



SECRETARY

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

April 13, 2016

COMMISSION VOTING RECORD

DECISION ITEM:                   SECY-16-0009

TITLE:                               RECOMMENDATIONS RESULTING FROM THE INTEGRATED  
PRIORITIZATION AND RE-BASELINING OF AGENCY  
ACTIVITIES

The Commission acted on the subject paper as recorded in the Staff Requirements Memorandum (SRM) of April 13, 2016.

This Record contains a summary of voting on this matter together with the individual vote sheets, views and comments of the Commission.

  
Annette L. Vietti-Cook  
Secretary of the Commission

Enclosures:

1. Voting Summary
2. Commissioner Vote Sheets

cc: Chairman Burns  
Commissioner Svinicki  
Commissioner Ostendorff  
Commissioner Baran  
OGC  
EDO  
PDR

VOTING SUMMARY – SECY-16-0009

RECORDED VOTES

	<u>APPROVED</u>	<u>DISAPPROVED</u>	<u>ABSTAIN</u>	<u>NOT PARTICIPATING</u>	<u>COMMENTS</u>	<u>DATE</u>
Chrm. Burns	X				X	03/14/16
Cmr. Svinicki	X				X	03/24/16
Cmr. Ostendorff	X	X			X	03/21/16
Cmr. Baran	X	X			X	03/16/16

**NOTATION VOTE**

**RESPONSE SHEET**

TO: Annette Vietti-Cook, Secretary

FROM: Chairman Burns

SUBJECT: SECY-16-0009: RECOMMENDATIONS RESULTING FROM THE INTEGRATED PRIORITIZATION AND RE-BASELINING OF AGENCY ACTIVITIES

Approved  Disapproved  Abstain  Not Participating

COMMENTS: Below  Attached  None

**Entered in STARS**

Yes

No



Signature

14 March 2016

Date

**Chairman Burns's Comments on SECY-16-0009**  
**Recommendations Resulting from the Integrated Prioritization and Re-baselining of**  
**Agency Activities**

I want to thank the staff for the thorough and methodical approach, which resulted in 151 individual activities that could be halted or performed with fewer resources. I commend the Executive Director for Operations (EDO) and the Chief Financial Officer for providing opportunities for all the staff to be engaged in the process. I believe the common prioritization and revised add/shed procedure was an important initial step in identifying areas to achieve savings. These procedures will also be valuable in the future in determining workload priorities and ensuring the budget remains appropriately sized in FY 2018 and beyond.

I have carefully reviewed the staff's recommendations and agree that the proposed items can be shed, de-prioritized, or performed with fewer resources without impacting our ability to meet our mission. Accordingly, I approve implementing these workload changes as soon as practicable. Additionally, I approve delegation to the EDO the authority to issue *Federal Register* notices and other documentation to inform the public of the rulemaking activities the Commission approves for delay or termination.

While the staff successfully completed this re-baselining effort and identified significant reductions for the FY 2017 budget, my expectation is that the subsequent papers scheduled to be submitted to the Commission will provide additional opportunities to achieve efficiencies in the long-term. I expect those proposals to include reviews of work processes, projections of the workload five years out and recommendations for appropriate resources and staffing that align with the projected workload. It is important that the completion of the re-baselining effort and the other Project AIM tasks must be viewed by the NRC staff and stakeholders as the beginning and not the end in our goal to be better positioned to respond to the challenges of 2020 and beyond.



Stephen G. Burns

14 March 2016

NOTATION VOTE

RESPONSE SHEET

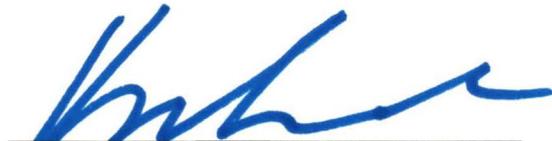
TO: Annette Vietti-Cook, Secretary

FROM: COMMISSIONER SVINICKI

SUBJECT: SECY-16-0009: RECOMMENDATIONS RESULTING FROM THE INTEGRATED PRIORITIZATION AND RE-BASELINING OF AGENCY ACTIVITIES

