

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON PROJECT AIM

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THURSDAY,

JULY 21, 2016

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ROCKVILLE, MARYLAND

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The Commission met in the Commissioners' Hearing Room at the Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, at 9:30 a.m., Stephen G. Burns, Chairman, presiding.

COMMISSION MEMBERS:

STEPHEN G. BURNS, Chairman

KRISTINE L. SVINICKI, Commissioner

JEFF BARAN, Commissioner

ALSO PRESENT:

ANNETTE VIETTI-COOK, Secretary of the Commission

MARGARET DOANE, General Counsel

NRC STAFF:

VICTOR M. MCCREE, Executive Director for Operations

MIRIAM L. COHEN, Chief Human Capital Officer

DANIEL COLLINS, Director, Division of Material

Safety, State Tribal and Rulemaking Programs,  
Office of Nuclear Material Safety and  
Safeguards

ELENI JERNELL, Deputy Division Director, Office of  
Administration

ROBERT LEWIS, Assistant for Operations, OEDO

MAUREEN WYLIE, Chief Financial Officer

SHERYL BURROWS, National Treasury Employees Union

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

2 9:32 a.m.

3 CHAIRMAN BURNS: All right, good morning  
4 everyone.

5 I want to welcome our panelists today from  
6 the NRC staff, other staff and members of the public who  
7 may be in the audience or maybe listening in.

8 The purpose of today's meeting is to  
9 discuss progress on Project Aim implementation.

10 Through Project Aim the NRC is working to  
11 improve efficiency, effectiveness and to use our  
12 expertise in creativity to ensure that we are  
13 efficiently accomplishing our safety and security  
14 missions.

15 The Commission looks forward to hearing  
16 from the staff on the status of implementation of the  
17 Project Aim strategies and upcoming activities to  
18 further streamline our work processes.

19 Before we begin, my colleagues want to say  
20 anything?

21 If not, then we'll turn the meeting over to  
22 Vic McCree, the Executive Director for Operations.

23 MR. MCCREE: Good morning, Mr. Chairman,  
24 Commissioners.

25 On behalf of my colleagues here at the  
26 table, today, as well as those throughout the Agency,

1 we appreciate the opportunity to update you on our  
2 progress with Project Aim.

3 Well, as you would expect, we've remained  
4 focused on our safety and security mission. We've also  
5 made substantial progress since our last briefing of you  
6 on this important topic.

7 We continue to implement the 150 Commission  
8 approved re-baselining recommendations. And, to date,  
9 nearly half of the re-baselining adjustments have been  
10 implemented.

11 We're also on track to implement the  
12 majority of the adjustments by the end of this fiscal  
13 year, by the end of September, which will allow us to  
14 realize significant savings in fiscal year 2017.

15 That said, we're mindful that completion of  
16 re-baselining is just part of the transformation of the  
17 Agency such that we're better positioned to meet future  
18 challenges.

19 I think this is noteworthy progress and we  
20 celebrate the achievement of this and future  
21 milestones.

22 We also recognize that the ongoing  
23 opportunity to welcome and embrace change is what I'd  
24 characterize as a strategic enabler. And, by this, I  
25 mean refining our regulatory programs, other processes  
26 and procedures so that the NRC is a much more effective,

1 efficient and agile organization.

2 A key factor in this transformation  
3 involves further ingraining within our norms, our  
4 attitudes and our behaviors.

5 The essence of the efficiency principle of  
6 good regulation which stipulates, in part, where  
7 several effectively regulatory alternatives are  
8 available, the one that minimizes the use of resources  
9 is the one that should be adopted.

10 To make this happen, we're focusing our  
11 efforts on three areas. One, encouraging employee  
12 growth and development.

13 Secondly, enabling innovation.

14 And, thirdly, fostering a work environment  
15 in which people are engaged and embrace change.

16 I'd be remiss if I didn't acknowledge that  
17 implementation of the changes that we will discuss today  
18 has been accompanied by some expressions of anxiety and  
19 uncertainty about both the direction of the Agency and  
20 how the changes will impact people.

21 This is occurring at a time when we've  
22 already received feedback on areas for improvement in  
23 the 2015 Federal Employee Viewpoint Survey and the  
24 Office of Inspector General Safety Culture and Climate  
25 Survey.

26 As described in our Action Plan which we

1 issued last month in response to these surveys, we are  
2 implementing specific measurable actions to foster  
3 improvements and nurture an environment where our  
4 people feel comfortable doing their job, voicing their  
5 concerns, confident that they'll be heard, understood  
6 and respected.

7 Rob Lewis will provide additional  
8 information on the improvements, including efforts to  
9 create a better shared understanding of what actions  
10 we're taking, why and how.

11 Today's discussion, turning to the agenda  
12 slide, slide two, we'll highlight several of the  
13 completed tasks as well as various programmatic  
14 impacts.

15 We'll start today's meeting with Dan  
16 Collins who's the Director of the Division of Material  
17 Safety, State Tribal and Rulemaking Programs.

18 And then, Eleni Jernell, the Acting Deputy  
19 Director of the Acquisition Management Division in the  
20 Office of Administration, will provide an update on  
21 accomplishments of the Office of Administration as well as  
22 the status of Project Aim implementation activities.

23 Eleni will be followed by Rob Lewis, the  
24 Assistant for Operations in the Office of the Executive  
25 Director for Operations. And, Rob will give us an  
26 update on several implementation activities including

1 a more detailed overview of the implementation of  
2 re-baselining, the recommendations contained therein,  
3 a summary of recently completed tasks as well as a new  
4 task force initiative to assess support staffing in the  
5 regions and in headquarters offices.

6 And, finally, we'll end with closing  
7 remarks from Maureen.

8 So, I'll now turn the presentation over to  
9 Dan Collins.

10 Dan

11 MR. COLLINS: Thank you, Vic.

12 Good morning, Chairman Burns and  
13 Commissioners.

14 This morning, I will provide a brief  
15 summary of the staff's evaluation of potential  
16 consolidation of the Regional Materials Program.

17 In my remarks, I will address the  
18 evaluation process used by the staff, the options  
19 evaluated and associated decision criteria in addition  
20 to summarizing the evaluation results, recommendations  
21 and expected benefits and efficiencies.

22 A more detailed treatment of this  
23 evaluation is contained in the Commission paper,  
24 SECY-16-0083, dated June 27th, 2016 which the NRC staff  
25 submitted for Commission consideration.

26 Next slide, please

1                   This     slide     provides     a     visual  
2     representation of how the NRC materials program is  
3     divided among the NRC Regions I, III and IV in terms of  
4     the geographic territory covered and associated  
5     Agreement States and the states that are still in NRC  
6     jurisdiction.

7                   Beginning in fiscal year 2004, Region II  
8     transferred its materials program to NRC Region I. Not  
9     shown on this map, Region I also covers the Commonwealth  
10    of Puerto Rico and Region IV covers Guam and the  
11    jurisdictional territory located in offshore federal  
12    waters in the Gulf of Mexico and the Pacific Coast, all  
13    of which are in NRC's jurisdiction.

14                  Before turning to the specific options  
15    evaluated, I would like to note that we began with what  
16    we called a clean slate approach. We sought input from  
17    the NRC staff and external stakeholders such as the  
18    Organization Agreement States and we collected a large  
19    amount of data on historic and recent program  
20    performance and costs.

21                  We found that this information painted an  
22    opaque picture of the program with many variables and  
23    no clear conclusions either for or against further  
24    consolidation.

25                  In order to bound our efforts, we then  
26    decided to define several potential but realistic end



1 states and assess whether any of those potential end  
2 states would provide greater efficiency when compared  
3 to the current program.

4 I should note here that one of the  
5 fundamental assumptions made in the evaluation was  
6 that, if there were to be a consolidation consistent  
7 with the Agency's past practice, staff would not be  
8 required to relocate to a new location.

9 They would have the option to relocate at  
10 Agency expense at the appropriate time or to apply for  
11 full-time telework in accordance with the current  
12 Agency policy.

13 Next slide, please

14 This slide provides the five basic options  
15 considered. The first option is one which we refer to  
16 as the Enhanced National Materials Program and it would  
17 be to not pursue a geographic consolidation, but to  
18 continue with ongoing process improvement and  
19 re-baselining initiatives.

20 The remaining options all include some form  
21 of consolidation of functions. The 4th and 5th of these  
22 options each include three sub-options that pertain to  
23 the Region or Regions that would remain following a  
24 consolidation.

25 Next slide, please

26 Our decision criteria included both

1 qualitative and quantitative factors.

2 The mission effectiveness criteria refers  
3 to the potential impact that the option would have on  
4 the ability to fulfill the program's mission.

5 This criteria was double-weighted in the  
6 evaluation in order to emphasize the importance of  
7 mission accomplishment.

8 Considerations included the impacts on the  
9 oversight and licensing functions, event response for  
10 both reactor and materials events and interactions with  
11 external stakeholders.

12 The employee impact criteria considered  
13 the potential that the individual options would result  
14 in loss of experienced staff, hinder mentoring or  
15 potential promotional opportunities or adversely  
16 impact employee morale and engagement.

17 Next slide, please

18 The final qualitative factor was  
19 implementation complexity which we defined in a manner  
20 consistent with the original Aim Commission paper.  
21 These considerations focus on the likelihood of  
22 successful implementation of the change or changes.

23 For all of the qualitative factors, our  
24 evaluation considered the knowledge and experience of  
25 the working group members and significant input from  
26 multiple internal and external stakeholders.



1 implementation scenarios in which the staff is  
2 geographically disbursed from management and support  
3 staff, longer response times for some events and  
4 additional challenges associated with managing a large  
5 staff from a distance if the staff do not relocate to  
6 the new hub or location or locations.

