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                  PROGRAMS, PERFORMANCE AND PLANS

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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BRIEFING ON

STATUS OF OCIO PROGRAMS,

PERFORMANCE AND PLANS

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Nuclear Regulatory Commission

One White Flint North

Rockville, Maryland

Wednesday,

January 30, 2002

The Commission met in open session, pursuant to notice, at 9:30 a.m., the Honorable RICHARD A. MESERVE, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

RICHARD A. MERSERVE, Chairman of the Commission

NILS J. DIAZ, Member of the Commission

GRETA J. DICUS, Member of the Commission

JEFFREY S. MERRIFIELD, Member of the Commission

EDWARD McGAFFIGAN, JR., Member of the Commission

(This transcript produced from electronic caption media and audio and video media provided by the Nuclear Regulatory Commission.)

STAFF AND PRESENTERS:

STEPHEN BURNS, Deputy General Counsel

MS. FRANCINE GOLDBERG, Director, Division

     of Web, Publishing, and

     Distribution Services, OCIO

MR. MOE LEVIN, Director, Division of

     Applications Development, OCIO

MR. STUART REITER, Chief Information Officer

MS. LYNN SCATTOLINI, Director, Division of

     Information, Records and Document

     Management, OCIO

MR. JAMES SCHAEFFER, Director, Division of

     Information Technology Infrastructure, OCIO

MS. JACKIE SILBER, Deputy Chief Information Officer

DR. WILLIAM TRAVERS, Executive Director

     for Operations

ANNETTE L. VIETTI-COOK, Secretary

P-R-O-C-E-E-D-I-N-G-S

(9:30 a.m.)

CHAIRMAN MESERVE: Thank you, Madame Secretary.

The Commission is meeting this morning to hear from the staff on the status of the NRC's information technology applications and information management activities and programs.

This is an annual briefing. This is the third of our meetings where we'll sort of have an overview of the Commission's activity.

We are interested in hearing about new developments, future plans, and anticipated challenges, and providing information technology services to the agency and to the public. We very much look forward to this meeting.

Dr. Travers, you may proceed.

DR. TRAVERS: Thank you, Chairman, and good morning.

There's probably no more crosscutting an issue than the sorts of issues we're going to be talking about today. Certainly, the -- as I look on it, the success of all of the arenas that we'll be discussing with the Commission depends, in some significant degree, on the success in the area of IT.

IT is obviously an important element of our programs.

Since the reorganization that the Commission endorsed last year, we have been working on a host of objectives. One of them, though, is the even better integration of the OCIO activities with the program office and end users. And we think we're making progress in that area. It's going to continue to be a challenge for both the program offices and OCIO going forward.

Today I don't think you're going to hear as many policy issues discussed as we have been discussing in some of the other arenas. Nevertheless, there are many important operational challenges that will be discussed that are significant to us.

We look forward to providing you with some details on some of the successes we've had and some of the significant challenges that stand before us.

And with that brief opening, let me turn to Stu Reiter, who is the Chief Information Officer of the NRC, who will begin the briefing and introduce the staff who are here today.

Thank you.

MR. REITER: Thank you, Bill.

Good morning, Chairman and Commissioners. On behalf of the OCIO, I appreciate the opportunity to

talk with you today about our information technology

and information management accomplishments and plans.

With me today, and starting on my left, is

Fran Goldberg, who is Director of our Web, Publishing,

and Distribution Division. Sitting next to Fran is

Jim Schaeffer, Director of our Information Technology

Infrastructure Division. Jackie Silber is Deputy CIO.

Moe Levin is Director of our Applications Development

Division.   And Lynn Scattolini is Director of our

Document Management Division.

With your permission, and for the sake of

time, I would like to go through the presentation

material that we have prepared.   And then we'll be

happy to answer any of your questions.

Next slide, please.

The topics on this slide outline our

presentation to you this morning. At this time, there

is a single policy issue that we will cover that we

will be asking permission for guidance on early in the

year.   As outlined by our briefing topics, we will

review with you our accomplishments, our response to

emergent issues, and key challenges presented to us by

the Chairman, the Commission, and OMB.

Before reviewing these topics with you,

let me remind you of the two support roles the OCIO

provides to the agency. We provide leadership through our oversight role, and we are a service and a product provider.

Our oversight role is conveyed through a number of management directives, in some cases specified by law. Areas of responsibility include: capital planning and investment control, information security, information technology architecture, FOIA, and other areas as well.

Our responsibilities include establishing guidance, policy, standards, and providing oversight and compliance assurance. As a service and support organization, we provide products and services used by every employee in the agency. These services are critical to day-to-day operations and support the mission and performance goals of the agency. This support role includes infrastructure, applications, and information management services.

I believe as we progress through our presentation, specific examples of oversight and support roles that we provide will become clear.

Moving to physical year 2001 accomplishments, a key challenge area we noted last year was Adams. The Adams action plan and the Adams Steering Committee continue to provide guidance and

direction to our document process modernization program where, NRC is a pacesetter in its efforts to automate the document life cycle from cradle to grave.

Last year our support contracts, infrastructure services, application services, and document processing services were up for recompete. Our challenge, working in partnership with program and support offices and with strong support from contracts, was to obtain good terms and conditions and innovation and effect a smooth transition to our new service providers.

We noted last year that where in the past most of our core systems were run from offset locations such as NIH, today we will be providing support for many of these core systems in-house.

Adams production operations were stabilized last year, and extensive work was completed to put in place a production environment that allowed OCFO and HR to start up the PeopleSoft HRMS applications in November.

In 2001, the Commission asked us to take a special look at technology innovation, specifically in the use of wireless and mobile computing technologies. And during the course of 2001, there was significant interest by the Commission in our

program to redesign our external website.

Lynn Scattolini, Jim Schaeffer, and Fran Goldberg will further discuss these programs. We will also discuss with you other emergent issues we dealt with this past year.

While the web redesign was completed as planned, the events of 9/11 had a significant impact on our web initiatives. And we will discuss with you our overall response to 9/11.

In 2001, there was an increased focus on computer security, and the Government Information Security Reform Act required additional formal assessments of our information technology security programs. These assessments have identified areas for attention that we believe will further improve our current efforts to ensure security of NRC's IT environment.

As part of the President's management agenda, we provided OMB with a statement of our e-gov strategy. And we continue to lead the agency towards compliance with the Government Paperwork Elimination Act, and we are increasing our efforts in conjunction with the program offices to encourage licensees to make use of our electronic information exchange capabilities.

Over the last several years, the agency has been heavily involved in bringing several major applications online. We are now focusing on identifying the steps that we can take to improve our applications delivery processes. In doing this, we are looking at lessons learned and industry best practices.

Fran Goldberg and Moe Levin will further discuss these programs. And Jackie Silber will discuss several key challenges that we dealt with this past year and that we are continuing to focus on.

I'd also note that Jackie, as Deputy CIO, is the newest member of our management team, and she brings with her much knowledge of the NRC and considerable experience in both program and support offices. We are pleased to have Jackie on board.

In toto, I believe our presentation this morning will provide the Commission an overview of how the budget dollars allocated to OCIO are being put to work for the agency.

Next slide, please?

Lynn Scattolini will now discuss the progress we have made in our document management program. Lynn?

MS. SCATTOLINI: Thank you. Good morning.

As a result of the advice of the Adams Steering Group and the efforts of staff and both OCIO and the offices, the operational characteristics of Adams today are very different from the initial production system deployed in late 1999 and early 2000.

Work accomplished during fiscal year 2001 has resulted in a stable system with good availability, consistently adequate response time, and increased usage by the public and NRC staff. Software problems with the earlier release have been fixed, except for full text searching, which will be reenabled when we move to a more current release of the commercial off-the-shelf product.

Staff burden in entering documents into the system has been reduced, and data quality has been improved as a result of transferring much of the work to document processing contractors. An electronic records management module is operational and in use by OCIO, who is filing documents electronically for NRC offices and regions.

Adams has provided improvements to previous systems by processing documents in days rather than weeks, and in making the image rather than just a description of documents available to users to

view and download locally at no charge.

The public avoided spending about $210,000 in reproduction costs in FY '01 by printing and downloading documents locally at their workstations.

I want to share with you cost reductions that we are seeing in our contracted document processing operations. Based on a time and motion study conducted early in the operation of our contracted services for document processing, we projected the agency would spend about $3.1 million in FY '02 to process incoming and staff-generated documents.

As a result of a recent competitive contract award and operational efficiencies, we are seeing unit document processing costs that will result in an annual cost reduction of about $800,000, or 26 percent of our originally projected FY '02 costs.

Today these recurring annual costs are less than what they were in FY 1998. Our FY '02 contracted services for document processing will be $2.3 million under Adams. In FY '98, our costs were $2.8 million under NUDOCS, or $500,000 more. As such, we are seeing an 18 percent reduction in costs with more value added for a higher volume of documents. I note that this is comparing FY '02 dollars versus

FY '98 dollars, unadjusted for inflation.

In FY 2001, the OCIO, the EDO, the IG, and a number of consultants performed reviews in order to develop the best understanding of lessons learned and how to move forward and improve Adams. These included lessons learned related to inadvertent release of documents in the Adams public library and the development and implementation of Adams. OCIO is integrating these lessons learned into the program and making appropriate changes.

In regard to the inadvertent release, it is noteworthy to observe that the EDO task force concluded that the risk of inadvertently releasing a properly profiled document is low because of software already installed in response to the event.

An assessment performed by Harvard Computing Group concluded that the software vendor packages currently being used for Adams should remain in place. During FY '02, we will focus on completing tasks to further the acceptance and use of Adams by NRC and public users and improve its supportability.

