

1  
2 UNITED STATES OF AMERICA  
3 NUCLEAR REGULATORY COMMISSION

4 + + + + +

5 BRIEFING ON PROJECT AIM 2020

6 PUBLIC MEETING

7 + + + + +

8 WEDNESDAY

9 FEBRUARY 18, 2015

10 + + + + +

11 ROCKVILLE, MARYLAND

12 + + + + +

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

16 COMMISSIONERS PRESENT:

17 STEPHEN BURNS, Chairman

18 KRISTINE L. SVINICKI, Commissioner

19 WILLIAM C. OSTENDORFF, Commissioner

20 JEFF BARAN, Commissioner

21 NRC STAFF PRESENT:

22 MARK SATORIUS, Executive Director for Operations

23 MAUREEN WYLIE, Chief Financial Officer

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

25 KAREN FITCH, Deputy Team Leader, Project Aim

26 MARGARET DOANE, OGC

27 ANNETTE VIETTI-COOK, SECY

28 SHERYL BURROWS, President, NTEU

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

1:32 p.m.

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

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

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

I look forward to your presentations, I'll

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

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

9 CHAIRMAN BURNS: It was not on.

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

12 (Simultaneous speaking.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 MR. WEBER: Okay.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 identifying who would be the host organization?

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

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

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

26 COMMISSIONER OSTENDORFF: Staying with the



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

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

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

12 CHAIRMAN BURNS: Commissioner Baran.

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

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

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

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

9 COMMISSIONER BARAN: And following up on -

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

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

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

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

26 Of particular importance to us as an Agency

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

26 So, I think what will happen now is the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

26 CHAIRMAN BURNS: Okay, thank you.

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

4 (Off microphone comment.)

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

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

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

26 We are heartened that Project Aim team

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

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

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

26 NTEU was given access to the Project Aim

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

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

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

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

1 staff.

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

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

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

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

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

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

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

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

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

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



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

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

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

10

11

12

13

14

15

16

17

18

19

20