7 Employee impact would be negatively  
8 impacted by potential loss of experienced staff and  
9 decreased morale and this is an area where we received  
10 significant input from many staff members who indicated  
11 the difficulty they would experience if required to  
12 relocate from their current home or work locations or  
13 if required to permanently telework.

14 With respect to the implementation  
15 complexity, the ratings for options 2 through 5  
16 reflected negative effects associated with the  
17 challenge of communicating with and managing a large  
18 number of remotely located staff to ensure that  
19 reorganizations are successfully implemented, the  
20 challenges of securing additional physical space in the  
21 centralized location or locations and program risk  
22 involved with possible lower employee engagement as  
23 well as potential diversion of staff focus from fully  
24 implementing the ongoing enhancement and re-baselining  
25 initiatives.

26 Next slide, please

1                   Regarding the quantitative results, we  
2                   found that potential savings were driven largely by  
3                   changes in FTE. Those changes would principally be in  
4                   the management, supervision and administrative staff.

5                   This slide provides a summary of the  
6                   estimates of savings and associated implementation  
7                   costs.

8                   For the consolidation options, the  
9                   estimated savings range from one FTE for consolidation  
10                  of only decommissioning functions to ten FTE for  
11                  consolidation of materials and decommissioning work in  
12                  a single location.

13                  Implementation costs are principally  
14                  associated with staff relocations. The numbers shown  
15                  here for the one-time costs are estimates of what it  
16                  would cost if all of the affected staff move at Agency  
17                  expense to new hub location or locations.

18                  For the purposes of the quantitative  
19                  analysis, we assumed that all staff move at the Agency  
20                  expense in order to bound the estimates.

21                  As noted earlier, however, we did recognize  
22                  that the Agency did not require relocation in the prior  
23                  consolidations of Region V and Region IV or the  
24                  consolidation of the Region I and Region II materials  
25                  programs.

26                  Next slide, please

1 Overall, we considered the qualitative  
2 factors to be dominating, although not precise  
3 indicators of likely impacts on the NRC materials  
4 program. These outweigh the potential savings shown on  
5 the previous slide.

6 Ultimately, the staff concluded that a  
7 variation of option 1 would allow us to gain  
8 efficiencies assumed in the consolidation options, to  
9 retain materials expertise in the regions and to  
10 minimize disruptions and costs associated with  
11 geographic and organization movement of personnel.

12 Specifically, the variation which the  
13 staff recommends is as shown here. Do not pursue  
14 further geographic consolidation. Continue to  
15 implement the ongoing efforts to enhance the National  
16 Materials Program by achieving consistency and  
17 improving processes. Implement the Commission's  
18 re-baselining decisions.

19 And, for Regions I, III and IV, to each  
20 identify an additional two FTE and supervisory or  
21 nontechnical staff which would be implemented in fiscal  
22 year 2018.

23 Overall, this proposal would yield a  
24 reduction of 20 FTE which would be similar to the  
25 consolidation options considered.

26 This concludes my remarks and I will now

1 turn the presentation over to Eleni Jernell.

2 Thank you.

3 MS. JERNELL: Good morning, Chairman and  
4 Commissioners.

5 I will use my time today to highlight a few  
6 of the Project Aim related accomplishments for the  
7 Office of Administration (ADM), all in direct support  
8 of the NRC meeting its safety and security mission  
9 goals.

10 ADM provides a diverse set of services from  
11 all things acquisition, which includes the award and  
12 administration of a significant portfolio of commercial  
13 contracts, interagency agreements and grants to  
14 management of the Agency's personnel drug testing and  
15 physical security programs, property management and  
16 warehouse operations and the operation and maintenance  
17 of the White Flint Campus buildings to a wide range of  
18 administrative services such as rulemaking, Agency  
19 directives support, transportation, parking,  
20 translation supplies and much more.

21 This vast array of services provides  
22 numerous opportunities for capturing efficiencies and  
23 continuous improvements.

24 We, in the Office of Administration, are  
25 embracing Project Aim.

26 Next slide, please

1                   Some of ADM's accomplishments that I'm  
2 highlighting today include the contracting officers'  
3 representative, process standardization initiative,  
4 also known as CPSI, the White Flint Campus space  
5 consolidation, the one-stop-shop in partnership with  
6 OCIO and ongoing opportunities for efficiencies and  
7 savings.

8                   Next slide, please

9                   The CPSI project evolved from the Project  
10 Aim SRM task to evaluate and improve the acquisition  
11 process, to clarify roles and responsibilities of the  
12 COR standardized processes and improve quality and  
13 process time.

14                  Our Agency acquisition workforce which  
15 includes our contracting officers, contract  
16 specialists and contracting officer representatives  
17 plays a critical role in ensuring that contractors and  
18 other agencies and laboratories meet the commitment of  
19 their contracts and that we get what we paid for.

20                  Simply put, all federal agency CORs have a  
21 fiduciary responsibility to acquire the resources to  
22 get the mission work done. This is no different here  
23 at the NRC.

24                  Our warranted contracting officers have  
25 the sole authority to enter into contracts to accomplish  
26 the mission when our in-house resources are not



1 available to perform the work.

2 The CPSI project was initiated by ADM and  
3 cosponsored with OCFO and NRR to standardize the roles  
4 and responsibilities of our CORs.

5 A chartered integrated project team was  
6 comprised of representatives from the large technical  
7 offices, OCHCO, OCFO and ADM.

8 NTEU played a key role in representing  
9 those CORs that are in the bargaining unit.

10 It quickly became evident that there are  
11 crosscutting challenges including the lack of  
12 standardized roles and responsibilities, workload and  
13 process management, certification and training and  
14 recognition and accountability.

15 Next slide, please

16 In addition, the CPSI team identified and  
17 prioritized over 75 potential solutions into the short,  
18 medium and long term, all of which were detailed in the  
19 CPSI Recommendations Report.

20 While the key findings can be explained  
21 using three categories, people, processes and tools, a  
22 primary theme was additional -- was that additional  
23 processes, reporting and accounting have been  
24 implemented for COR related activities and that these  
25 vary by office.

26 Our COR's responsibilities are generally

1 viewed as a collateral duty and offices have different  
2 levels of expectations of their CORs.

3 Offices have added intra-process --  
4 intra-office steps over and above Agency required  
5 policy and guidance.

6 The COR's role has been supplemented and  
7 inconsistencies in COR turnover practices has resulted  
8 in contracted management concerns.

9 In terms of tools, there has been a lack of  
10 Agency-specific training and inconsistent use of  
11 enterprise authoritative systems and data.

12 CORs do not have end-to-end reporting which  
13 is needed to provide them with a more complete picture  
14 of their assigned contracts.

15 Existing Agency-specific training could be  
16 improved to allow CORs to effectively execute their  
17 responsibilities here at the NRC.

18 Together, these have added processing  
19 cycles, diverted human resources and, in some cases,  
20 have necessitated the development of supplemental  
21 tracking systems and methods which can require a manual  
22 update and maintenance.

23 As a result, in light of today's landscape  
24 of limited and constrained resources, the offices much  
25 consider the tradeoffs associated with these additional  
26 tasks to determine the impact of overall workload and

1 not just the CORs.

2 A COR moving from one NRC division, branch  
3 or office to another should not have to relearn an entire  
4 process or methodology to monitor and manage outsourced  
5 work.

6 Next slide, please

7 The scope of CPSI focused on standardizing  
8 and clarifying COR roles and responsibilities to  
9 achieve positive contract outcomes.

10 Based on the findings, we have taken steps  
11 to increase the tools available to our CORs, many of  
12 which were made available to them on April 1st.

13 The NRC's enterprise acquisition portal  
14 was redesigned for ease of use based on the COR's user  
15 profile. AMD and OCFO partnered to develop reporting  
16 that integrates financial and acquisition data for  
17 greater visibility into their assigned contracts.

18 ADM and OCHCO partnered to enhance  
19 awareness and acknowledge the importance of the work of  
20 our CORs by their supervisors with a supervisors guide  
21 and draft language the offices can use and include in  
22 COR FY 17 performance plans.

23 Subsequent business process improvement  
24 activities were conducted to assist the offices in the  
25 implementation of the CPSI recommendations by defining,  
26 streamlining and standardizing specific offices,

1 acquisition and financial management processes.

2 Based on BPIs completed, overall, it was  
3 determined that the offices are meeting regulatory  
4 requirements.

5 The NRC must now strategically manage our  
6 COR workforce by ensuring the CORs with the right skills  
7 are assigned to contracts.

8 They must be prepared to provide firsthand  
9 technical direction and then reconcile these actions to  
10 accept products and services received and then approve  
11 payments.

12 ADM stands ready to facilitate this final  
13 step to Agency-wide standardization. In supporting  
14 these efforts, a key objective remains a reduction in  
15 the number of Agency CORs which will result in reduced  
16 training and time and training costs.

17 In parallel, ADM and OCFO are establishing  
18 policy to minimize the number of acquisition and  
19 financial transactions needed, most of which are  
20 initiated by CORs.

21 This should enable increased monitoring of  
22 contractor performance, including providing technical  
23 direction, assessing quality and timeliness, making  
24 scope determinations and fee validations.

25 We are on track to implement at the start  
26 of FY 17.

1                   We are also taking steps to ensure that the  
2 supervisors of our CORs increase their awareness and  
3 understanding of the mission critical function their  
4 CORs perform.

5                   To this end, it is important that they  
6 consider how work is assigned and recognize the  
7 significance and performance of the work and the role.  
8 It's not simply administrative work. Rather, it is  
9 work related directly to the mission of the office.

10                   We are using a variety of existing forums  
11 to accomplish this including COR town halls and COR  
12 conversations which enable smaller group discussions.