To accomplish this, we plan to upgrade to a supported release of the software products, reenable full text search capability on the main library, deploy a prototype web-based Yahoo-type alternative

search and retrieval interface for public users, and provide role-based training for NRC staff as laid out in our September 2001 response to the Commission. Key challenges include reengaging staff communication and change management.

Before leaving this section, I'd like to briefly highlight some other accomplishments in OCIO's information management program that characterize the good work that staff is doing to reduce costs and improve service. In FY 2001, the FOIA staff exceeded the agency timeliness goal for response to FOIA requests despite a staff reduction of 33 percent.

OCIO entered into an agreement with the National Archives to provide record storage and retrieval services that resulted in an annual cost avoidance of $125,000 a year.

The NRC library secured staff access to the full text of 64 additional scientific and technical journals from their PCs at no additional cost to the agency.

OMB cited NRC in its annual report to Congress as one of a few agencies who had no violations of the Paperwork Reduction Act and who had achieved burden reductions at a time when most other agencies increased their burden to the public.

In addition, because of NRC's past performance and the quality of its submittals to OMB for review and approval of the information requests, OMB delegated authority to the NRC to approve certain types of information clearances and granted us a blanket clearance for public satisfaction surveys.

I would now like to turn the discussion over to Jim Schaeffer, who will discuss our contracting initiatives and production environment.

MR. SCHAEFFER: Thank you, Lynn.

In FY 2001, we successfully completed negotiation transition of three major contracts -- Cisco II, FTS 2001, and ISSC. These contracts will result in significant savings for the agency.

The Cisco II initiative includes establishing contracts for software operations, maintenance and development, document processing, security service, computer security services, and IT architecture development.

In the area of application maintenance operation, we're projecting a cost avoidance of $2.4 million over a two-year period. This reflects the difference in the projected costs for the maintenance and operation services under the old Cisco contract and the new Cisco II contract.

We successfully completed the transition
of the agency long distance voice, data, and emergency
telecommunication services to the GSA FTS 2001 service
offering. Despite a difficult transaction, we project
that the cost of our current long distance voice and
data service under the FTS 2001 contract will cost the
agency about $800,000 less per year than under the
previous FTS 2001 -- or 2000 service offering. These
savings have been reflected in our budget.

We also successfully negotiated and
awarded the infrastructure services and support
contract. The ISSC contract is a performance-based
contract, which provides infrastructure support
services such as electronic mail, desktop support,
network, and help desk services.

The ISSC provides essentially the same
services provided under previous support contracts
with the addition of a three-year desktop refresh,
reduced maintenance costs, a performance-based
contract vehicle, managed service delivery through
established service levels, and the purchase of
workstation hardware and software through an online
catalogue.

Under the ISSC program we will be able to
provide the same level of service with the benefits of

a three-year desktop and network infrastructure refresh at the same costs we were previously paying for support services, a five- to seven-year desktop refresh, and no network infrastructure refresh.

We project this cost avoidance to be approximately $1.5 million per year for the agency. These costs have also been reflected in our budget.

Also, in FY 2001, we continue to improve our applications environment. NRC production systems, such as the reactor program system, Adams, PeopleSoft, external web, and electronic mail continue to play a vital role in supporting the agency business needs.

We deployed the initial pilots for PeopleSoft Time and Labor and implemented the system into full production in November 2001. In addition, we increased our focus on maintaining a stable and reliable production environment for agency business applications.

Increased emphasis was placed on providing more effective support, bringing new applications into production with minimum disruption to current operations, and a high level of application availability and performance.

In 2001, we implemented a consolidated test facility to conduct rigorous application testing

before business applications are deployed. The facility supports application testing at critical points in the development life cycle to verify functionality and reduce the risk of disruption to production services.

The facility was used to test new Adams releases, perform production load testing for PeopleSoft Time and Labor, and support the development of new agency web applications. It's expected that this facility will significantly reduce disruption to the production environment as new business applications are deployed.

In FY 2001, we also established a technology and architecture team to evaluate new technologies and plan for infrastructure and architecture changes in the agency. The goal of the team is to facilitate the introduction of leveraging of new technology by agency business units to more effectively and efficiently accomplish agency business.

Some of the areas the technology and architecture team have reviewed include the implementation of a web-based application architecture. This will support access to agency business applications such as Adams and PeopleSoft

Time and Labor through a web browser and improve the ability for the agency to provide public access to NRC information.

A technology and architecture team partnered with NMSS and the regions to use personal digital assistant technology to support materials inspections. To validate the use of this technology, a pilot was established to inspect general licensees who failed to return registration forms. OCIO and NMSS recently completely visits to each region to implement and train staff on the PDA technology and pilot.

A demonstration of the technology and its benefits were provided to regional management staff. The pilot was well received and training and implementation went very well. The team also supported NRR with a pilot using PDA technology to enhance reactor inspector efficiency by providing direct access to reference information during inspections. Additional functionality would include the ability to send and receive e-mail while on the road.

Next, I would like to turn the presentation over to Fran Goldberg to discuss the web redesign. Fran?

MS. GOLDBERG: Thank you, Jim.

I'll be covering that last bullet on slide three.

The internet has become a significant way that the agency communicates with its external stakeholders and the public. Maintaining an easy-to-use website, containing information that is current and reliable, is an important strategy for increasing public confidence. The web redesign project and the institution of new web management controls are helping achieve that objective.

During FY 2001, we made significant progress in redesigning NRC's public website with substantial guidance and assistance from a web redesign steering committee chartered by the EDO and CIO and a web redesign working group consisting of the staff who do much of the posting to our current site. Many other staff throughout the agency also contributed to this effort.

Between July 11th and July 31st, a prototype of the redesigned website was made available to a cross-section of external stakeholders and the NRC staff for comment. Overall, users were more satisfied with the prototype than with the existing public website.

The staff and external stakeholders submitted many useful suggestions and comments. These suggestions resulted in 28 significant recommendations for improving the site, of which 22 are being implemented in the first phase of the redesign.

As a result of the decision to limit material on the public site after the terrorist attack, we decided that it would be more efficient to rebuild the site in the redesigned format than to rebuild it in the old format and then replace it. To date we have completed two releases, one made public on December 3rd and another on December 21st. A third will be going out tomorrow.

Additional information on reactors and waste is being released incrementally. We expect to continue the incremental rebuilding process in February and complete the bulk of the site in early spring. The redesigned site will contain much of the information on the old site and will have additional material in some areas, including new information that should be helpful to materials licensees.

The final set of content on the redesigned site will reflect Commission direction on information sensitivity criteria resulting from the terrorist attack.

In addition to the website redesign initiative, there are related activities underway which include development of a public meeting notice system, which Jackie will mention again later, standards and policies to maintain integrity of the new NRC website, and development of a training program for staff who post information to the site.

Next slide, please.

This slide covers emergent issues. I will be covering the first topic on the response to 9/11.

In response to risks and the need for increased protection following the terrorist attacks of September 11, 2001, we have increased security controls and management controls to protect agency information, infrastructure, and applications. We are closely monitoring potential threats and will be doing more to manage the increased risks.

The OCIO has an important leadership role in managing publicly available information for the agency. As we became aware of potential threats to the public from adversaries, we worked with the staff to determine what should be done to protect information that could be potentially useful to an adversary, and we provided advice and assistance to the offices regarding temporary policies to release --

for release of information to the public, pending a Commission decision on potential adjustments to our public information dissemination criteria.

Now I'll turn the discussion over to Moe to cover the next three topics on this slide.

MR. LEVIN: Thank you, Fran.

I'll pick up the discussion with computer security. Last September the agency provided its response to OMB's reporting requirement under the Government Information Security Reform Act. The report was based on assessments done by two outside resources, one under contract to OCIO and one under contract to the IG to provide a second independent perspective.

The report stated that, although NRC has a comprehensive set of policies and procedures in place for our information security program, more oversight and measurement of the program is needed in order to ensure that proper security practices that exist are in fact being followed.

The report covered all outstanding weaknesses identified during previous security reviews. In November we provided OMB with our plan of action to address all of the findings and recommendations contained in the September report.

Recently we had the opportunity to review and comment on the draft of OMB's summary report on NRC's security assessment, which will be transmitted to Congress. Based on that review, we believe our plan of action addresses all of OMB's concerns.

Although a lack of oversight and the absence of performance measures were identified in the recent security reviews, NRC has an outstanding track record when it comes to information systems from an operational standpoint. No NRC business function has been compromised due to a lapse of security in the past eight years.

I would like to present another validation that our major applications are secure. The National Institute of Standards and Technology developed the standard for measuring the security of a system on a scale from one to five, five being the highest. The Institute states that agencies should bring -- should seek to bring all assets to Level 4 and ultimately to Level 5. At a minimum, agencies should ensure that all assets are at Level 3.

Our major applications currently have an average rating of well over three, and we are looking at how to achieve an average level of four across all major applications by the end of FY 2003, with no

applications rated at less than the minimum level of three.

We have also established a new senior level position for an agency information security officer and expect to have the position filled by this spring. This will ensure that OCIO is well positioned to satisfy the need for oversight and performance monitoring as determined by the latest security assessments.

Next I would like to talk about applications delivery. We continue to look for ways to strengthen our project management processes and to apply lessons learned to improve our applications delivery process and results. Last year lessons learned assessments for the Adams and StarFire implementations and the C-PIC processes were conducted. Results of these lessons learned will be reflected in a revised C-PIC process and management directive scheduled for issuance later this year.

