially so much bigger. If the NRC
13 hopes to have more engaged employees in the changing
14 environment that lies ahead, these employees must
15 believe that they are part of an important change. They
16 must believe that their leaders value their service and
17 expertise. They must believe that they have a voice, and
18 that management respects and will listen to their
19 comments and concerns through NTEU or as individual
20 employees as this initiative is rolled out.

21 To encourage employees to be more engaged
22 the Agency must provide better clarity of roles and
23 responsibilities. It must provide appropriate
24 training. It must provide more transparent
25 communication which includes better two-way
26 communication and effective partnership with the union.

1 The Agency's values should not be revised
2 to support new recommendations, as suggested in the
3 Project Aim Report. Instead, Project Aim must be
4 implemented to underscore the Agency's values. Our
5 safety mission requires it, the American people expect
6 it, and in order to develop and sustain a more engaged
7 workforce, our employees deserve nothing less. Thank
8 you.

9 CHAIRMAN BURNS: Thank you, Sheryl. I
10 appreciate, as well as my colleagues have, the
11 thoughtful presentation from the Staff today and the
12 comments that Sheryl Burrows just made on behalf of the
13 union.

14 This meeting, as I said, was a first
15 opportunity to discuss the people, planning, and
16 process recommendations of the Project Aim 2020 Report.
17 And in the coming weeks, the Commission will consider
18 the report, and as I indicated I hope engage in a
19 dialogue in terms of moving the Agency forward in the
20 context of the recommendations of the report.

21 I'm very proud of the Staff and the work
22 that the Agency does to insure public health and safety.
23 I want to be clear that in determining the size and
24 organizational structure of the Agency in the future we
25 won't take any steps that compromise our mission and our
26 ability to achieve our strategic objectives of

1 protecting the public health and safety, and the common
2 defense and security.

3 I strongly encourage the management team to
4 engage the Staff on a regular basis on the changes that
5 are envisioned, and provide opportunities to contribute
6 to the implementation of the strategies. With that, I
7 think we are adjourned.

8 (Whereupon, the above-entitled matter went
9 off the record at 2:40 p.m.)

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