13                   Next slide, please

14                   Over the past few years, the NRC has pursued  
15 its long-term objective to consolidate staff within the  
16 White Flint Campus.

17                   In April of this year, GSA signed a  
18 succeeding lease for the continued occupancy of Two  
19 White Flint through December of 2033.

20                   The NRC signed an Occupancy Agreement a  
21 full two and a half years ahead of schedule. These were  
22 the culmination of a tremendous collaboration of the ADM  
23 team with our GSA partners. This was a major  
24 accomplishment.

25                   The White Flint Campus consolidation is now  
26 substantially complete. In consolidating, the Agency

1 released 365,000 square feet of space and relocated the  
2 Offices of Research, NMSS, OCHCO and ADM.

3 Staff was returned to the White Flint  
4 Campus from four satellite buildings. We completed the  
5 Food and Drug Administration backfill of eight floors  
6 in Three White Flint.

7 Cross savings resulted from the  
8 elimination of rent, shuttle and security services for  
9 these satellite buildings.

10 Additionally, the benefits of  
11 consolidation include greater operational efficiency,  
12 regulatory effectiveness and incident response  
13 capability, enhanced communication and collaboration  
14 and meeting federal space use guidelines.

15 ADM also completed a small shared space  
16 pilot with the Office of Nuclear Regulatory Research.  
17 Participants in the program teleworked 50 percent or  
18 more of each pay period and worked in an individual  
19 workspace divided into two half-sized work stations.

20 This effort was well-received by the  
21 participants and the results are helping to inform our  
22 future of workplace and mobility plans.

23 Going forward, the staff is exploring  
24 further space reductions in headquarters and the  
25 Regions in order to continue to reduce our footprint and  
26 rent costs.

1                   We are developing a strategy to right-size  
2                   our space portfolio which will be contingent upon  
3                   renovations and restacking as well as investments in  
4                   furniture and other needs.

5                   Next slide, please

6                   OCIO and ADM worked together to create the  
7                   NRC Service Catalog. The catalog which was released to  
8                   staff in April of 2016 serves as a one-stop-shop  
9                   centralized location on the intranet where our people  
10                  can request a variety of services, including  
11                  audiovisual and office relocation support as well as  
12                  other repairs.

13                  Prior to the launch of the catalog,  
14                  requests for these services were made through numerous  
15                  systems, email requests, phone calls or hard copy forms.

16                  For example, requests for furniture repair  
17                  required the completion of multiple paper forms,  
18                  whereas, today, it requires one click on the Service  
19                  Catalog.

20                  Overall, this one-stop-shop approach is  
21                  reducing Agency costs, expediting service initiation  
22                  response times, eliminating ticket systems and paper  
23                  forms and reducing time for staff to process the  
24                  requests.

25                  Backend reporting also allows for greater  
26                  oversight and ensuring the requests are completed

1       timely.

2                   Feedback has been very positive from both  
3       a customer and the Agency perspective.

4                   Next slide, please

5                   ADM continues to consider the Agency's  
6       future resources and workload as we refine and improve  
7       our processes and space management.

8                   While ADM's mission will not change, we are  
9       regularly identifying processes and services we can  
10      enhance or revise to maximize opportunities for greater  
11      efficiencies and continuous improvement.

12                  We continue to review areas to shed lower  
13      priority work while ADM's highest priority work remains  
14      the safety and security of each and every NRC employee  
15      and the buildings. Other office workload will be  
16      re-prioritized accordingly.

17                  We are developing a functional inventory of  
18      the services the office provides to support the mission  
19      and, as we continue to reduce staff, we anticipate  
20      identifying COR capabilities and competencies  
21      required, identifying gaps and accelerating time to  
22      competency to fill these gaps with available and  
23      qualified resources.

24                  We are also developing a communication  
25      strategy for both internal and external stakeholders  
26      and users as service levels are adjusted based on Agency



1 workload and resource changes.

2 We, in the Office of Administration, are  
3 committed to the decision the Commission makes and will  
4 adapt our services and delivery to continue supporting  
5 the mission.

6 Thank you for the opportunity to speak with  
7 you today.

8 I will turn it over to Rob Lewis.

9 MR. LEWIS: Thank you, Eleni.

10 Good morning, Chairman Burns, Commissioner  
11 Svinicki and Commissioner Baran.

12 It's my pleasure to be here today to  
13 describe the recent activities of the Project Aim team  
14 and the rest of the NRC staff towards fulfilling the  
15 goals set forth in the Project Aim recommendations.

16 As the Assistant for Operations, one of my  
17 duties is to serve as the lead executive for the Aim team  
18 and the Aim project.

19 Today, I'll focus on our progress since the  
20 March 29th Commission meeting on Project Aim.

21 We've had several recent successes  
22 delivering on milestones identified in the Project Aim  
23 plan.

24 I will also highlight recent examples of  
25 supplemental efforts initiated to complement the  
26 findings of Project Aim tasks.

1                   In short, we are confident that the Project  
2                   Aim remains on the right track and consistent with  
3                   Commission direction.

4                   Next slide, please

5                   Project Aim is making progress on a fast  
6                   paced schedule. In June 2015, the Commission approved  
7                   19 Project Aim recommendations related to NRC's need to  
8                   right-size which retaining skills and ability to  
9                   accomplish our mission.

10                  This chart illustrates the progress on the  
11                  19 tasks and is updated monthly on our public website.

12                  Ten of the 19 tasks have already been  
13                  completed. Eleni and Dan have just provided details on  
14                  two recently completed tasks, the one-stop-shop and the  
15                  evaluation of the consolidation of Regional materials  
16                  programs.

17                  Eleni also described the ongoing effort to  
18                  standardize the processes used to guide our contracting  
19                  officer representatives.

20                  Two additional Aim tasks recently  
21                  completed include Task 10, issuance of guidance on  
22                  establishing centers of expertise to ensure that each  
23                  center of expertise is identified, evaluated and  
24                  implemented in a standardized manner.

25                  And, Task 15, the staff's recommendation on  
26                  the potential merger of the Office of Nuclear Reactor

1 Regulation and New Reactors.

2 That product is now before the Commission  
3 as SECY-16-0075. We look forward to the Commission  
4 direction on this matter.

5 The center of expertise guidance is a good  
6 example that illustrates that many of the completed  
7 tasks on this table have follow-on implementation  
8 activities that continue in offices.

9 In fact, the memorandum implementing this  
10 first center of expertise, which is on allegations, was  
11 issued just in July on July 8th.

12 Next slide, please

13 One of the centerpieces of the Project Aim  
14 initiative is Task 5 on the list of the 19. It is the  
15 development of a prioritizing and re-baselining  
16 framework to enhance NRC's ability to plan and execute  
17 its mission in a more agile, timely, effective and  
18 efficient manner in an unpredictable and dynamic  
19 environment.

20 The framework was developed and applied to  
21 all Agency activities to identify items which could be  
22 shed, deferred or performed with fewer resources.

23 We sought input from all NRC employees and  
24 many external stakeholders and presented our  
25 recommendation in SECY-16-0009.

26 The Commission subsequently approved 150

1 separate re-baselining reductions totaling about \$48  
2 million and 185 FTE.

3 On the next slide, I will present the status  
4 of our work to implement the re-baselining reductions,  
5 but before I do, I also wanted to mention that in March,  
6 we provided SECY-16-0035 to the Commission which  
7 identified additional re-baselining products including  
8 known significant workload changes and projects on  
9 longer term efficiencies.

10 In May, the Office of Chief Financial  
11 Officer led an interoffice review of corporate support  
12 offices, full-time equivalent utilization and  
13 workloads. This is the first initiative completed from  
14 the list of longer term efficiencies.

15 Slide 23, please

16 Turning now to implementation of the 150  
17 re-baselining reductions, as of today, we have  
18 completed 66 of the 150 items, meaning the Agency is now  
19 taken the necessary steps to shed approximately 69 FTE  
20 and \$18 million.

21 Of the remaining 84 items, 75 are on  
22 schedule to be completed before the start of FY 17 and  
23 nine activities initially designated as longer term  
24 remain on track to be implemented by FY 18.

25 To remain open and transparent, we are  
26 using a SharePoint site that is accessible Agency-wide

1 to track and record completion of each of the 150 items,  
2 including the means by which it was completed.

3 As an example of implementation of a  
4 re-baselining item, the Office of Nuclear Reactor  
5 Regulation working with the Regions identified that  
6 they could reduce the resources needed to implement the  
7 reactor oversight process by eight FTE while still  
8 maintaining program effectiveness.

9 To do this, they revised the reactor  
10 oversight process implementing procedures to align with  
11 resource estimates -- to align the resource estimates  
12 in those procedures with the levels of effort  
13 historically needed to implement them.

14 They have since also updated their budget  
15 models and revised their budget documentation. This  
16 item is now completed.

17 Barring any unforeseen challenges, we are  
18 on track to complete all the re-baselining items on  
19 schedule.

20 Slide 26, please

21 I would like to conclude my remarks with a  
22 look forward into the team's work over the next few  
23 months.

24 While we acknowledge our progress and  
25 recent successes, we also recognize we need to maintain  
26 momentum on the nine remaining of the 19 Project Aim

1 tasks.

2                   Given the amount of change and the pace of  
3 change that is already occurring, we are committed to  
4 the ongoing leadership focus needed through the Project  
5 Aim Steering Committee to maintain this momentum.

6                   We have also found that, as we complete the  
7 Aim tasks, we are identifying opportunities to further  
8 examine efficiencies that go beyond Project Aim.

9                   For example, the Aim test to review  
10 regional corporate support functions led the Aim  
11 Steering Committee to charter a new task force to  
12 assess, standardize and centralize NRC headquarters  
13 offices and Regional offices support staff functions.