In anticipation of the requirements to move applications to a web-based environment, in FY 2001 we established the nucleus of a new web applications support team. The main focus of this team is to provide consistency and standards for agency web-based applications.

Looking towards the future, this year we initiated an effort to create a road map that will lead to measurable improvements in the way we manage IT projects. We are developing a plan based on the Carnegie-Mellon Software Engineering Institute's software acquisition capabilities maturity model. This is a proven best practices model for maximizing an organization's ability to conduct IT projects on time, within budget, and with required functionality.

We also anticipate building on the lessons learned assessments from the GLTS and LSN projects which are due in FY 2002.

Now I would like to mention one program that we are especially heavily involved in supporting, and that's the high-level waste repository licensing program.

We encourage the formation of the high-level waste licensing support program executive steering committee chaired by Paul Bolwart. Stuart is the OCIO representative on the committee, and we also have a team dedicated to support all automation efforts related to this program.

In FY 2001, ASLBP achieved a major milestone by completing the development of a web portal for the licensing support network to facilitate

internet-based access to high-level waste documents provided by participants in the repository hearings, including NRC and DOE.

OSIO would like to recognize this major accomplishment and note that it was, by all measures, a very successful project. Also, under this program during last year, ASLBP completed the business plan for their digital data management system. In FY 2003, ASLBP plans to complete a pilot of the first digital data management system module.

The pilot will demonstrate the viability of the DDMS concept and fully flesh out business processes, costs and benefits, and implementation and operational issues. The DDMS pilot results will be used to provide the basis for decision on the future directions of the DDMS and will form the basis for a revised C-PIC if necessary.

Next I would like to talk about expanded e-government. E-government is one of the elements of the President's management agenda. It encourages internal agency process improvements through the judicious application of information technology and the provision of government services to citizens electronically.

We outlined NRC's e-government and

Government Paperwork Elimination Act strategy in our report to OMB last October. The strategy included the implementation of all of the electronic transactions we reported under the Government Paperwork Elimination Act, extending our digital signature capability, moving to electronic document management from creation to retirement, moving to a single, fully integrated human resources information management system, and leveraging the web for external and internal communications.

The electronic information exchange program, EIE, is a key component of our e-government activities. Licensee participation in the EIE program is voluntary. It provides for the transmission of digitally signed electronic documents to NRC over the internet in a way that ensures the documents will have legal standing in any hearing.

EIE also gives NRC the opportunity to realize internal processing efficiencies and allows licensees to leverage the internet to reduce regulatory burden by eliminating the need to recreate and handle paper-based documents. In FY 2001, OCIO implemented the EIE production system. Within the next few months we plan to recommend to the Commission that a direct final rule be issued that will allow NRC

licensees and other to electronically submit almost all documents via EIE.

In addition to these e-government initiatives, NRC is fully supporting and participating in the e-regulation community of practice, an interagency working group under the auspices of the Federal CIO Council.

This concludes my presentation. Now I'd like to turn it over to Jackie, who will cover the items on slide five.

Thank you.

MS. SILBER: Thank you, Moe.

We can move to slide five. You've heard from our division managers about the progress we have made in our IT and IM programs. I would now like to talk about how we are responding to some key challenges. I'll briefly go through actions we have underway in six areas.

First, in the area of human capital, we in OCIO recognize the importance of our staff and their skills to the agency. We know our world is rapidly changing. There are new technologies and new ways for our staff to learn new skills to do their day-to-day business. Our agency, like many federal agencies, is facing increased staff retirements and the resulting

loss of important knowledge and expertise.

Along with the Office of Human Resources, we are responding to these needs by looking at our workforce planning. We are continuing to assess the skills and competencies we now have, and we're also identifying the ones that will be required in the future.

We're developing a workforce strategy and an action plan. Key components of our strategy will address appropriate training for our staff. It will also address recruiting new staff and skills to ensure a highly qualified and diverse workforce.

Our second challenge is to improve communications, both internally and externally. For internal communication, we are building on the work done by last year's SES candidate development class. They conducted a study and laid out areas for improvement for the agency. We have responded to the results and started an internal OCIO initiative.

Stu is the communication champion for our office, and he asked me to bring together and lead an OCIO communications team.   The team started in November and includes both staff and management. There is already active involvement, and the team has proposed a number of ideas which we're starting to

implement.

In addition to our internal OCIO communication initiative, we want to improve our communications with our internal customers and stakeholders. We began implementing PBPM in OCIO in August 2001. As part of this project we are working together with our stakeholders to develop business goals for managing information and technology in the agency. These meetings have been interactive and highly successful with wide representation across the NRC.

In addition to the dialogue and interactions in these PBPM meetings, I have also started meeting with NRC office directors. These meetings will be ongoing, and we expect that they will provide an opportunity to improve our communications and our understanding of stakeholder needs.

In addition to these dialogues, we plan to use the internal website to improve communications within the agency. Once we have completed the redesign of the public website, we are planning to apply what we have learned to improve the design and function of the internal website.

I'd also like to talk about improving external communications with our stakeholders and the

public. Historically, our agency had used the public
document room and the bibliographic retrieval system
as primary contacts and communication points with the
public.

With the internet and improved
communication, the public and stakeholders expect to
increasingly interact with us electronically. To meet
their expectations, we need to be proactive and expand
our communication options. As you know, our programs
for Adams, web redesign, and electronic information
exchange are laying a foundation for improving these
options. These programs support our agency goal to
improve public confidence.

As we introduce these changes, we know
that there is impact on our stakeholders. We need to
coordinate and work with them to plan the transition
through these changes. We have developed and are
using communication plans to manage this process.

We have also strengthened our public
outreach through users groups such as the Adams public
users group. This group includes lawyers,
consultants, utility managers, architects, engineers,
and public interest groups. It has increased two-way
communications for such things as the best way to use
Adams and ideas for how to improve it.

The external website is also an important tool for communicating with the public. We're planning to continue to enhance it with new capabilities such as the new public meeting notice system, which will eliminate the need to post notices on multiple pages.

Stakeholder alignment and evaluations both respond to the challenge to improve performance monitoring and strategic planning. In order to accomplish stakeholder alignment, we want to work together with offices in the NRC to do the right work at the right time. Our performance goals must align with the work of the NRC.

I talked earlier about starting our planning process. We are committed to supporting and aligning our policies and activities with the goals and strategies of the agency and to establishing improved performance measures. We expect to make significant progress during this planning cycle.

We also use our self-assessments to make our own course corrections and adjustments throughout the year. We have planned four major assessments for this coming year. Two of these will focus on the new Cisco II contract and will review our internal procedures as well as the costing and funding of that

contract.

We will also conduct an assessment of the new ISSC contract and its service level requirements. And the fourth assessment will look at recommendations for improving the operations of our document processing center.

I should also note that we will be following up on the results of an IG audit and an EDO task force report related to the inadvertent release of documents last summer to the Adams public library.

Finally, we come to the challenge to effectively use information technology. This is a primary goal of the office of CIO. We are committed to the leadership, guidance, and support for effectively using and managing information and technologies across the agency.

Our presentation today has shared some of the accomplishments in furthering the effective use of technology through improved hardware, software, training, and work with our stakeholders. Looking to the future, we will continue to seek and pursue opportunities for improvement and streamlining of processes.

I'd now like to turn it over to Stu, who will conclude our presentation.

MR. REITER: Next slide, please.

In summary, in 2002, we will continue to place focus on our oversight role. Computer security will be a high priority item for us.

We have established a senior-level information technology computer security position and are in the process of recruiting to fill it. We have a corrective action plan in place, and it will guide our efforts to remedy issues raised in the GISR review. And we will continue to challenge our environment to determine vulnerabilities. We are in the process of reviewing and revising our policies and guidance and methods with regard to applications delivery.

I note that these programs will require funding that we will be reflecting in this year's budget request.

We are working with our stakeholders to improve stakeholder alignment. We are doing this through the PBPM process. As part of the President's management agenda, we will provide leadership and oversight of the agency's e-gov initiatives, particularly our activities to conform to the requirements of the Government Paperwork Elimination Act.

And as mentioned, we will be asking the Commission to extend our ability to accept documents electronically, and we will continue to focus on our role as service and product provider. As Jackie mentioned, we will be monitoring the implementation of our new contracting vehicles to ensure performance expectations are being met. This applies to applications, infrastructure, and document processing services.

We will continue to work the Adams action plan. We will be seeking approval to introduce release four of Adams. This will offer performance improvements and position us to transition the user interface to Adams to a web-based interface.

We believe we have made significant progress in controlling and reducing costs and plan to maintain a focus on the bottom line of all the services we provide.

We thank you.

DR. TRAVERS: In closing, I would just like to add a few thoughts to this issue of IT security by mentioning that we are taking the issues that we ourselves, the Inspector General, and OMB have identified very seriously.

We don't believe that any of the issues

that have been identified are fundamental. Nevertheless, we think that the corrective actions that we have developed need to be comprehensive. We think they are.

We intend to advance our schedule for these corrective actions as much as practical over the coming year. In fact, currently the majority, and perhaps all, of our corrective actions are ones that we would expect to have completed during this calendar year.

I should also note that we are working proactively with the Inspector General and with OMB to ensure that our corrective actions are being viewed by those organizations as comprehensive. And we'll certainly keep you apprised of our success in that regard.

With that, Mr. Chairman, we're finished our presentation. Thank you.

CHAIRMAN MESERVE: Good. Thank you very much. It's obvious that you have a huge range of activities in which you are -- in which you are engaged, and the mission that your office has is one that's critical for the performance of the entirety of the agency's activities, that you're really a central part of our operation. And it's obviously, therefore,

critically important to the Commission that you fulfill your functions.