Approved XX Disapproved      Abstain      Not Participating     

COMMENTS: Below      Attached XX None     

  
\_\_\_\_\_  
SIGNATURE

03/ 24 /16  
\_\_\_\_\_  
DATE

Entered on "STARS" Yes  No

**Commissioner Svinicki's Comments on SECY-16-0009  
Recommendations Resulting from the Integrated Prioritization  
and Re-baselining of Agency Activities**

Let me begin by commending the staff on the extensive work undertaken to produce this set of recommendations (Enclosure 1). I have carefully reviewed the staff's recommendations and have probed for further elaboration and explanation regarding a large number of the individual items. In all cases, I have found the staff's approach to these recommendations to be cautious, thorough, and appropriately conservative with respect to potential impacts to our vital safety and security missions. In light of this, I approve implementing these workload changes and approve delegating to the Executive Director for Operations the authority to issue any necessary *Federal Register* notices and other documentation to inform the public of the approved changes to rulemaking activities. It is my expectation that the staff will monitor the effect of these approved changes, commensurate with their significance, and report back to the Commission on future adjustments or course corrections that are needed, if any.

It takes tremendous organizational objectivity to step back and analyze your own work, how you are approaching that work, and the contribution that work is making or is likely to make to the organization's overarching goals and objectives. I am proud of the NRC staff for exhibiting such objectivity, professionalism, and demanding standards of themselves and their organization. An endeavor like this re-baselining is even more challenging in a regulatory agency, where nearly every single element of work can be portrayed as forming an essential underpinning of public health and safety. But while our activities all generally have merit, that does not mean they are all effective or will return a health and safety benefit commensurate with the time we are spending on them. The tendency for me, as a reviewer of this work, is to pick apart the bases and question the impacts of individual recommendations. As a necessary part of my due diligence, I have done so and through this exercise, the staff has secured my confidence in the worth of their recommendations. Altering inspection protocols, durations, or frequencies does not mean we don't care about plant safety. Modifying the amount or type of fire research we conduct does not mean we abandon our care about fire safety. To suggest otherwise would mean that in our nearly \$1 billion budget, nothing can be altered, nothing can be changed, everything is perfectly planned and executed, and not one penny is poorly allocated. We have not approached Project Aim in this fashion.

The difficult part comes in identifying concrete next steps. Beyond this set of things most obvious to us, we must now figure out where to turn our attention. Two activities offer promise. The first is the Strategic Workforce Plan (SWP). The staff has admitted to experiencing a number of difficulties with developing a true picture of our skills mix and projected needs. In response, the staff developed the SWP Action Plan to make better progress in this regard. Candidly, I observe that the staff continues to struggle on this topic. The staff should develop a dashboard to track progress against the Action Plan and establish more concrete milestones for each element of the plan. The staff should update the Commission on strategic workforce restructuring every six months and in the first of these updates should propose a full time equivalent staffing target for the end of Project Aim in the year 2020, informed by the workforce planning.

A needed complement to a renewed look at strategic workforce planning is improving the efficiency and effectiveness of how we do what we do. The staff's paper on Additional Re-baselining Products (SECY-16-0035) makes general reference to longer term Project Aim activities but lacks the specificity needed in some areas and lacks milestones for routine status reporting to the Commission. The identification and achievement of future efficiencies may

have an over reliance on NRC's culture of continuous improvement, from which good things are presumed to flow. More practically, the staff should return to the Commission within 90 days with a set of specific business improvement areas or proposed "deep-dive" / "zero-based" reviews into agency functions or processes that do not appear to be performing efficiently and proposed timeframes within which these reviews will be conducted and recommendations developed.

The greatest danger for multi-year improvement initiatives is that they will stall out as a result of organizational fatigue or skepticism. I share the Chairman's vision that Project Aim "must be viewed by the NRC staff and stakeholders as the beginning and not the end in our goal to be better positioned to respond to the challenges of 2020 and beyond." Much hard work has been completed but much lies before us. A refocusing of our efforts on higher fidelity strategic workforce planning and additional business process improvement reviews, with a focus on zero-based reviews in targeted areas, is essential to achieving this vision.