14                   This initiative has started and this  
15 assessment will provide an opportunity to identify and  
16 adopt best practices and creative solutions across all  
17 the Agency offices.

18                   This is only one example that reinforces  
19 the notion that the Aim tasks are just the beginning of  
20 our transformation into a more effective, efficient and  
21 agile regulator.

22                   A goal of the Aim team is to ensure that the  
23 investments NRC is making in Aim to develop tools and  
24 cultivate efficiency will pay dividends long after the  
25 Aim tasks are complete and the project is sunset.

26                   We also plan to develop tools to more

1           systematically enable innovation and leverage employee  
2           creativity.

3                       As expected, the implementation of  
4           re-baselining and other Aim tasks has prompted an  
5           increase in the number and frequency of questions from  
6           our people about how they and the Agency will be  
7           impacted.

8                       We are proactively responding to such  
9           questions in a number of different ways.

10                      For example, we developed tools to support  
11           our first line supervisor staff conversations so that  
12           their shared understanding about why we're changing,  
13           what we're changing and how.

14                      We are sensitive to and responding to the  
15           principle question we've heard which is, how will these  
16           changes affect me?

17                      Members of the Aim team frequently attend  
18           small group meetings throughout the Agency with our  
19           people.

20                      We've also taken an initiative to improve  
21           the quality of the information on the Aim website as a  
22           source of information for our people.

23                      Last week, the EDO held a meeting with all  
24           supervisors focused on how we're managing the cultural  
25           change associated with Project Aim.

26                      Among other things, he reminded them about

1 the potential -- excuse me -- about the importance of  
2 communicating well, staying positive, being patient and  
3 realistic and staying focused on our mission.

4 With the assistance of the Aim team and the  
5 Office of the Chief Human Capital Officer, and Ms. Cohen  
6 is here at the table with us today, we have both  
7 short-term and long-term strategies to respond  
8 effectively to staff's questions and match resources,  
9 skills, workload challenges and career development  
10 opportunities.

11 At the recent human capital briefing of the  
12 Commission, we presented several of these activities.

13 So, to close, we're very proud of our  
14 efforts to date and we remain committed to timely and  
15 full fulfillment of our Project Aim initiatives goals.

16 Thank you for this opportunity and I'll  
17 turn our meeting over for Ms. Wylie to close the meeting  
18 and staff comments.

19 MS. WYLIE: Thank you, Rob.

20 Good morning, Chairman, Commissioners.

21 As you've heard from my colleagues, we've  
22 made considerable progress since we last briefed you  
23 and, as Vic noted, there's always more to do.

24 The NRC staff and management have been hard  
25 at work assessing and implementing the various  
26 initiatives that will allow us to realize efficiencies



1 and effectively implement strategies to strengthen our  
2 capabilities across the board.

3 We look forward to opportunities such as  
4 this briefing which enable us to share our successes,  
5 challenges and upcoming initiatives.

6 Next slide, please

7 Now, we need to remind ourselves that we  
8 began reshaping as far back as 2014 with the kickoff of  
9 the idea of the Project Aim.2020.

10 In the period since that group began its  
11 work, we have worked hard to better forecast our work  
12 and to identify changes to our budget needs.

13 While we embrace the dynamic environment as  
14 the new norm, we have to continue to work on improving  
15 ourselves as a regulator. To do this successfully  
16 requires a continuous and honest self-assessment to  
17 strategically identify the true needs of the Agency and  
18 to focus our efforts on meeting those needs without  
19 limiting our progress to externally driven goals and  
20 targets.

21 As we continue to assess our workforce  
22 based on the Agency's needs, taking care to maintain a  
23 skilled workforce of highly qualified staff, we  
24 recognize the importance of actively and openly  
25 engaging staff on our challenges.

26 Throughout this period of adjustment, we

1 are also focusing our efforts on the unintended  
2 consequences of cultural and organizational change and  
3 we're making a conscious effort to invest in our most  
4 valuable resources, our people.

5 As we foster cultural and organizational  
6 change, we do so with the vision of people and  
7 performance that focuses on establishing a new norm in  
8 our process of establishing clear expectations through  
9 metrics, clarifying roles and responsibilities and  
10 ensuring that the leadership team has the  
11 infrastructure needed to cultivate an outcome of  
12 success across the board.

13 Finally, as we continue to focus on our  
14 mission, we recognize that people are the most important  
15 asset and continue to reinforce the importance of living  
16 to our values and principles as a performance-based  
17 regulator, no matter the challenge underway and those  
18 that may lie ahead.

19 Success breeds expectation of future  
20 successes and an accelerated pace of change, pace of  
21 accomplishment and increased external expectations.

22 We appreciate this opportunity to provide  
23 you with an update of our efforts to date and we look  
24 forward to your questions and comments.

25 Thank you.

26 CHAIRMAN BURNS: Thank you all for the

1 presentations this morning.

2 I'll start off with questioning today.

3 I do appreciate the presentations this  
4 morning and what we've accomplished through the Project  
5 Aim initiative and what is still on our plate. And, I  
6 may have a question or so about that.

7 And, I do appreciate the recognition that  
8 the expectation we're putting on ourselves and on our  
9 staff is a challenging one.

10 I would quibble whether the environment  
11 we're in is a new norm in terms of change because, having  
12 spent, I hate to say it, almost 40 years at this Agency,  
13 or 38, well, 35, but who's counting, and somewhere in  
14 there, the norm is constant change.

15 We are not a static organization. I can,  
16 you know, as I say, think of coming into this Agency six  
17 months before the Three Mile Island accident, that has  
18 some -- that imposed some changes in the Agency.

19 Meeting the licensing challenges at  
20 post-TMI, with post-TMI action items, looking at the  
21 calls for reform of the Agency and then in the 1980s.

22 A challenge in the industry, which I've  
23 often said made a comparison that the early 1990s look  
24 a lot like today in terms of a decline -- early plants  
25 shutting down, the possibility of some new plants.

26 I can go on from there, you know, post-9/11

1       circumstances, Energy Policy Act, the perception of a  
2       renaissance and then pulling back.

3               So, part of my challenge, I think, or the  
4       challenge that we all face is, it is a constantly  
5       changing environment. It is often difficult to  
6       forecast. It's hard to forecast way, way out. We have  
7       to do the best we can.

8               But, I do think that one of the things, and  
9       Rob spoke to that and might ask a little -- perhaps a  
10      little more granularity, at least for the purposes of  
11      this audience today, we are in a circumstance with --  
12      in terms of consolidating certain functions, trying to  
13      address efficiencies and calls and, particularly in  
14      light of calls, on the Agency in terms of reducing its  
15      footprint in light of its current workload.

16              That has stresses in terms of how that  
17      translates to our people. Some of the, you know, and  
18      we can talk whether that's, you know, the availability  
19      of certain office supplies, whether we're talking about  
20      consolidating offices and moving. Those are our  
21      challenges.

22              You mentioned, I think, Rob, mentioned the  
23      importance of communication strategies, but I guess  
24      maybe I'd like to hear a little more, what are we doing  
25      to engage employees? Perhaps a more specific level  
26      than you talked about, Rob, and I would ask Maureen or

1 Vic also to chime in on that issue.

2 MR. MCCREE: Chairman, thanks for your  
3 question. If I might start and certainly, Rob and  
4 Maureen can continue.

5 But, I appreciate your conversation about  
6 the norm. It's one of the contextual conversations  
7 we've engaged in, both with the leadership team and with  
8 the rest of the staff because it's important to  
9 understand where we are, why and get some picture of  
10 where we're headed.

11 And, fortunately, but unfortunately, we  
12 don't have as many people who've been around the Agency  
13 for 40, 38 or 35 years, but who's counting.

14 But, having that -- because it is a fact,  
15 we have been challenged before with significant change  
16 and the Agency responded well. We're facing challenges  
17 now and we're responding well, differently. But, we're  
18 different people.

19 And, it's important to -- so what we're  
20 undergoing now in terms of the pace of change, the type  
21 of change, probably seems new or different to a lot of  
22 the people who are here at the Agency now.

23 And so, to characterize it as new or  
24 different is probably not inaccurate for many of the  
25 people we have at the Agency.

26 What's most new or different, if you would,

1 is the heightened expectation that we engage the  
2 challenges we're facing both from a regulatory and a  
3 corporate sense in a way that recognizes that we have  
4 to do so mindful of -- with a greater mindfulness, if  
5 you would, of the costs of the impact of what we do and  
6 have that be reflected in a number of the changes that  
7 we make and in the decision that we make. So, that's  
8 the newness of it.

9 As far as communications are concerned,  
10 we're not limiting ourselves in how we're going about  
11 having the conversation.

12 Rob alluded to the all supervisors meeting  
13 last week. That's one forum where we're having the  
14 conversation about that where we are, why and how, what  
15 the expectation is for leaders to engage in good helpful  
16 conversations going forward.

17 We have an all SES meeting on Monday or  
18 Tuesday of next week, so we're using that.

19 We recognize, again, at the all supervisors  
20 meeting that the most important conversation that most  
21 people have is with their first line supervisor. So,  
22 the supervisors need to understand and own, again, where  
23 we are and how we're moving forward.

24 And, there's some other examples with the  
25 Project Aim working group, and I'll let Rob share that.

26 MR. LEWIS: So, with the assignments going

1 out to implement re-baselining and the recent papers on  
2 consolidating various offices, there has been an  
3 increase in staff questions about implementation and  
4 how this will affect them. That's clear to us.

5 A lot of the questions like -- we seek  
6 clarity on what NRC will look like in two, five, ten  
7 years. What is our plan to scale down? Systematically  
8 and gracefully as we scale down the size of the Agency.