We have about an hour and a quarter, so let me suggest that we each have about fifteen minutes for questions. And I know that you've covered -- there will be a lot of opportunity to go into a wide variety of areas. Let me just suggest that to my colleagues here.

Lynn, first, with regard to Adams, your presentation was let me say rather rosy in terms of the progress that's been made, and certainly I know there have been some great accomplishments. And it is certainly the case that the level of sort of complaints that I have heard in recent time about Adams have greatly diminished from a year ago.

Do you think that the users generally are comfortable with where we are with Adams?

MS. SCATTOLINI: Well, what we see is the level of usage has increased as compared to when even if we compare 2001, if we compare 2000 to 2001, we see quite a substantial increase, particularly among the public users.

An increase of usage does not necessarily mean that users are satisfied. We do notice that the halls at the Adams support center staff have changed

quite a bit in their nature from initial set of calls
of, how do I perform basic functions? to calls that
are more sophisticated in nature in terms of using the
capabilities of the system, including reusing
documents and search and retrieval.

I think in terms of really gaining
customer confidence, the key is going to be moving to
a web-based search and retrieval interface that is
easier for users to use and I believe is, now that
we're in the advent of the web era, is really what
users expect.

CHAIRMAN MESERVE: Please remind me, when
do you think we'll be able to go to a web-based
system, web-based search and retrieval system?

MS. SCATTOLINI: Well, for the public we
have an alternative Yahoo-type search and retrieval
interface that we'll be prototyping this year. We
have already purchased the software, we've designed
the screens, and at this point we're integrating it
with the web page. So that's going to be upcoming
shortly. We'll --

CHAIRMAN MESERVE: As a pilot.

MS. SCATTOLINI: As a pilot. We'll also
be evaluating the use of that software to see, from a
performance and technical standpoint, if it's

practical to deploy to the NRC staff as an alternative search and retrieval interface. But Adams 5.0 is not scheduled until the FY 2004-5 timeframe.

CHAIRMAN MESERVE: Adams 5.0 is a web-based --

MS. SCATTOLINI: That's where we were going to look at deploying a web-based version of Adams. Yes.

CHAIRMAN MESERVE: So that what you're piloting is sort of a patch on the existing system that --

MS. SCATTOLINI: The software that we've purchased for the public interface is a separate software package that is integrated with the existing COTS package, but the user does not see the existing COTS package at all. All he sees is the search and retrieval interface.

CHAIRMAN MESERVE: You indicated that you're going to pilot it this year. When -- if the pilot is successful, when do you think that that pilot of a web-based search engine will be available for general use?

MS. SCATTOLINI: Well, when we pilot it for the public it will be available for general use for the public.

CHAIRMAN MESERVE: For everything that's on Adams?

MS. SCATTOLINI: Yes.

CHAIRMAN MESERVE: Okay. On the contracting activities, I know you've indicated that -- Jim, that there were a whole series of things that you have underway. One of them was this ISSC contract, which I know uses the seat management approach.

My impression is is that that approach has not been as successful as had been hoped in industry, and GAO, who was originally enthusiastic about it, has been somewhat more skeptical. What steps are we taking to make sure that the problems that others have encountered with that approach are overcome here?

MR. SCHAEFFER: In putting the ISSC program together we met with a number of organizations, probably upwards of a dozen different organizations, who had -- you know, had successes, and, you know, hadn't had success with it. We met with GSA, we met with NASA, who has done a lot of work in that area, Peace Corps. We also met with a few private companies, Mercedes Benz, Freightliner.

And what we did is we went through to identify, you know, some of the best practices that

had worked, and, you know, some of the areas that they, you know, had failed, especially with GSA. You know, they were a big proponent. We're actually using their program.

And what we found from that was, number one, having clear requirements, making sure your requirements were clear. We addressed that through a number of work groups here in the agency. We brought the program offices in to make sure, you know, we were clear on what requirements -- what their requirements were, what service levels they expected.

You know, the second area was in terms of the implementation to manage the change effectively. One of the things we've been striving with with the program is to make sure that, you know, we don't introduce a lot of change very quickly. In fact, we structured the program so it pretty much provides the service we provide today. The big difference is, you know, how we pay for the services.

Instead of, you know, paying for, you know, specific labor resources, we basically pay on a, you know, per seek component. So what we try to do is go through and identify, you know, what has worked well. We also think some of the benefits in terms of the streamer and refresh will benefit in terms of some

of the service delivery.

You know, we've been, you know, very cautious about going too fast with this, you know, because we want to minimize the disruption and also make sure we communicate effectively with the offices what to expect from the program.

CHAIRMAN MESERVE: I would like to ask a few questions in the security area that -- as you indicated, our own self-assessment had reflected our acknowledgment of some problems that we had to overcome in that area.

My understanding is that the problems were in terms of oversight management of the process, performance measures, and training, but that there was not any assertion by anybody that we had a glaring vulnerability in the actual security of our systems. Am I correct about that?

DR. TRAVERS: That is correct.

CHAIRMAN MESERVE: What do you see as the biggest challenge that you confront in being able to remedy the various problems that have been identified?

MR. REITER: I think the -- one of the first actions that we've put in place as a result of the GSRA assessments, which comprised both our own independent contractor and the IG's contractor coming

together with a merged report, was to say that we want

to follow up on the need to bring in an individual

that would serve the agency as the senior computer

security lead person, reporting directly to the CIO.

And that process is in place. And I think

as Moe mentioned, we're looking to have somebody on

board -- we're in the process. We're looking to have

somebody on board in the spring. And we would be

looking for that individual to provide that oversight

across the agency and to look at what areas we should

be tracking, ensure those are in place, working with

the offices, looking at the existing procedures that

we have in place, which were received quite well and

were acknowledged as being in good shape, to see how

those should be evolved or improved over time.

So I think that's a point initiative that

we currently have under place.

CHAIRMAN MESERVE: To find the individual?

MR. REITER: To bring the individual on

board and institutionalize that role of security

oversight for the agency, and to be able to point to

a specific role and function that will execute that.

CHAIRMAN MESERVE: Where are we in the

process of identifying and hiring somebody?

MR. REITER: The position description has

been posted. We have -- with the help of HR, have
reduced down the number of applicants to about 30. We
have a panel identified. And the interviewing -- the
panel will start its review process in the next couple
of weeks.

So I think within a month or two months
time, Moe?

MR. LEVIN: I would think so. The panel
actually convenes tomorrow, and we will set a schedule
as a part of the first panel meeting, and we hope to
have the review done very aggressively.

MR. REITER: But at the same time, we're
not sitting back and just waiting for that to happen.
At the same time, we've looked at all the IG
recommendations, and we're moving forward on those.
And we're accelerating some of those recommendations.

So some of those recommendations dealt
with improvements or reviews of some aspects of the
infrastructure. We're allocating funding to start
that remediation step right away. We're looking at
other recommendations, and we're seeing how we can
accelerate that action on these other recommendations.

The team that we have in place to follow
up on this, we will be meeting on a weekly basis to
review the status of the corrective action programs

that we have in place. And as Bill mentioned, we will be working with our IG and will be communicating with OMB to make sure that we have the best understanding that we can have in terms of issues that, let's say, OMB is seeing or identifying.

COMMISSIONER MERRIFIELD: Mr. Chairman, can I ask for a brief clarification of the answer he gave to your question?

CHAIRMAN MESERVE: Please.

COMMISSIONER MERRIFIELD: You said you were going to bring someone on board. Is it the intention to bring someone into the agency from outside who may have a greater level of expertise than we would have in our in-house pool?

MR. REITER: Yes. We're looking at bringing somebody who has significant experience in the area of computer security in terms of the technology and the policies associated with administering a computer security program across enterprise, the size of the agency. And that individual is being -- the position is identified as an SLS --

DR. TRAVERS: But just to make sure, I think the posting is one that's for internal and external consideration --

COMMISSIONER MERRIFIELD: Yes.

DR. TRAVERS: -- in answer to your question.

COMMISSIONER MERRIFIELD: Thank you, Mr. Chairman.

CHAIRMAN MESERVE: In talking about security, you indicated that there is a NIST evaluation, which I'm not familiar with, of five levels, with five I gather being the highest security, and that you aspired for an average of four within the next year.

I know that you have a simultaneous objective which is very important in terms of the efficiency of our operation to rely on commercial off-the-shelf software. Is there -- when you buy commercial off-the-shelf software, is that a requirement, that it be at the NIST Level 5? Or am I misunderstanding the nature of how the NIST system works?

MR. REITER: No. The NIST level -- the NIST viewer scale for looking at an applications computer security is independent of whether that product is a COTS product or whether it's something that you've developed in-house. So it's looking at a financial application or human resource application

and looking at the type of security controls that you
have around that application. That application could
have sourced from a purchased product or something
that you've developed.

CHAIRMAN   MESERVE: So   it's   an
independent --

MR. REITER: It's independent.

CHAIRMAN MESERVE: I mean, I just read --
I see your notices about vulnerabilities through
Microsoft Outlook, for example, that are exploited in
various ways. I mean, that -- it would seem to me
that is a piece of software that has -- might not well
be a NIST Level 5, given the fact that it is being
exploited.

MR. REITER: Yes. And part of the NIST
criteria deals with, for example, if you're looking at
the business applications, if there's some type of a
disaster, backup and recovery schemes, off-site
processing capabilities for that application, security
training for administrators that work with those
applications.