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Kristine L. Svinicki 24 March 2016

NOTATION VOTE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary

FROM: Commissioner Ostendorff

SUBJECT: SECY-16-0009: RECOMMENDATIONS RESULTING FROM THE INTEGRATED PRIORITIZATION AND RE-BASELINING OF AGENCY ACTIVITIES

Approved  Disapproved  Abstain  Not Participating

COMMENTS: Below  Attached  None

Entered in STARS

Yes

No

  
\_\_\_\_\_  
Signature

3/21/16  
\_\_\_\_\_  
Date

**Commissioner Ostendorff's Comments on SECY-16-0009,  
"Recommendations Resulting from the Integrated Prioritization and Re-Baselining of  
Agency Activities."**

I thank the Project AIM team and the offices for all the effort required to develop the integrated prioritization and re-baselining of agency activities. Overall, the staff identified a thoughtful set of proposed reductions and, with the exceptions discussed below, I approve the staff's proposal.

In my vote on SECY-15-0015, "Project AIM 2020 Report and Recommendations," I stated, "any serious look at assessing these organizational/staffing issues requires a reference baseline from which to begin the dialog. In the case of Project AIM, I see re-baselining (identified in recommendation II-2.a) as the starting point for many of the other recommendations." To inform my decision on the present SECY paper, I analyzed the staff's recommendations using the description of re-baselining that the staff identified in SECY-15-0015 recommendation II-2.a. Specifically, "the re-baselining review should confirm the basis for the work (the requirement(s) that the work is intended to fulfill, whether it is required by law (including judicial mandates and regulations), or Commission direction)." I also considered SECY-15-0105, "Plan for Integrated Prioritization and Re-Baselining of Agency Activities," which indicated that "Staff will examine the bottom budget quartile to identify activities that can be shed or performed with fewer resources on a *permanent* basis [emphasis added], starting in FY 2016 or FY 2017."

I am concerned that several of the proposed items do not seem to align with the re-baselining expectations, and I provide specific comments on those items below.

- Item 6—delaying the Dodd-Frank Rulemaking: I agree with Commissioner Baran's vote to disapprove the staff delaying this work.
- Item 39—eliminating funding for the Minority Serving Institutions Programs (MSIP): I approve eliminating the funding for the MSIP. The staff should ensure that the IUP continues to support activities that were covered by the MSIP.
- Items 51, 52, and 59—decreasing funding for fire protection research: I approve the staff's proposal with the exception of those activities that relate to High-Energy Arc Faults testing.
- Item 108 - Decrease resources for RII Construction Inspection Program: It is not clear from this item that the staff's approach reached the underlying objective of Project AIM, specifically, to project future construction inspection requirements given the significant decrease in construction activity in the 2017 - 2020 period compared to projections from 2006. I approve the proposed cut, but, in my view, there is an opportunity for future cuts.

**NOTATION VOTE**

**RESPONSE SHEET**

TO: Annette Vietti-Cook, Secretary

FROM: Commissioner Baran

SUBJECT: SECY-16-0009: RECOMMENDATIONS RESULTING FROM THE INTEGRATED PRIORITIZATION AND RE-BASELINING OF AGENCY ACTIVITIES

Approved X in part Disapproved X in part Abstain \_\_\_\_\_ Not Participating \_\_\_\_\_

COMMENTS: Below \_\_\_\_\_ Attached X None \_\_\_\_\_

**Entered in STARS**

Yes XX

No \_\_\_\_\_

  
\_\_\_\_\_  
Signature

3/16/16  
\_\_\_\_\_  
Date

## **Commissioner Baran's Comments on SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities"**

The NRC staff did a tremendous amount of work to generate 151 proposals to reduce agency expenditures. I appreciate the staff's systematic approach to prioritizing the work of the agency and am impressed with their willingness to scrutinize what work we do and how we do it. I took a hard look at the recommended measures to ensure that they would not compromise NRC's ability to carry out its safety mission. In my view, most of these items make a lot of sense.

I approve the items proposed by the staff with the exception of those listed below. The disapproved items (or elements of items) represent \$1,453,000 in contract dollars and 13.7 FTE. Therefore, I support over 92% of the total reductions proposed by the staff.

**#6, Delay of the Dodd-Frank Act of 2010 rulemaking:** In my view, it is not appropriate to save funds by further postponing NRC compliance with a 6-year old statutory mandate.

**#35, Eliminating certain updates on the status of Japan lessons learned activities:** I approve eliminating the six-month updates, but the staff should continue the monthly updates to the Commission. This approach will keep the Commission promptly informed of post-Fukushima developments while realizing most of the savings identified by the staff.