9 And, then what are the flexibilities to  
10 keep our highly skilled workforce and align the work and  
11 the people as we scale down?

12 So, those are the types of questions. And,  
13 as Vic mentioned, the all supervisors meeting was a key  
14 of our strategy to help get responses in the hands of  
15 supervisors.

16 Because we do recognize the value of that  
17 first response when you have a question as a staffer.  
18 The first response you get from a supervisor is very  
19 meaningful and we want to put the tools in the hands of  
20 the supervisors to give a very good accurate and full  
21 response.

22 Or, at least help the staff find out where  
23 they can get a response.

24 So, we have several tools. The Project Aim  
25 team has created an interactive website that will  
26 provide answers to many of the questions we're hearing.

1                   The Project Aim team also goes to many small  
2 group interactions. We go to Branch meetings, division  
3 level meetings all across the Agency to seek that small,  
4 small group interaction about what Project Aim's really  
5 about and what the Agency's trying to accomplish and how  
6 it affects that unit.

7                   Also, the Office of the Chief Human Capital  
8 Officers is initiating with the Project Aim team's help  
9 some listening sessions to go around the Agency and hear  
10 about change that's upcoming.

11                   And, finally, I'll add that we also have the  
12 ``Ask the EDO'' feature which we see a lot of. That's  
13 something we started this year and we see a lot of  
14 Project Aim comments or questions coming in through that  
15 and we can get responses out to a wide subset of the staff  
16 through that.

17                   So, we have a lot of tools. We have  
18 reinvigorated our focus, given the surge in recent  
19 questions.

20                   CHAIRMAN BURNS: Okay, thanks, Rob.

21                   And, I know we're going to hear from  
22 colleagues from NTEU later, but one of the things, too,  
23 is I think I encourage a continuing engagement with the  
24 employee Union because I think, you know, sort of a line  
25 level, that's very -- that will be very important.

26                   Let me go on to a different question and I



1 appreciate, Eleni, the discussion on the CORs.

2 And, one of the things that struck me that  
3 you're trying to address, which I think is something  
4 that is probably a common, if I will use the term,  
5 infection that will infect other types of processes  
6 across the Agency.

7 And, this is basically offices, basically  
8 be making a boutique type approach to some of these  
9 activities.

10 You said that there are basic things you  
11 need to do for these CORs and they're basic things.

12 But, this office add this and adds that and  
13 adds this and that and the other. And, as a result, what  
14 is meant to be a relatively efficient process or should  
15 be a relatively efficient process, is encumbered with  
16 other things.

17 So, my question is probably not so much for  
18 you, but it's for Vic and Maureen, what do -- at the  
19 leadership level, how do you address, not only in this  
20 type of process but other processes where, to avoid this  
21 type of add-ons and sort of excessive -- extra procedure  
22 and process being injected into the system?

23 Because, it's not just in contracting. I  
24 think we would say in the growth period, this is one of  
25 the issues that we've later had to deal with. Everybody  
26 creating -- having their own basically modeling their

1 services based on CFO, HR and the others.

2 So, I'll let that be my last question.

3 MS. WYLIE: So, this is going to be a  
4 journey, but I think the real impetus for us that helps  
5 us avoid this, let's call it customization.

6 CHAIRMAN BURNS: Yes.

7 MS. WYLIE: Although boutique is probably  
8 correct.

9 Is that we've been through the  
10 re-baselining process and I think that the discipline  
11 by which we conducted that and the documentation of our  
12 add/shed/defer procedure afterward made our office  
13 directors and other senior leaders within offices more  
14 aware of these additional processes that might not have  
15 been seen before.

16 Sometimes, these things can grow up on a  
17 horizontal basis as well as some hierarchical need for  
18 visibility.

19 So, having taken our offices through a  
20 re-baselining activity, it showed in high relief the  
21 additional requirements that these sorts of processes  
22 self-imposed can make.

23 We've also tried to encourage people to use  
24 our centralized services for information so that they  
25 can see that they don't need to add new procedures or  
26 new systems.



1 process improvements that are underway that have legs,  
2 if you would, in multiple offices that will benefit from  
3 as well.

4 But, as Maureen indicated, I believe that  
5 the most longstanding and enduring benefit from this  
6 time that we're in where we're focused in a more  
7 thoughtful way on our costs is just the mindfulness of  
8 what we're doing, how we're doing it and the fact that  
9 it could impact across offices, across regions, across  
10 business lines.

11 CHAIRMAN BURNS: Okay, thanks.

12 And, I would emphasize that, both that  
13 vigilance and mindfulness needs to extend beyond  
14 whatever the closure of the particular tasks of Project  
15 Aim.

16 Thanks very much.

17 Commissioner Svinicki

18 COMMISSIONER SVINICKI: Well, thank you  
19 all and good morning.

20 I don't want to devote a lot of my time to  
21 the philosophical discussion about -- setting the  
22 clock, thank you -- the philosophical discussion about  
23 is change a constant or a new thing.

24 But, I will say that I think that Chairman  
25 Burns testimonial is very powerful on that point.  
26 First, because he grew up here. And so, the Agency

1 staff, whether or not they were here for a lot of this  
2 know that he was here to experience it.

3 And, I'm of a like mind that whether or not  
4 change is comfortable, and it's frequently not, it's a  
5 constant.

6 So, I think we do have a lot of activities  
7 underway. We heard some important progress reports  
8 about discrete tasks that are being done.

9 And then, I think it was valuable to have  
10 Victor's opening and Maureen's closing.

11 Victor began with talking about the  
12 efficiency principle of the good principles --  
13 principles of good regulation.

14 And, Maureen closed with talking about kind  
15 of, my interpretation, that your energy can flag a bit,  
16 but that we are deep into this process and how we're  
17 continuing to try to engage employees to keep moving  
18 forward.

19 Eleni, I was, what we called in DOE, a COTR,  
20 contracting officer technical representative, and I  
21 know the importance of that work in terms of advising.

22 At the time, my contracting officer, on  
23 payment of invoices and the adequacy of deliverables.

24 So, I think that's a fruitful area to look  
25 at. It was -- I read that with a lot of interest just  
26 reflecting on my firsthand experiences. But, it's a

1 very, very important role under the federal acquisition  
2 regulation.

3 Important, obviously, you're not warranted  
4 like a contracting officer, but they often just don't  
5 have the expertise to know if the government is getting  
6 good value for the dollar and that's what the  
7 contracting officer's representatives do.

8 So, thank you for looking at that area.

9 I've described in past meetings that I  
10 think that initiatives like Project Aim often have an  
11 evolution through three stages.

12 The first of which is deeply activity  
13 based. You look a lot at what are we doing? What is  
14 the set of activities and work scope?

15 And, we went through that, I think, very  
16 squarely and the re-baselining process.

17 The second phase, as I view it, is moving  
18 from activity to process. And so, I assess the  
19 presentations today are about that process step, we call  
20 it business process improvement.

21 There are business process improvement  
22 activities occurring. Notably in NRR that really  
23 aren't connected to Project Aim, but still, the Agency  
24 as a whole is looking a lot at process.

25 And, when Victor's opening talked about the  
26 efficiency principle, I see that as just heart and soul

1 of process, how efficient are we?

2 We've kind of looked at what we're doing,  
3 but how are we going about doing it?

4 The third and final stage often, and I  
5 should mentioned, I feel the increase and complexity and  
6 difficulty as you go through the stages, the final stage  
7 is structure.

8 And so -- or organization or kind of how do  
9 we organize ourselves in order to carry out these more  
10 efficient processes for the set of activities we now  
11 assessed and decided are adequate?

12 We heard some about that when Dan was  
13 talking about the evaluation of further consolidation  
14 of the materials program. Passing mention has been  
15 made of the paper that is also pending before the  
16 Commission on the proposed merger of the Office of New  
17 Reactors and NRR.

18 So, I see that as -- and, the stages, in my  
19 view, aren't clean. You know, they bleed over a little  
20 bit. I think you'll continue to look at activities  
21 throughout. Process improvement is just an ongoing  
22 culture of the Agency.

23 But, I see us as so squarely in the throws,  
24 really, of almost all of the stages because we're -- and,  
25 we are kind of, in a sense, at that halfway point. So,  
26 I see all of this as being very natural.

1                   One question that, as much as I always think  
2                   I have the pieces of kind of people and funding and  
3                   organization and activities, I think I have it figured  
4                   out and then I read things that, all of a sudden, I'm  
5                   back to square one with a question.

6                   There is a lot of external interest in  
7                   Project Aim and so our Commission has testified a number  
8                   of times before our oversight committees in the  
9                   Congress.

10                  We continue to be confronted with the  
11                  question that there aren't any real savings from Aim.  
12                  And so, but this is a very particular question.

13                  This being the fourth quarter of the FY 16  
14                  fiscal year, we're engaged in a process of what we call  
15                  the shortfall process. Programs that have under  
16                  executed the budget, not as performance matter, but  
17                  simply because the work was executed in a way  
18                  differently than was planned at the beginning of the  
19                  year, have identified funds and identified those as  
20                  being available for other uses.

21                  So, the Commission engages with the staff  
22                  in looking at a set of activities where money could be  
23                  reallocated.

24                  We now have, by today's report, was it 66  
25                  of the 150 items under the re-baselining? We've  
26                  completed that activity. The money that's being turned



1 back in, is that the savings?

2 Because there's also the requirement to  
3 expend appropriated funds. So, all of a sudden, I  
4 became not confident that we weren't actually  
5 reallocating those savings and then that, to my mind,  
6 plays into that question of, are there any real savings  
7 from Aim?

8 Because, whatever it is that we did with the  
9 66 items, we're now spending all that money on expanding  
10 this type of activity or doing more of something else.