DR. TRAVERS: I think one positive thing
that was said by OMB in connection with their review
is that our use of NIST in that sort of standard
setting was a positive one. And so it was one I think

that was relatively rare in some of the agencies of government.

CHAIRMAN MESERVE: I mean, are we aiming high enough here? I mean, your -- Level 5 is the optimal and you're hoping for four?

MR. REITER: Well --

CHAIRMAN MESERVE: Where are other agencies? How hard is it to get to five? What's the constraint?

MR. REITER: The Level 4 target is for 2003. But in this arena we would be aiming for Level 5 beyond 2003. Moe also mentioned the capability maturity model for software, which is also on a scale of one to five. And in that particular model, we would probably not aim for a Level 5 because of what that represents for an organization. But on the NIST scale I believe that we would be looking to go to the Level 5.

MR. LEVIN: And I would like to add, we already do have systems that have been assessed at Level 5. So it is achievable.

CHAIRMAN MESERVE: I appreciate the human capital point that you've raised. That's obviously something that we worry about across the agency. I have been struck in a large -- the extent to which

OCIO has a lot of dependence on contractors for its work, and that maybe the nature of the business requires that.

But I'd just ask a question as to whether you're comfortable that you have the right balance between staff and contractors for the fulfillment of your obligations.

MR. REITER: I think that's something that we look at. I think the answer is yes. But we're in an ability where we can use contractors in our function, because in some of the work that is performed there is -- tends to be something that the outside contracting world can offer to an organization like ourselves -- programming type services, network administrator type services, PC support type services -- are capabilities that we can bring in from contract organizations.

What we need, in order to do that effectively, is to be able to provide the oversight role and the project management type role to ensure that those resources are performing effectively for us.

And what Jim was describing in terms of our movement to seek management, the orientation over there is that we start to focus more on performance

results. So we get more into a conversation with our
contractor, our service provider, as to how they're
meeting pre-agreed-to service levels to us. And then
we manage them on that basis.

CHAIRMAN MESERVE: I guess I'm asking a
question -- and I recognize that you may be dependent
for contractors for something -- is whether you have
sufficient knowledgeable people who are employees that
you're comfortable that you're able to supervise and
assure you're getting what you paid for, and buying
the right things, and doing all of the -- making all
of the management decisions that inherently have to be
made by the NRC.

MR. REITER: Right. As we look at our
human resource pool, there are areas that we do need
to focus on, bringing people in who can help us with
computer architecture or with software development
methodologies and approaches, improve effectiveness
over there. The people who can establish the
framework that we want to operate in, and then the
people --

DR. TRAVERS: You mean bring on as members
of the NRC staff.

MR. REITER: Yes, right. And keep that as
an in-house resource to manage the pool of contract

people that we may be working with to actually get the work done.

CHAIRMAN MESERVE: And this is an area that you see as a challenge that you --

MR. REITER: Yes.

CHAIRMAN MESERVE: Okay. Commissioner Dicus?

COMMISSIONER DICUS: Last year I asked some questions about improvements in our full text search capability of Adams, and you indicated that you were going to deploy an improved search capability, which should have been, according to what I was told, in place and working somewhere in the April -- February to April timeframe of last year.

If I heard you correctly, Ms. Scattolini, I think you mentioned that that was still not in place or there were still issues. Could you explain why we thought we would have it done in the spring and it's still not done? Did we get the software or what we needed in, or did it not work? Or what is the problem?

MS. SCATTOLINI: Well, there are, I guess, two parts to this question. One is the full text capability on the main library, which is the library that the staff uses, and the full text capability on

the public library.

I believe our conversation last year was focused on the main library. The problem with the capability on the main library was that the vendor's commercial off-the-shelf software product simply didn't work with regard to that feature. And what the vendor has told us is that we will not be able to reenable it until we move to a more current software release.

So what we have been doing over the past many months is working with the software vendor to accomplish that. And, in fact, the most recent server deployment that we completed over the long weekend accomplished that. So what we're doing at this point is testing the full text search capability to see if indeed it does work. And if it does, we will deploy it to the staff.

COMMISSIONER DICUS: Okay. This may, then -- this brings up another question. It may go to part of -- or to one of the questions that the Chairman asked. If we have the staff capability to oversee what we are -- what our contractors are doing, but maybe what we are buying -- because we obviously got something that, what I hear you saying, didn't work.

And how are we controlling this? Do we

get a break on the price or something when it doesn't work? I mean, what happens here, and how can we not make these mistakes? because we're making them more than once.

MS. SCATTOLINI: Stu?

MR. REITER: Let me try to answer the question. The full text -- when Adams was acquired, the underlying product and full -- we started the system up with full text. So when the system was accepted and it was turned on to production, as far as we knew at that point in time, full text was working. It was only -- not until after we got some production experience under our belt so to speak that we recognized that it was not working properly and that we had to, in fact, shut it off because it was giving incorrect information.

We discussed this with the vendor, and the vendor said they are aware of the problem and what we need to do is move up to a next release of the product.

CHAIRMAN MESERVE: In other words, spend more money.

COMMISSIONER DICUS: Yes, spend more money. That's --

(Laughter.)

            MR. REITER: Well, yes and no. No more

software money. But, you know, as part of bringing in

a COTS product you need to keep up with the vendor

releases, and there is an expense in doing that. But

we were entitled to that next release of the product,

and that didn't cost us any money.

            But in moving up to the next release we

had difficulties. It wasn't only the full text search

capability that -- we had some performance issue, some

stability issues. And part of what we commented on

earlier in the presentation is that one of the things

that we are pleased about from this past year is that

we have gotten to the point of stabilizing the overall

operation of Adams and getting more consistent

performance out of the environment.

            And once we were able to accomplish that,

then we again turned our attention towards moving up

to the next release of the product. And that's what

Lynn is referring to now. We're in the process of

just making that -- we've made that transition now.

We're working to smooth out the environment, and then

we will be looking at that full text capability.

            COMMISSIONER DICUS: Do   we   have   a

capability -- or I -- maybe that's the wrong way to

approach the question. But, I mean, we're sort of

going down a path and seem to be encountering one problem after another. Do we have a way to try to be in front of the eight ball? Because I kind of feel we're being run over by it.

What other issues could we have coming down the pike that we suddenly find we've got to continue doing something differently and doing things that didn't work and doesn't work. And we can be to a point that that's not happening. Or is that just the nature of the beast? I would hope not.

MR. REITER: Well, to some extent, you always have to be cautious about the beast. But I think what we did this past year, which was mentioned, was to bring in some independent consultants to take a look at our strategy for document processing automation. And we had the Harvard Computer Group come in, and then we had the Gardner Group come in and take a look at their recommendations.

In both instances, they recommended or said that we were on a path that they were comfortable with, and we should continue on the path that we were moving down with the file net technology.

The frustration that you're sharing is certainly a frustration that we share. We have -- as we've moved along, we have encountered some

difficulties. We've established relationships with the software vendor, and we look for them to give us support. And so we've established these relationships at the senior level of the software vendor's organization.

And we're hopeful that over the next 12 months we will be able to make even more substantial progress in upgrading Adams features.

At last year's hearing, Commission discussion, the question was asked about, when will we have the web-based interface for the public. And at that time, we said we thought it would be a 12- to 18-month timeframe. So we think we're on track to make that happen.

We're also dealing with the software industry. And in dealing with the software industry, you deal with relationships that exist between two vendors that are going to partner together. And you have to examine what those relationships look like and how we want to move forward with that.

COMMISSIONER DICUS: Okay. Let me now switch to another topic. Is the general license tracking system working okay? Any problems have been surfaced? Because certainly this particular part of our activities has become somewhat more burdensome

than we thought, and at least -- but perhaps not in

the information technology, but in finding out that

we're having trouble tracking some of these general

licensees down. So is the system working?

MR. REITER: On GLTS?

COMMISSIONER DICUS: Yes.

MR. REITER: GLTS Version 1 has been in

production I think now for six months or longer than

that. And that -- as far as I understand, that's

working fine.

And we're in on the -- we're in the

process working with NMSS to bring up Version 2 of

GLTS, and I think that's scheduled for the March/April

timeframe. And that seems to be moving along fine,

and that will give some additional capabilities.

COMMISSIONER DICUS: Okay. That's --

MR. REITER: Let me mention one other

thing that we've also put in place, and Jim mentioned

this, is that we have our computer test lab. And

that's been put in place over this past year, and

that's also helping us move more quickly through any

testing issues or performance issues that we come up

with.

COMMISSIONER DICUS: Okay. Thank you. I

want to just make one -- have one question on some

activities that may have come out of the 9/11 issues.

And this is some discussions that may have been -- that had been had concerning establishing some new categories of documents that might go into the system that are not safeguards, classified, etcetera, and so forth, but aren't necessarily available as a general rule to the public but might be available, under certain circumstances, for the purposes of hearings or FOIA requests or something along those lines.

Do you anticipate any particular difficulty in establishing a different type of category of that nature?

MS. GOLDBERG: Well, we have procedures in place right now to deal with classified and safeguards information. And if there is an extension or a third level of that, we would anticipate that working with the security folks who would be making those definitions, that we would handle those much the way we are handling the safeguards information now.

I'd like to -- of course, on the website, we don't have any of this type of information. We have controls in place to make sure that we don't have this type of information. I think that Lynn might be in a better position to answer the question with

respect to Adams.

MS. SCATTOLINI: Well, I think we -- as Fran says, we have existing procedures in place to handle different categories of information. And we can use that as a model in handling this new defined criteria that the Commission has identified.