**#37, Proposed changes to materials licenses and related bankruptcy reviews:** I approve the centralization of bankruptcy reviews at NRC headquarters but disapprove the remainder of this proposal. Changing the materials license terms from 10 years to 15 years is a significant policy change. The staff has not provided a basis to justify this change or conducted a thorough evaluation of the pros and cons of the proposal.

**#46, Eliminating the informal staff review of individual reactor operator applicants' appeals:** This proposal risks compromising the fairness of NRC's existing process, does not account for ongoing efforts to enhance the process, and could increase the number of formal adjudications, which likely would erase any savings generated by this proposal.

**#51, 52, and #59, Fire research:** I approve the staff proposal, except as it relates to the High Energy Arc Faults and Human Reliability Analysis research. This work should continue because it has the potential to identify elements of NRC's regulatory requirements that may be insufficiently conservative.

**#62, Eliminating research related to environmental transport of radiological releases from severe accidents to aquatic systems:** As the experience at Fukushima Daiichi demonstrates, managing large quantities of radioactive water can be a significant challenge following severe accidents. We should continue work in this area.

**#63, Reduce the rate of updating SPAR models:** I do not support efforts to move away from the use of SPAR models, which allow the NRC staff to conduct independent analyses related to inspection findings, enforcement discretion, incident investigations, generic issues, and license amendment requests. Slowing updates to SPAR models would directly impact the effectiveness of these important tools.

**#82, Reducing Technical Library subscriptions and librarian services:** I approve this proposal with the exception of the cancellation of the E&E suite of subscriptions. That subscription, which represents just 3% of the identified potential savings, should be restored.

**#83, Reduce staff support for FOIA/Privacy Act activities:** As the staff acknowledges, reduced resources in this area may delay FOIA responses and impede the agency's ability to comply with FOIA timeliness requirements.

**#88, Eliminate contractor support for public meetings and workshops on Emergency Preparedness activities:** Given the high level of interest in the decommissioning rulemaking, public meetings and workshops on the emergency preparedness elements of this rulemaking are valuable.

**#94, Changes to the 2.206 process:** In my view, any major changes to the 2.206 process should be considered as part of a transparent, broader review of the process rather than in isolation.

**#95, Eliminating licensing commitment audits, specific reviews, and revising public meeting guidance:** As the staff acknowledges, some elements of these reductions are inconsistent with the SONGS lessons learned report and the Davis-Besse lessons learned report.

**#101, Efficiencies in the enforcement process:** I approve this proposal with two exceptions. I do not support reducing the Office of Enforcement's (OE) support for the 2.206 petition process or eliminating its reviews of FOIA responses related to discrimination cases. As I discussed above, substantial changes to the 2.206 process should be considered in the context of a broader examination of the process. With respect to the FOIA reviews, the staff admits that eliminating OE's review of FOIA responses for discrimination cases may result in the identity of more alleged and witnesses being inappropriately released to the general public. That would be an unacceptable result.

**#110, Revising IMC 2800 for inspections of materials licensees:** I do not support reductions in baseline inspections as part of the Project Aim effort. This item involves significant changes to baseline inspections, including reducing the frequency and number of inspections for some licensees.

**#111, Efficiencies to be gained by risk-informing the inspection hours allocated to decommissioning reactors:** This item also would reduce inspection hours and potentially the time available to inspectors to follow up on their observations.

**#118, Revise the guidance for the Fuel Cycle Inspection Program to result in fewer reactive inspections:** These projected savings appear to be contingent upon changes in licensee behavior rather than upon NRC practice. Moreover, the stated purpose of this measure is to reduce the number of inspections initiated in response to potentially safety-significant events at fuel cycle facilities. I do not support reducing safety inspections to achieve agency cost savings.

**#126, Reduce sampling size for operating reactor baseline inspection procedures:** According to the staff, this item involves both reduced inspection hours (reduced sampling) and fewer plants being inspected because of decommissioning (reduction in the number of reactors). However, my understanding is that the savings associated with a reduction in the number of reactors are negligible in FY17 and FY18. Nevertheless, I approve the "fact of life" change to account for fewer plants but disapprove reducing baseline inspection hours.