11 How do we answer that?

12 MS. WYLIE: So, most of the savings that we  
13 see or we're projecting forward into '17.

14 If you'll recall, the fundamental basis of  
15 our re-baselining activity was our '17 congressional  
16 budget justification.

17 So, our work here in the second and third  
18 quarters of 2016 is to get us ready to not need those  
19 resources in '17.

20 There have been some minor savings. I can  
21 use as an example, I found some savings in one of my  
22 information systems by moving to a cloud provider.

23 Those are the kinds of things that we'll not  
24 need in the future because that's part of our operations  
25 and maintenance, but I'm using those resources today  
26 internal to the system to try to make it more efficient.

1                   COMMISSIONER SVINICKI: But, do you think  
2 any of this could contribute to some of the  
3 communications disconnect with our oversight  
4 committees about the fact that, if money is -- even if  
5 it wasn't planned that there would be savings in FY 16,  
6 if there are accidentally any.

7                   I just, I was wondering if there was any  
8 message of clarity that could help us on this point?

9                   MS. WYLIE: So, we did make some  
10 substantial savings to our budget in order to execute  
11 the 990 that we received. And, we have -- so, not as  
12 a part necessarily of Project Aim, but as a part of our  
13 own efficiency reviews.

14                   We have met with our external stakeholders  
15 and congressional staff in a variety of settings in  
16 order to explain to them where we've had actual savings  
17 into 2016, where we project savings in 2017 and where  
18 the Agency is continued to move toward efficiencies in  
19 the future.

20                   So, part of the challenges that we're  
21 operating in several fiscal years at the same time.

22                   COMMISSIONER SVINICKI: Yes.

23                   MS. WYLIE: And so, I would just remind  
24 some of those external stakeholders, our original  
25 Congressional budget request for 2016 was a billion, 20  
26 million.

1                   We identified to our appropriations  
2 subcommittees that we would need less because of our own  
3 analysis. You provided that to our appropriations  
4 committees and we were marked at 990 for 2016.

5                   The re-baselining initiative, when coupled  
6 with our congressional budget justification, continued  
7 to demonstrate our future resource needs being lowered  
8 as a result of Project Aim.

9                   COMMISSIONER SVINICKI: And, I know it's a  
10 very complicated communications picture and I'm aware  
11 of the level of engagement that even you and Victor  
12 personally have had with a number of congressional  
13 staff.

14                   I encourage you to continue to do that. I  
15 know it's complicated, any meetings where we all have  
16 to sit and look at spreadsheets together are  
17 communication challenged. And, I understand that.

18                   I, myself, have invested time to sit with  
19 you both and also with some congressional staff to try  
20 to understand where some of our misunderstandings are  
21 or if we could at least begin with the same bases then  
22 we can have discussions from there about what is needed  
23 or what is viewed as adequate or inadequate.

24                   But, when we find that we're not even  
25 speaking off of the same set, it's very difficult.

26                   So, I think it will continue to be

1       difficult. I'm a very pragmatic person, but we'll just  
2       have to continue to do our best.

3               I want to spend a few minutes on the third  
4       stage of initiatives like Aim which is structure or  
5       organization.

6               It's always scary when Commissioners bring  
7       their copies of the SECY papers and they've got  
8       highlights and little sticky flags and things on them.

9               I appreciate -- I think, you know, a lot of  
10      good work has been done both on the NRO/NRR merger paper  
11      and the paper on the materials program evaluation and  
12      recommendation.

13              But, I assess this all -- I put it maybe  
14      similar to Chairman Burns through the prism of the  
15      filter of my experiences, both here and throughout my  
16      time in federal government service. And, I can arrive  
17      at some slightly different conclusions.

18              I would note that, in the paper on materials  
19      program evaluation, I am not sure they intended to do  
20      this, but they very helpfully gave very concise history  
21      of some of the changes and responsibilities and  
22      functions in the Region.

23              And, I had known, of course, that there was  
24      an NRC Region V office in the past and that it had, at  
25      some point, been absorbed into Region IV.

26              But, this very telling to me. And, you

1 have to remember, I read these two papers in concert  
2 again yesterday afternoon. So, sometimes, you leap  
3 from one paper to another.

4 But, it says the Commission decided in  
5 September of 1993 to consolidate Regions IV and V into  
6 single Region.

7 On April 4th, 1994, NRC Region V was  
8 abolished and Region IV took on the expanded.

9 That is seven months time. So, I'm not  
10 saying that that wasn't a challenging thing to undergo,  
11 but when I pick up the NRO/NRR merger paper and look at  
12 it, I, you know, the staff said they looked at a lot of  
13 uncertainty and couldn't really determine a time or a  
14 date that would be advisable for this merger.

15 Now, I conclude very differently, based on  
16 the staff's own words. I mean, right in here, here is  
17 something that the staff wrote.

18 Reduced workloads and declining Agency  
19 budgets in coming years are expected to require  
20 reductions in staffing level. The merger of NRO and NRR  
21 can support decreasing staff levels by reducing  
22 duplication and overlap of functions.

23 The consolidation will further enable the  
24 sharing of staff between the two business lines so that  
25 the Agency has the right staff in the right place at the  
26 right time.

1                   In 2015, the Agency shifted NRO staff to NRR  
2                   to support licensing work. And, more recently, NRR  
3                   staff have been shifted to NRO to help with COL related  
4                   hearings.

5                   Commissioner Ostendorff shared his views  
6                   on this merger before he left his service on the  
7                   Commission and he reflected that, when he came and the  
8                   metric was the same when I came a few years earlier that  
9                   him, we had applications, 16 COL applications in-house  
10                  for 28 new units.

11                  And, over the course of the next 11 months,  
12                  next week we'll do the Levy mandatory hearing and  
13                  there's the potential for other COL work to be  
14                  concluded, I think, over the next year, year and a half.

15                  So, I think the Chairman used the term in  
16                  the operating reactor business line meeting is that  
17                  there's not going to be a Goldilocks moment of just  
18                  right.

19                  I know that the folks who did the  
20                  consolidation and merger of Region V into Region IV, I  
21                  don't know them, but it isn't my observation that they  
22                  were inherently more capable than us, smarter than us,  
23                  better than us.

24                  And, I think that there can be a flagging  
25                  in your energy and your belief in what you're capable  
26                  of.

1 I also made the same comment at the  
2 operating reactor business line meeting of NRR had  
3 presented that it was difficult to do 800 or 900  
4 licensing actions year.

5 For the first few years that I was here,  
6 they capably did 1,500 licensing actions a year and in  
7 meeting their one year timeliness metric for  
8 noncomplicated ones, they achieved that. The goal was  
9 95 percent and they did 98 percent of those in that time.

10 So, you know, I'm going to conclude with a  
11 commentary.

12 Last week, I was at -- visited the Dairyland  
13 La Crosse Reactor decommissioning. And, if you're  
14 familiar with the Atomic Energy Commission history,  
15 early on, it was viewed that small, maybe not modular,  
16 but small reactors could help in the rural  
17 electrification process which we were still, in the  
18 1950s, not all parts of America had equal access to  
19 electricity.

20 So, they, you know, had this amazing  
21 boldness to plunk down these 50 megawatt reactors in the  
22 middle of the rolling countryside of Wisconsin on the  
23 Mississippi River.

24 And, driving up there, I just was reminded  
25 that some aspect of what you achieve is how much you  
26 believe in yourself and how bold you are willing to be.

1                   So, I agree with the Chairman that change  
2                   is constant. I agree that there isn't a Goldilocks  
3                   moment.

4                   I'm sure that the people in Region IV and  
5                   Region V didn't think it was the Goldilocks moment for  
6                   the abolishment of Region V.

7                   But, I mixed up my Yul Brenner references  
8                   in the last meeting, I had said that in The King and I,  
9                   he said, so let it be written, so let it be done. That  
10                  was Pharaoh in The Ten Commandments.

11                  But, it was Yul Brenner in both cases.  
12                  And, in the King and I, he was quite dictatorial in The  
13                  King and I, I just didn't have the dialogue right.

14                  But, I think I'm arriving on the merger in  
15                  the same place that others are doing, which is that, if  
16                  we don't aim for something, we won't know if we're ever  
17                  getting there.

18                  So, I'll close with that. Thank you, Mr.  
19                  Chairman.

20                  CHAIRMAN BURNS: Thank you.

21                  Commissioner Baran

22                  COMMISSIONER BARAN: Thanks.

23                  Well, I really appreciate the discussion  
24                  Commissioner Svinicki and Maureen had a little bit about  
25                  walking us through how are these savings being realized,  
26                  what are we seeing, because the reductions have really



1       been pretty significant.

2                     And, I think it's a good time to pause for  
3       a moment, take stock of where we are on this Project Aim  
4       effort.

5                     Because, I think it's easy to lose sight of  
6       how far we've come in a relatively short period of time.

7                     The Agency will start this next fiscal  
8       year, fiscal year 2017 at around 3,348 FTE as a result  
9       of all of our Project Aim efforts, including early  
10      retirements and buyouts.

11                    So, that means that we'll have reduced our  
12      workforce by nearly ten percent in just two years. With  
13      this reduction, we'll be well on our way, I think, to  
14      achieving one of our main goals which is to align the  
15      Agency's resources with our current expected workload.

16                    In a few months, our FTE levels will be back  
17      where they were in 2007 when the Agency was preparing  
18      for the expected wave of new reactor applications.  
19      That's a major accomplishment to get back to that level  
20      where we were in 2007.

21                    There may be some further FTE reductions in  
22      corporate support or as a result of more efficient  
23      processes in other areas, as Commissioner Svinicki  
24      alluded to in terms of business process improvements.  
25      I think we'll see additional efficiencies down the road.