So, for example, we have guidance to licensees today with regard to how to handle proprietary information. And when they submit proprietary information, they submit both a proprietary and a non-proprietary package that can be made available to the public.

Likewise, we have documents that the staff generates that are predecisional or meet some criteria for not being made publicly available. And the system has the capability to handle that, because it has two fields there -- sensitivity and availability -- that allow the staff to designate the appropriate level of sensitivity and whether a document should be made publicly available.

So have some work to do to implement some new procedures. But I believe we can build on the existing processes and operational experience of the agency in this area.

COMMISSIONER DICUS: Okay. So I hear a

maybe yes to the answer to the question.

If such a category of documents is created, this time next year I'll probably be asking how well that has gone. So fair warning.

The final thing is more of a statement than a question; then we can move on to the next Commissioner. It has to do with security. I have some concerns about the entire area, in part because the issues identified, even though the letter that we got was very harsh in tone, and that tone has been modified somewhat with additional information that they were made aware of -- nevertheless, most of the issues identified, if not all of the issues, are not new issues. They've been around for a while.

So we clearly got ourselves somehow into this situation that we should have perhaps been somewhat more aggressive in addressing prior to the time that we would get the kind of letter, however maybe somewhat misinformed it was, that we got. And we still have, I think, a failing grade, which is not something that we can be particularly proud of.

But I'm a little concerned about I think two comments that you made, Stu. One of them had to do with the fact that -- if I heard you correctly, that the events of 9/11 sort of implied that this is

why the security thing came to light. In light of the
fact these ideas, these problems had been identified
before 9/11, perhaps 9/11 increased the intensity or
the depth of scrutiny of the security issues.

But I don't think we can, you know, rest
on the concept that, well, gee, 9/11 has caused this,
because that's sort of what I heard you say. And
that's simply not the case.

The second thing that I heard you say that
gives me a little bit of pause for concern is you said
even though we have all of these problems, nothing bad
happened. Now, that's the good news, and I'm glad
that's the case. But I think we ought to be much more
concerned that we got the problems and not that -- be
happy that nothing happened, but let's not rest on
that laurel.

MR. REITER: Yes. We're not -- I
certainly didn't mean to imply that 9/11 had any
catalyst effect on the security initiatives. The
findings reflected more of a need for oversight and
tracking and getting in place performance measures.

The findings also identified that we had
solid procedures in place, but we need to close the
circle and close the loop. And this is something that
we're working on.

DR. TRAVERS: And you're right, Commissioner. We need to fix these things, and that's exactly what our focus is. Anything that we've said today that sort of was -- beyond that was really intended to give you a perspective, a characterization of the significance of the issues more than anything else, not to diminish, in any sense, our objective of fixing completely the issues that have been identified.

COMMISSIONER DICUS: Okay. Well, I think the issues, though, do have significance. So I would want to see them fixed and fixed in a timely fashion.

Thank you, Mr. Chairman.

CHAIRMAN MESERVE: Great. Commissioner Diaz?

COMMISSIONER DIAZ: Thank you, Mr. Chairman.

There's always some good feeling about beating a dead horse. And I always wonder --

COMMISSIONER DICUS: Actually, I'm not sure I like that statement, Commissioner.

COMMISSIONER DIAZ: Yes. I always wonder why people do that. It's probably because the horse is big, it smells, it's easily identified, and it doesn't kick.

(Laughter.)

I read your December 10th lessons learned on Adams, not only from the perspective of Adams, but what does it mean to CIO and the agency. And I was -- just came out a while ago with an analogy, and let me just quote you a few things from the report about what the problems were.

Commitment to an overly aggressive schedule, delivery of poor quality custom code, insufficient time, insufficient skilled staff, insufficient experience in managing, OCIO has too many responsibilities, did not appreciate the variability of the things.

You know, I went through this in the 1980s with the nuclear power industry. It seems like, you know, 20 years later, if we had known about small break LOCAs, that we will be able to protect from them. And it seems to me like Adams had a bunch of small break LOCAs, and the CIO was not ready for them. And I'm concerned because this is problems -- many of them that, you know, are there.

And having said that, and going forward, having already beaten on the dead horse, let me try to beat on a live horse.

Looking at all of these things -- I mean,

the schedule -- quality code, which as you know, is --
it would be the same as the nuclear power plants
saying, "We didn't have a good design," or "We didn't
have the skilled operators, DMI."

I mean, all of these things in an agency
which prides itself in having redundant systems and
being able to have compatibility between the intended
function and what is being done, which is the issue of
compatibility between products and what you want to
achieve, it seems to me that we need to know, or I
need to know, that these lessons learned are not
really lessons learned for code or Adams or a document
management system.

But it's a bigger lesson. It's a lesson
in how you manage large systems that are going to have
an impact, not only on the performance of the NRC
employees but on our stakeholders. And, therefore,
putting all of this in a single question is: we're
not going to have any small break LOCAs anymore on
CIOs? Have we already achieved an issue where
compatibility between the intended function and the
product is established?

What is your QA program, the quality
assurance that you are using to make sure that these
things do not happen anymore? Not Adams, but across

the board.

MR. REITER: Right. Thank you for the question, because this is -- and we've mentioned this in the presentation today, that there have been, over the last several years, some significant development efforts that the NRC has gone through in terms of putting systems in place.

And some of these efforts were fairly significant, also represented first time out of the gate for the NRC. So you're not -- I'm not sure it's fair to compare this with a situation per se where you have more extensive years of experience in either building nuclear powerplants or building homes or apartment buildings or whatever you may be dealing with.

But the intent of the lessons learned, not only for Adams, we have lessons learned on PeopleSoft, HRMS. Moe mentioned that there will be a lessons learned on GLTS and the LSN, which we pointed out is pointed to as being a successful program -- is to take those lessons learned and institutionalize that learning into the organization, so that we can do better and that we can give you and your peers and management much more comfortable sense that when there is a proposal on the table to put in an information

technology program that the dollars and the plan that's presented and the functionality that's identified as being required -- desired, will actually be produced at the end of the day.

Or there will be checkpoints and management decision points that occur along the process where that if things do change there can be a decision to stop the program or modify the program in some way.

The management directive that we have -- we have a number of things within the organization that guide these efforts, that help institutionalize our initiatives. One is the management directive 2.2, which is our capital planning and investment control. We're in the process of reviewing that and modifying that.

As Moe mentioned, we're looking at the capability maturity model for software, bringing that into the organization and understanding how that would help us to better deliver software products. And that's an interesting model because it points -- it touches on something that you had mentioned, and I mentioned this before.

The capability maturity model, which was developed by the Software Engineering Institute, which

operates out of Carnegie-Mellon and is funded primarily through DOD to deal -- which was put in place back in the '80's and specifically do deal with the problem of being able to have a reliable process for delivering significant software products.

It has five levels of maturity. At Level 1, you may be successful, but there's no implied repeatability of your ability to be successful. At Level 5, we're talking about an organization that can deliver error-free code on a consistent basis.

There are a few organizations that are at Level 5. The NASA Space Program is one of these organizations, where there's a significant investment in the software delivery process to ensure that the product produced meets the specifications. Most organizations operate at a Level 3 or at a Level 4, and this is almost a cost-benefit judgment that their management makes.

So we feel that we're in a very opportune time now, because we've completed some major program undertakings, we have our lessons learned, we have some models of best practice, and we're trying to bring these things together to, in a sense, uplift the agency's ability to do a better job of delivering software products.

COMMISSIONER DIAZ: Well, you know,
lessons learned are good exercise. It's the way
they're implemented that I think we will be looking
for, because, you know, fool me once --

MR. REITER: Yes, right.

COMMISSIONER DIAZ: All right? Fool me
twice -- I got a little bit concerned -- that goes to
the question of the Chairman and Commissioner Dicus on
the issue of: how do we assess what is happening? Do
we have the competence at different levels to be
dealing with contracts or with each issue?

And you said the vendor would say they
were comfortable with the path that we're in. I'm not
sure I'm comfortable with the path. But what I would
like to hear is at some time -- is that, you know,
from you is, I'm sure we're in the right path -- not
a vendor. I want the CIO to tell the Commission, "I
am not comfortable," because I don't want you to be
comfortable. I want you to be uncomfortable.

I want you to come and tell us, "Yes, sir.
We are in the right path. We have put the things in
the right places and" -- because I think the issue
with Adams and these other things is to -- it's a
confidence that the rest of the organizations have in
all of the functions of the CIO. And, you know, it's

taking a toll, and it's time to rebuild and go
forward. And I think we're looking forward to the
leadership that needs to be in there.

And, you know, I really -- you might have
the best contractor in the world, but, you know,
you're the one that works for us.

MR. REITER: Yes. This is -- just let me
note, I may have not been clear. It wasn't the
vendor. It was independent consultants that were
third party views, and their recommendations that we
were on the right path -- that was consistent.

We were satisfied. We accepted their
recommendations. So we understood their rationale.
They took a look at what other industry products are
out there, where we're at. They spoke to our users to
identify what the longer-term needs might be, and they
put all of this together.

And then we had the second organization,
the Gardner Group, which is fairly well regarded, come
in and pass judgments and give us some feedback. And
they confirmed that.

So when we get to the point where we are
no longer comfortable and we feel that we need to make
a change, if that should happen, then we will be at
your door, and we will let you know about that.

COMMISSIONER DIAZ: You wanted to add something to that?

DR. TRAVERS: I was just going to concur with your observation that confidence and credibility is important. And, certainly, at the outset of Adams we lost some credibility and confidence. But having said that, I think since then there have been a lot of strong initiatives and strong work that's been put into trying to restore it. But it's a difficult thing to -- once you've lost confidence in any realm, I think it's a very difficult thing to restore.

And the staff we have we think are very capable. And as has been mentioned, we would like to build on that capability. We think there are opportunities to seed the staff with additional expertise.

I think going forward those are some of the components, not all, but some of the components that we're working towards to restore the credibility of the varied activities. And as you've heard today, it's a spectrum of activities that converge on an area of technology that's as dynamic as the day of the week almost. So it takes a concerted effort.

We're sure it's going to continue to take a concerted effort on the part of the team here, but

we have confidence that we can demonstrate to you that we have that capability.

COMMISSIONER DIAZ: Okay. Well, I'm sure you're all trying very hard, and we appreciate it.

Let me just one -- going from the broad picture into the small picture. Talking about, you know, going wireless and doing this. What are we doing to get, you know, Microsoft Office established so that we can use it when we're, you know, on the beaten path someplace? What are we doing?

MR. REITER: We looked at movement to Microsoft Office several years ago. Jim, can you touch on that?

MR. SCHAEFFER: Yes. As Stu mentioned, several years ago we looked at it. And, you know, at that point the cost of the conversion we didn't feel justified the business needs. We are coming up with having to upgrade our basic office automation, our mail or word processing, and one of the things we did say we would do is we would continue to review that to see if it made sense.

The primary requirement we saw before was exchanging documents with outside, you know, individuals. When we looked at the cost of it, it was, you know, a multi-million dollar proposal. And

that's strictly based on the way that Microsoft licenses the product.

At the time, our incremental cost for the product we have today is, you know, in the -- you know, a quarter of a million dollars. So there was a big cost difference there. And at the time when we went through and looked at it, we didn't feel that the business needs drove that.

We have said, though, we will continue to look at it. And when we look to upgrade to the next version of our Corel and Groupwise, you know, we'll factor that in to say, you know, what's the cost and what would it cost to go to Microsoft.

MR. REITER: It was -- I'd also note that it was mentioned just earlier that we look at some of these COTS products with lots of holes -- security holes in them, and that's certainly something that Microsoft is working on, to try to resolve that issue that they have with their products.

COMMISSIONER DIAZ: Okay. Thank you, Mr. Chairman.

CHAIRMAN MESERVE: Commissioner McGaffigan?

COMMISSIONER McGAFFIGAN: Thank you, Mr. Chairman.

I'm going to basically -- going forth, you basically have asked questions that have already been asked -- do it a little differently. But I'm going to ask a few that are different.

This computer testing lab that you have in place -- I've been here five years, and so I have some institutional memory. My recollection is that your predecessor, Mr. Galante, terminated a similar laboratory, you know, and there were misgivings on the staff's part at that time as to whether that was the right thing to do. Are we basically back to where we were a few years ago?

MR. REITER: I don't think so. I think -- and Moe is ready to correct me.

(Laughter.)

I think that what Mr. Galante did -- there was a lab that was set up to test new technologies. And the lab that we're referring to is to test our existing production applications as we go from release to release. So, for example --

COMMISSIONER McGAFFIGAN: I thought it was to test -- I mean, I went down to it once. I thought it was to test new software that you were thinking about buying and making sure it was going to be compatible with the rest of the system.

MR. REITER: But the lab that we're --

COMMISSIONER McGAFFIGAN: It sounds like what the new one is --

MR. REITER: Well, the lab that we're talking about is if we're going to go from one release of Adams to the next release of Adams, we will use that lab to test the new release before we put it out into the production and --

COMMISSIONER McGAFFIGAN: My recollection is that's exactly what they told me, at least in part. The old lab was supposed to --

MR. SCHAEFFER: Let me -- if I could address that. The technology lab under the present was really set up -- the primary focus of that was to look at technology assessment. It did do a lot of the things you're talking about -- looking at new packages.

The lab we have today, though, really looks at four areas. It incorporates the development, so when the developers are developing they develop in that lab. It incorporates the functionality and integration testing when we want to plug it into the environment.

It also incorporates the production testing, that when we move it -- want to move it from

development into production, what's the impact going

to be?

The fourth area, what we have included,

it's the items that were previously included as part

of the technology assessment we've also incorporated.

So I think what we've done is incorporate some of the

items, you know, we had previously into -- you know,

along with the other three items to, you know --

COMMISSIONER McGAFFIGAN: I remember there

being at least some elements of the CIO staff who were

not very happy with Mr. Galante's decision. And I

wasn't in a position to second-guess him at the time,

but I think, given what you've done, I mean, I'll just

-- I think what you're doing today is very similar to

what you were doing previously, whatever -- at least

that was what the folks said they wanted to do.

And I think we thought there was a whole

lot better contractor world out there, so we didn't

have to do as much testing, which is why that lab went

away. And I think -- you know, I suspect there was a

mistake there, but I won't -- I'm not going to get

into a big debate about it.

In the security area, how much NIST ones

and twos do we have at the moment? I mean, if we're

averaging slightly over three, and we've got fives, I

can do the arithmetic; we must have some ones and twos.

MR. LEVIN: Yes. In our major applications, we have two applications that are a two, two that are 2.5, the rest are three or higher.

COMMISSIONER McGAFFIGAN: What are the twos?

MR. LEVIN: Which applications?

COMMISSIONER McGAFFIGAN: Yes.

MR. LEVIN: Technical assistance program for nuclear materials, TAPNM; and transportation approval package information system, TAPIS.

COMMISSIONER DICUS: What was the last one?

COMMISSIONER MERRIFIELD: Is this something that perhaps we should just ask them to give us the entirety of the chart rather than --

COMMISSIONER McGAFFIGAN: Yes. Why don't you just give us it for the record. But I -- and also, could you give us for the record your schedule, you know, your scheduling to get to four on average or something. But could you tell us about the ones that are below three, what your schedule is for getting those to three or above.

In terms of the material in the security

area, some of the stuff that you guys deal with OMB

on, we see some it; some of the stuff you deal with

OMB on, we don't.   I didn't recall seeing the

September submission or the November get-well plan,

although I see some other things -- the section --

what is it? 300 reports, or whatever they are, that

go in every year we saw for the first time this past

September.

          And, you know, do you have a rationale as

to why -- I mean, if I'm recalling right, we were not

informed of this looming problem?

          MR. REITER: I wasn't aware that you did

not see the September or the November submissions.

          COMMISSIONER McGAFFIGAN: I don't think

they came to the Commission. Does anybody know for

sure?

          DR. TRAVERS: Why don't I get back to you

on it. I just don't recall whether or how --

          COMMISSIONER McGAFFIGAN: I don't remember

them coming to the Commissioner, and I don't remember,

you know, us reviewing them. I mean, the IG stuff we

shouldn't see because that's between IG and OMB,b but

the rest of it I think we should.

          And as a general matter, I think you all

need to think about, you know, on the section -- is it

Section 300?   Or whatever -- the OMB Circular 300 reports, we got those last September. And we got them so late that I think the SRM basically said, "Consider all of the Commissioner comments," of which there were voluminous numbers, "and do the best you can to amend them before sending them on to OMB." And I don't think I ever saw the final product that went to OMB.

But I think you need to think about the stuff that's important enough. I don't want to see every Paperwork Reduction Act or paperwork clearance request that goes to OMB. But I think important documents that go to OMB, consistent with the practice elsewhere on budget documents, you need to think about getting those to us.

With regard to the security person that you're trying to bring on board, it's an SLS position you said. So we can pay, what, up to $138,200 as the base salary? And they're eligible for some bonuses as well.

I don't know what the private sector going rate is for a computer security person of the capability you're looking for. Will that get them?

MR. REITER: We checked with some outside firms to find out what kind of market we were competing with, and that would put us at the -- that

would give us a position to be able to compete at that market.

COMMISSIONER McGAFFIGAN: At the lower end of the market?

MR. REITER: Yes.

COMMISSIONER McGAFFIGAN: Okay.

MR. REITER: I think the average outside salary was something like $135,000.

COMMISSIONER McGAFFIGAN: Okay. Well, it's at the average end of the market, then. Okay.

This person -- I mean, in terms of -- a lot seems to rely on them, although you said you're not waiting for him or her to show up. But the -- if it's an outside person, how long will it take to get them a security clearance? You know, to go through that -- the process. If you hire -- if you tell the person, "I want to hire you," this panel makes a -- you know, gets together tomorrow and says, "Oh, my gosh, there's this one person who's so outstanding, if we can get him or her, we should just, you know, forget the rest of this process. And, Stu, give him an offer tomorrow," which isn't going to happen probably.

But how quickly, if that person doesn't have a security clearance, will he actually be -- or

she be effective?

                MR. REITER: Well, I'm not -- I don't know
if anybody has a sense of how long it --

                AUDIENCE MEMBER: It's a 145(b) process.
We can do that very quickly.

                COMMISSIONER McGAFFIGAN: You can?

                AUDIENCE MEMBER: Yes. Pending the final
-- pending the whole clearance, we can do a 145(b)
fairly quickly.

                COMMISSIONER McGAFFIGAN: Okay. Well, I
just wanted to be sure we -- that this person is going
to be --

                MR. REITER: Let me also comment. You
know, I said we're moving the process along, and we're
looking to bring this senior person on board. But
we're not going to bring this senior person on board
not only for what we're immediately dealing with as a
result of this year's GSRA results, but also for the
long haul, to be a resource for the agency in terms of
computer security for, you know --

                DR. TRAVERS: I think we've already laid
out a very complete corrective action list against
those issues. But moving forward, as Stu has said, we
want to have additional capabilities to --

                COMMISSIONER McGAFFIGAN: I share all of

the views previously expressed by Commissioner Dicus and the Chairman with regard to these issues.   We should have been more on top of them.   GSRA was passed, what, in 1999 or 2000?   When was it -- it is in -- what?