26                    But, I also think there's a strong case to

1 be made that the Agency will soon be correctly sized for  
2 our workload.

3 We have work to do in making our Agency more  
4 agile and ensuring that we have the right skill sets in  
5 the right places. And, we need to internalize and  
6 enduring focus on efficiency.

7 But, I think we're quickly approaching the  
8 right FTE level for our Agency with the workload we have  
9 and project.

10 So, I want to thank everyone for your  
11 contributions and recognize, really, what I think we've  
12 all accomplished which is really significant in just a  
13 couple short years.

14 Now, with that, I'd like to ask about the  
15 staff's recently completed evaluation of whether it  
16 makes sense to further consolidate the regional  
17 materials program.

18 Dan, as you noted, the staff recommends  
19 keeping the materials program at Regions I, III and IV,  
20 but reducing each of the three Regions supervisory or  
21 nontechnical staff by two FTE for a total of six FTE.

22 The paper says that each Region would  
23 determine the specific positions to be reduced and  
24 implement those reductions in fiscal year 2018.

25 So, I have a few questions about this and,  
26 Dan, if you want to answer or if others want to jump in.



1       whether or not the changes that are associated with the  
2       power reactors that are going to be decommissioning will  
3       lead to organizational changes in more than just the  
4       Division of Nuclear Materials Safety.

5               So, within -- if you look at the entire  
6       region overall, they're considering whether or not  
7       there will be some realignment of functions or perhaps  
8       some internal reorganizations that would allow them to  
9       shrink the number of branches.

10              COMMISSIONER BARAN:   Okay.

11              MR. COLLINS:   So, it's not just within  
12       DNMS.   Other Regions think that they may be able to  
13       accommodate that reduction just by combining branches  
14       within their DNMS divisions.

15              But, each of the Regions is still working  
16       on that.

17              COMMISSIONER BARAN:   Okay.

18              And, one of the questions I had when I was  
19       reading the paper is that, because we're talking about  
20       supervisory or nontechnical FTE, I started wondering  
21       how this relates to some of the other initiatives we have  
22       going?   The ongoing efforts to reduce the number of  
23       supervisors Agency-wide and to reduce corporate support  
24       FTE?

25              And, the question that it kind of raised for  
26       me is, you know, how would these six FTE reductions

1 relate to those other initiatives? And, if they are to  
2 get involved supervisors or corporate support, does it  
3 make sense -- more sense to address them in these broader  
4 initiatives?

5 MS. WYLIE: So, if I may, we have over  
6 budget years past and had an effort to reduce the number  
7 of supervisors. But, we also recognize that span of  
8 control and related to the span of the work that must  
9 be done is somewhat variable here in the materials  
10 decommissioning space.

11 We are being very careful not to  
12 double-book the savings associated with them. But, we  
13 are working to allow the Regional Administrators to take  
14 a holistic approach.

15 This does not relate specifically to the  
16 efforts associated with support staff. We may see  
17 reductions to administrative assistant positions on a  
18 very specific basis Region to Region. But, what we're  
19 doing in the supporting staff space is trying to build  
20 through the task force that's been chartered, a more  
21 ground up -- what I really -- do I really need all of  
22 the support staff that I have in the configuration that  
23 I do if I could start over?

24 So, they're related only in that we've  
25 asked the Regional Administrators to think hard about  
26 their structure overall.

1                   COMMISSIONER BARAN: Okay. And so, from  
2 your perspective, you think it makes sense to have this  
3 kind of separate initiative going forward on these  
4 particular six FTE apart from any broader efforts we  
5 have going on?

6                   MS. WYLIE: I do, because I want to make  
7 sure that we don't cripple the mission delivery part of  
8 the DNMS function in our desire to standardize the  
9 support staff and supervisory ratios.

10                  COMMISSIONER BARAN: Did you want to add  
11 something?

12                  MR. MCCREE: Only, importantly, and  
13 Maureen indicated it in the response. You asked what  
14 are the specific positions? We believe that it's  
15 prudent to give the Regional Administrators the  
16 flexibility in determining how and where they apply the  
17 reduction.

18                  And, integrated holistically, there are  
19 several initiatives underway, as Maureen alluded to,  
20 the support staff tasking.

21                  But, they will, because they have a  
22 self-interest, if you would, in assuring that the Region  
23 is still effective and accomplishing its mission, but  
24 we certainly want to give them the flexibility to apply  
25 that.

26                  MS. WYLIE: If I could just add very

1           briefly.

2                       COMMISSIONER BARAN:   Sure.

3                       MS. WYLIE:    An important part of the  
4           proposal from staff is that we will standardize  
5           approaches to the work, standardize the use of WBL,  
6           standardize how the Regions are conducting certain  
7           activities and that will help contribute to this  
8           efficiency.

9                       So, looking sort of upstream in the  
10          business practice from the Regions around licensing and  
11          billing, I think there are efficiencies to be gained  
12          there that are a necessary part of what the Regional  
13          Administrators are doing.

14                      COMMISSIONER BARAN:   Let me ask Vic and  
15          Maureen, just to close, a broader question and this is  
16          something we are all obviously aware of and it's been  
17          alluded to several times, which is that we're going  
18          through a lot of change right now.

19                      And, frankly, some of those changes involve  
20          cuts.   Cuts to travel, cuts to training, corporate  
21          services.

22                      What's your sense, today, of our employee  
23          morale on this?  What are the biggest concerns you're  
24          hearing from folks about the changes that we're seeing  
25          and what are we doing to address concerns that we're  
26          hearing?

1 MR. MCCREE: So, most important, people  
2 are doing their jobs. You know, the mission is being  
3 accomplished well and there's evidence of that on a  
4 daily basis.

5 But, we can't overlook the fact that we are  
6 receiving questions, either directly through "Ask the  
7 EDO" or anecdotally or otherwise, that folks want to  
8 understand where we're headed and why. And, that's  
9 understandable, I think, in any change, especially if  
10 it's a long-term, enduring, you know, change to ask  
11 those questions.

12 And, the effort that we have underway to  
13 communicate better is intended to enable everyone to  
14 have the same level of understanding of where we're  
15 headed.

16 And, I think that's the best that we can do  
17 in an environment of significant change. And, there  
18 are number of enablers for people to make that change  
19 and still stay focused on what's important and that's  
20 what we've been focused on.

21 MS. WYLIE: I do hear a certain amount of  
22 change fatigue. You know, part of our communications  
23 effort is for Vic and I to go out and talk to people,  
24 groups big and small.

25 The feedback we get through "Ask the EDO"  
26 that I hear through my employees, are we done? And, I



1 think in part it's because 2016 is a pivotal year. We  
2 transitioned from what should we be doing to we have a  
3 task, we're executing the task, we're driving hard to  
4 bring the Aim implementation tasks to closure.

5 And, that happens at the same time of a  
6 congressional oversight cycle that's been fairly  
7 intensive for us.

8 So, I think that part of the reason that  
9 employees are concerned is that, not only are the things  
10 changing today on their desktop, but they're working on  
11 the next level of change to come for '17.

12 So, the way the implementation goes, some  
13 people are affected more than others or earlier than  
14 others. But, by the time we get done implementing all  
15 of Project Aim, it's really going to reach every nook  
16 and cranny of the Agency.

17 So, I think that's part of it. It's almost  
18 like a wave effect. The wave of change is moving across  
19 the Agency. More people grow concerned, even though,  
20 for some of us, we feel like we've been at it for two  
21 years. Right?

22 So, we have to be cognizant that change is  
23 just coming to some of our employees and we have to be  
24 as open with them and as straightforward with them as  
25 we can be about what's left to do.

26 MR. MCCREE: And, if I could add on. One

1 of the challenges with that is that it does become a  
2 potential distraction. So, we have to be aware of that  
3 and alert to indicators that folks are becoming  
4 distracted from what's most important and that is  
5 getting the job done. So, that's part of the  
6 conversation as well.

7 COMMISSIONER BARAN: Thank you.  
8 Appreciate it.

9 CHAIRMAN BURNS: Okay, thanks.

10 And, I'll invite Sheryl Burrows, the  
11 National Treasury Employees Union Chapter President for  
12 Union remarks.

13 Good morning, Sheryl.

14 MS. BURROWS: Good morning, Chairman  
15 Burns, Commissioners, EDO McCree, senior leaders,  
16 managers and bargaining unit employees.

17 Several of our newly elected officers and  
18 stewards join me here this morning.

19 NTEU, it is important to reiterate, is the  
20 exclusive representative of our bargaining unit  
21 employees.

22 NTEU appreciates this time to provide a few  
23 comments on this Commission briefing on Project Aim.

24 An important outcome of Project Aim that I  
25 would like to first mention this morning is the progress  
26 that NTEU has seen in Union labor partnership.

1                   NTEU representatives, some officers, some  
2                   stewards and some members have been involved on several  
3                   of the Agency working groups that have developed  
4                   recommendations that the Commission has either voted on  
5                   or is currently reviewing.

6                   NTEU asked to be involved at the beginning  
7                   of the process rather than jumping in at the  
8                   implementation phase because we understood how  
9                   important it is to understand the context within which  
10                  the various recommendations have been developed.

11                  NTEU believes that many of the Agency  
12                  leaders and managers have encouraged the various  
13                  working groups to include NTEU and that these groups  
14                  have really listened to NTEU's comments and concerns as  
15                  recommendations have been developed.

16                  These successes have led to additional  
17                  opportunities for NTEU and the Agency to involve a  
18                  non-adversarial predecisional partnership involving,  
19                  for example, the change management discussions focusing  
20                  on change management at the Agency level and the current  
21                  revision of the strategic plan for 2018 through 2022.