DR. TRAVERS: 2000.

COMMISSIONER McGAFFIGAN: 2000? Well, we had a year's notice at least, and we knew that Congress was working on it prior to its passage.

This Adams release that we're going to -- or that the public is going to get, where they get a Yahoo-type interface, that means they don't have to use CITRIX anymore?

MS. SCATTOLINI: That's correct.

COMMISSIONER McGAFFIGAN: You said you're thinking about whether this can go to the staff.   If the staffer just pretends to be a member of the public on his computer, can he then use -- I'm talking about myself --

(Laughter.)

-- use the Yahoo portal to get into Adams?

MS. SCATTOLINI: If you ask for special permission, I might let you do that.

(Laughter.)

COMMISSIONER McGAFFIGAN: I'm not looking

for special permission, but you can't --

MS. SCATTOLINI: I'm just teasing. Yes.

COMMISSIONER McGAFFIGAN: Okay. Well, I just --

MS. SCATTOLINI: The NRC staff can come in just like the public can. It's any user to the website. The only limitation is that you would only be accessing publicly available information.

COMMISSIONER McGAFFIGAN: In some ways, that's better. It shows me what is available to the public. And if I know something else exists, I can then ask why it isn't there.

The issue that Commissioner Diaz mentioned -- he mentioned the Adams lessons learned effort. And I know we've had other lessons learned efforts, and we had this very conversation last year. In many ways, you presaged the December report in your remarks last year to the Commission. But have you looked at a comprehensive lessons learned?

Adams has, you know, got problems. StarFire had problems. The general license tracking system had problems. On the other hand, the web redesign, you know, I think some kudos go there, although we -- it wasn't necessarily -- you know, we'll never know for sure, because 9/11 intervened

about the day we were going to put it up, but I think it was going to be a success.

The reactor safety system I think it's called was a success. The LSN, you mentioned, was a success. In looking as sort of a comprehensive -- I'm not trying to make a lot of work for somebody, but looking at the six of them combined, if you want to move to Carnegie-Mellon SEI's Level 3 or 4, you'd best try to figure out, you know, how to make sure you replicate the successes and don't replicate the failures.

And so you need a more comprehensive look -- do you? And is that happening?

MR. REITER: Yes. And that's what we're doing right now, and we're doing that in the context of reviewing our management directive 2.2, which is the capital planning and investment control process, which is the main process that we use in looking at software delivery products.

So all of the lessons learned that you mentioned and the best practices offered through the CMM model are being taken into consideration as we move forward with that.

COMMISSIONER McGAFFIGAN: Let's look at what other -- I think I'll leave it off there, Mr.

Chairman. I do share -- again, going forth, I share all of the concerns expressed about our contractor dependence in this area that have been previously expressed. And I think that, you know, it's a very difficult area. I think this area more than others -- because of the salaries.

Maybe the dot com, you know, disasters will make more people available, but for a while there we were very noncompetitive in salary in this area. And we may still be, and it's a generic issue across government.

I know that the way the Defense Department handles some of this stuff is NSA gets a lot of very, very high-priced talent, the National Security Agency, by having people who are contractors but they work for one of the -- I forget which one it is, the Rand Corporation-type institution, or Mitre, or Defense Logistics Institute, or whatever.

And those people basically look like full-time government employees, but they get paid far more than the Secretary of Defense does, which is what they have to get paid in order to have them on board doing things that are terribly important for the nation.

And that all said, we have to figure out how to do the best we can with the personnel

constraints that we face as an agency. And we have to have the people on board that we need to in order not to be hoodwinked by the contractors.

CHAIRMAN MESERVE: Thank you.

Commissioner Merrifield?

COMMISSIONER MERRIFIELD: Mr. Chairman, thank you.

I have -- unfortunately, I miscalculated as to how long this meeting was going to be going, and so I have soon, very soon, a group of people I need to meet with. So I'm going to be making some brief comments. I will not be asking the staff to respond to those, but would certainly, if they would like to address me privately with any concerns that I raise --- don't necessarily expect that.

The first thing I wanted to say was I just wanted to give a compliment to the CIO staff in general. Obviously, we've all had to deal with the issues coming out of the events of September 11th. There was a significant impact on our ability to provide documents to the public.

A lot of criticism came as a result of that -- some of it merited, some of it not -- but I think the staff certainly does deserve some credit for really trying to work in an effort to get things in

the right place. And we'll still have, obviously, a
lot of work coming out of that to come.

I want to understand score what
Commissioner McGaffigan said as well in pointing out
Fran Goldberg and the inferences associated with the
web redesign. I think this will prove to be a very
positive effort. Obviously, it was significantly
impacted by the events of September 11th. But I think
as we review this, perhaps a year from now, I think we
will see a lot of success coming out of that program.

I want to associate myself with some of
Commissioner   Dicus's   comments   associated   with
security, and other members of the Commission have
said so as well.

I was listening a little bit to the
comments made by Mr. Levin, and I appreciate the fact
that we've had a good, vibrant security effort, which
has not -- we have not been associated with attacks
heretofore. One must always remember that you can't
fight the last war and -- nor should we rest on our
success in the past.

I credit the staff with accepting the
recommendations to go with a new senior-level computer
security person. I agree with Commissioner McGaffigan
that we may need to explore different ways we can make

sure we get the right person to fill that.

Normally, I am very supportive of trying to fill positions within the agency. This is one of those examples where I would deviate from that and indeed believe that we may need to look outside of the agency to bring us new capabilities that we do not have in-house at this point.

I want to comment on the materials provided by Mr. Schaeffer. One of the things he noted was the effort to identify the use of PDAs, personal digital assistants, for our inspectors in the material arena and also in the reactor arena. I think that's a very positive effort. There are a lot of other technologies out there.

We had a previous CIO -- Mr. Galante, who was mentioned before -- who had a philosophy he shared with us about trying to have the CIO act as a service organization, and that the arenas -- the different offices should be sort of the lead, and then the CIO would serve as a subject matter expert to assist them.

My own personal view of the way the CIO should be acting -- and I've discussed this privately with the EDO -- is to be more of an agent of change. I think the CIO needs to be a significant effort in enhancing our effectiveness and efficiency.

And I compliment the efforts on the PDAs, because I think that's an example of the kind of things that the CIO should be trying to do -- identifying technologies out there and bringing those to the programs offices that may enhance our ability to manage our resources, limited as they are. And I would suggest that you may wish to consider the possibility of having a team of individuals put together who could think outside of the box on enhancing IT technologies for the effectiveness in our agency.

I want to agree with Commissioner Dicus on the concerns associated with Adams and the enhanced text search capabilities that were not provided to us in the initial deployment of that. Prior to coming to the agency, among the many things I did was work for a government contracts agency.

It was an old axiom that when you have a contract that has certain specifications, and you don't meet the terms of that contract -- and, in fact, the terms weren't met as it related to the search capabilities as promised -- that there should be consequences associated with that and some outcomes between the contracting parties.

Without having to comment -- and I would

be interested in getting some further information from the Office of General Counsel and the CIO's office about what contractual outcomes have been explored relative to that to make sure that we are made whole given the amount of money that we have expended. And certainly I think it's not sufficient to say that our having bought additional follow-ons is an appropriate outcome for that.

The Chairman made some comments associated with whether we have sufficient dependence on contractors versus having our own internal staff. I appreciate his concerns on that. We, unfortunately, are -- as you know, are under the obligations of OMB Circular 876, which is taking us in the opposite direction and asking us to enhance the number of jobs inside the agency that we can, in fact, put into the public arena.

I had an opportunity to litigate a couple of those cases when I was in my former law firm. That's something that I think is going to be a challenge for us, and particularly in the CIO area I think that may be a particular one.

One of the issues that was raised to me recently was some concerns by our stakeholders relative to the availability of documents in our

public document room. That is an issue I will want to

pass forward and one I'll need to explore more

privately with the CIO and his staff. But I just want

to put you on notice that that was something that I

have heard from our stakeholders.

The final comment I would want to make,

and I -- I appreciate my colleagues bearing with me --

in the meeting I had yesterday, I talked a little bit

about getting more information in advance about the

materials that are being provided in a briefing. I

want to compliment the CIO staff for having some very

detailed and analytical presentations, particularly

the one that we received first from Lynn Scattolini.

The frustration I have is there was a

significant amount of meat and detail in those, a lot

of numbers that were quoted, a lot of information that

was, frankly, difficult for me to pick up in an oral

presentation. As a simple follow-on, I would request

that a copy of those statements be provided to my

office. And, presumably, the other Commissioners may

want those as well.

Mr. Chairman, I think we need to relook at

how we are going to prepare for these meetings. I

can't ask appropriate questions given the nature of

the statements that were given, in the absence of

getting that in sufficient time in advance -- 48 hours
or so. I don't think we're taking full advantage of
these meetings.

Thank you, Mr. Chairman.

CHAIRMAN RICHARD MESERVE: Thank you.

I would like to express appreciation on
behalf of the Commission for your presentations this
morning. As I mentioned earlier, I think all of us
share the view, and the reality is is that your
functions are central to the mission of the agency.
And you have provided us with some helpful insights
this morning, and we appreciate your efforts to meet
the challenges that are ahead.

And with that, we're adjourned.

(Whereupon, the proceedings in the
foregoing matter were adjourned.)