22                  NTEU believes that creating and sustaining  
23                  meaningful partnership will contribute to a healthier  
24                  organizational culture that will not only benefit our  
25                  bargaining unit employees but the Agency as well.

26                  Over the past few months 2020 has been

1 removed from the Project Aim 2020 title in recognition  
2 that the results of the activities associated with this  
3 initiative will be with Agency well beyond 2020.

4 Likewise, the target symbol on the Project  
5 Aim logo has been removed.

6 This may be less appropriate since Project  
7 Aim should be targeting changes that will assist the NRC  
8 in adapting to the dynamic political and economic  
9 environment the Agency faces today and into the future.

10 However, the shared understanding of what  
11 Project Aim is and what it means for our employees is,  
12 unfortunately, something of a moving target.

13 This is what I would like to focus my  
14 remarks on this morning.

15 Since June 2014, when Project Aim was  
16 launched, a lot of thought, passion, hours and effort  
17 has gone into it.

18 The Agency has completed several of the 19  
19 activities associated with Project Aim. That is why,  
20 at this very important stage of this initiative, when  
21 the Agency has begun to implement the recommendation  
22 that the Commission has approved, NTEU is surprised at  
23 what appears to be a shift in discussions surrounding  
24 Project Aim.

25 Noticeably, during the last week, NTEU has  
26 observed some leaders and managers apparently backing

1 away from using the term Project Aim in discussions  
2 involving the very topics that have been at the center  
3 of this initiative.

4 Unlike previous statements that Project  
5 Aim is a cultural change, this week, NTEU heard two of  
6 our Agency leaders describe it as a project with a  
7 discrete beginning and an end.

8 At an all-hands meeting, NTEU heard a  
9 Division Director provide information on the recently  
10 held all supervisors meeting.

11 Throughout his remarks, he never once  
12 mentioned the term Project Aim, even though the all  
13 supervisors meeting was advertised in the EDO update as  
14 an opportunity to ask questions pertaining to Project  
15 Aim specifically.

16 In fact, if in fact Project Aim is a  
17 project, our leadership needs to engage our employees  
18 to discuss what this means.

19 Additionally, our leadership should  
20 provide some context for this shift since the majority  
21 of the Agency is still focused on the Project Aim that  
22 was described as a cultural change.

23 This apparent dichotomy without such  
24 context will only create more confusion for our  
25 bargaining unit employees.

26 Perhaps the shift is occurring because, as

1 NTEU mentioned at the last EEO Commission briefing,  
2 Project Aim seems to be losing some of its initial  
3 momentum.

4 Instilling a cultural change as Project Aim  
5 has been described, takes strong leadership and  
6 fortitude as well as vision and strategies.

7 Some of those strategies specifically  
8 designed to help an organization get through times when  
9 morale lags.

10 As textbooks on change management  
11 emphasize, there are certain points to reorganizational  
12 change when this occurs. And, during these times -- and  
13 it is during these times that members of the  
14 organization who are not invested in its success in the  
15 first place, if allowed, will get a strong hold and  
16 negate progress that has been made.

17 This loss of momentum affects management  
18 but it, likewise, impacts employees. The Agency and  
19 NTEU have experienced this firsthand.

20 Employees showed interest in attending the  
21 initial focus groups formed to discuss scenarios for a  
22 future NRC. Employees, when asked, provided a  
23 multitude of ways that the Agency might consider saving  
24 resources before prioritization and re-baselining  
25 began.

26 However, over the last year, it has become

1 increasingly difficult to get employees to comment or  
2 ask questions about Project Aim.

3 In the current political and economic  
4 environment that is indeed dynamic, this is with us for  
5 better or worse. The good work the Agency has  
6 accomplished through the activities associated with  
7 Project Aim should not be lost because morale is  
8 lagging, rather, this good work should be used to infuse  
9 the Agency's vision of how it will engage its mission,  
10 always keeping front and center that our employees are  
11 our greatest resource.

12 I would like to return to a theme that NTEU  
13 has stressed when TABs was launched that is, one,  
14 employees must understand their roles and  
15 responsibilities.

16 Two, employees must have appropriate  
17 processes and procedures in place.

18 And, three, employees must be able to take  
19 the training they need in order to be successful.

20 What Project Aim has added to this theme is  
21 that our employees must have supervisors who have real  
22 leadership skills to help their employees maneuver  
23 through the current challenges.

24 Never has this been more important than it  
25 is now. Since Project Aim began, and employees are  
26 being told that they should strive to be more fungible.

1                   Although a term of art, the Agency is using  
2                   to describe staff's ability to be agile, to be fungible  
3                   is literally to be interchangeable.

4                   If our staff is to be indeed fungible, it  
5                   is tremendously important that, as they move from role  
6                   to role, they understand what that role is and what the  
7                   responsibilities it entails.

8                   It is tremendously important that  
9                   employees understand the processes and procedures that  
10                  they can use to do their work and that they must have  
11                  to work with their colleagues.

12                  Finally, employees must have supervisors  
13                  who understand the difficulties associated with a  
14                  changing environment and that, in the realm of training,  
15                  have a grasp not only of the requisite skills their  
16                  employees need to engage their work effectively, but  
17                  also how to encourage initiative and growth when  
18                  resources are just not there.

19                  Employees should be able to clearly  
20                  understand what is necessary for them to be successful  
21                  and know what their supervisors -- and know that their  
22                  supervisors will work with them to make things happen.

23                  While this may all seem obvious, I would  
24                  offer as an example, the COR process standardization  
25                  initiative where this doesn't seem to be occurring.

26                  COR issues, especially with respect to



1 standardization, an area where TABs has already muddied  
2 the water, still have not been resolved.

3 The CORs, as we have heard from several  
4 affected employees are still struggling with issues  
5 related to a lack of roles and responsibilities.

6 A lack of useful procedures and a lack of  
7 appropriate training that dates back over four years.  
8 And, this has not just been NTEU's observation since  
9 some of these concerns are contained in Inspector  
10 General Report OIG-15-A-01, assessment of the most  
11 serious management and performance challenges facing  
12 the NRC dated October 6th, 2015.

13 As one COR describes it, and I quote, there  
14 continues to be confusion amongst the CORs in my  
15 division who are thrown into the position with little  
16 preparation or support from management.

17 This example is not limited to CORs. While  
18 NTEU does not dispute that employees will have to become  
19 more agile, what NTEU is concerned about is that our  
20 fungible employees will be reassigned to other  
21 positions where supervisors will insist they continue  
22 to meet metrics with new work that they're less familiar  
23 with, that they will be working in environment where  
24 processes and procedures are still not available and  
25 that they will be working in an environment in which  
26 training opportunities are still not well defined or are

1 not available.

2 In fact, employees are concerned about  
3 several issues that are associated with Project Aim that  
4 Project Aim may not be able to address.

5 One of these, the most basic concern is job  
6 security. Am I going to be working next year?

7 Through Project Aim communications,  
8 leaders are sharing FTE numbers for 2016 and 2017 that  
9 may indeed apply to 2016 and '17. But, these numbers  
10 do not appear to be in line with what our Congress  
11 believes our FTEs should be.

12 In every congressional oversight hearing  
13 over the last year addressing the Agency's budget,  
14 someone at one of the committees has commented that,  
15 while Project Aim is a good start, they're looking for  
16 a cut in staffing numbers that is commensurate with the  
17 FTE that the NRC has attained or has projected.

18 NTEU recognizes that Project Aim is not a  
19 cure all. However, NTEU believes that thinking about  
20 Project Aim as it was initially described, that is, as  
21 a proactive response to the challenges created by a  
22 dynamic environment can be used to re-energize our  
23 employees.

24 But, our bargaining unit employees need  
25 more transparency in the communications from our  
26 leaders, not just communications that are developed to

1 meet expectations.

2 We have a very astute workforce here at the  
3 NRC. Our employees deserve robust discussions  
4 addressing the who, what and how of the NRC in the near  
5 future and beyond.

6 NTEU becomes concerned when our employees  
7 stop asking questions. When, for example, more  
8 employees decide not to respond to the FEVS Survey which  
9 occurred when the response dropped from 74.5 percent in  
10 2015 to 59.8 percent this year.

11 There is an old adage that says, leaders who  
12 don't listen will eventually be surrounded by people who  
13 have nothing to say.

14 Cultural change or project, Project Aim is  
15 about change management. NTEU respectfully wishes to  
16 impress upon you that our employees are still unclear  
17 after two plus years what Project Aim means for them,  
18 even though they expressed to NTEU that they do want to  
19 be engaged.

20 Studies on change management consistently  
21 point out that successful change requires, first, that  
22 the case must be made that change is urgently needed and  
23 necessary for the survival of the organization.

24 Second, that leadership provides a vision  
25 and strategies to further that vision which include  
26 developing metrics.

1                   Third, leaders continually pulse their  
2 employees to be sure the envisioned change is on track.

3                   And, finally, that leaders are down in the  
4 trenches with their employees, working toward the  
5 success of the envisioned change.

6                   While NTEU is happy that we are meeting with  
7 the Agency more regularly and more effectively at the  
8 partnership table as advocates for our bargaining unit  
9 employees who are down in the trenches, NTEU must ensure  
10 that this metric is not lost.

11                   Thank you.

12                   CHAIRMAN BURNS: Thanks, Sheryl.

13                   I appreciate, again, the presentations  
14 today. I think we've provided a good overview of some  
15 of the progress to date on the activities under Project  
16 Aim to try to address some of the ways we can be more  
17 effective and efficient.

18                   And, again, I appreciate the comments from  
19 NTEU.

20                   Unless there is anything else from my  
21 colleagues, we'll stand adjourned.

22                   (Whereupon, the above-entitled matter went  
23 off the record at 11:06 a.m.)