

UNITED STATES
NUCLEAR REGULATORY COMMISSION

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ALL-EMPLOYEES MEETING

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MONDAY,

SEPTEMBER 12, 2016

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NORTH BETHESDA, MARYLAND

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The Commission met in Conference Rooms D and H at the Marriott Bethesda North Hotel & Conference Center, 5701 Marinelli Road, at 1:30 p.m., Stephen G. Burns, Chairman, presiding.

COMMISSIONERS:

STEPHEN G. BURNS, Chairman

KRISTINE L. SVINICKI, Commissioner

JEFF BARAN, Commissioner

NRC STAFF:

CYNTHIA A. CARPENTER, Director, Office of Administration

MIRIAM L. COHEN, Chief Human Capital Officer

VICTOR M. McCREE, Executive Director for Operations

ALSO PRESENT:

SHERYL BURROWS, President, National Treasury Employees Union (NTEU)

Chapter 208

MARIA SCHWARTZ, Executive Vice President, NTEU Chapter 208

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

MR. McCREE: Good afternoon. Good afternoon, everybody. It's great to see you. If you would find your way to your seats, we'll go ahead and get started.

Welcome everyone to the 25th Annual NRC All-Hands Meeting of the staff, the NRC staff and the Commission. This is a public meeting, so I would like also to welcome any members of the public and the media who might be present.

I'd also like to thank those attending in the regions and thank Chairman Burns and Commissioner Svinicki and Commissioner Baran for taking the time to meet with us and discuss topics that are of great interest to us all.

We very much value this interaction and on behalf of the staff I thank the Commission for your continued support for this important event.

In addition to those of us here in headquarters attending this meeting in person, those colleagues of ours in the regions and the technical training center are viewing this meeting via video broadcast while resident inspectors are receiving the audio via telephone bridge.

The purpose of this meeting is to facilitate communications between the Commission and the staff and for the Commission members to share their perspectives on NRC's accomplishments and challenges. The Chairman and each Commissioner will begin the meeting with individual remarks, and the remainder of the meeting is reserved for questions and answers. This is an excellent opportunity to interact directly with the Commission regarding agency policy and strategy matters.

There are several microphones located in the ballroom for you in asking questions and we've handed out cards if you'd prefer to write your question down. You can pass it to one of the volunteer staff, and these questions in addition to those phoned, faxed or emailed from the regions as well as other sites, will be read by our volunteers. Also I'd ask that you please turn off your cell phones. And if those of you who still have pagers, if you'd silence them as well.

I want to thank all the volunteer readers today, and they are Nancy Turner-Boyd. Hi, Nancy. Jason Wright, Hey, Jason. Chelsea Nichols. Hi, Chelsea. And Kate Raynor. Hi, Kate. Thank you also to the volunteer ushers who are helping today, our sign language interpreter, and the Offices of the Secretary, the Chief Human Capital Officer, Administration, and the Chief Information Officer all for their efforts to organize and provide technical and logistical support for today's meeting.

Finally, I'd like to recognize the officials of the National Treasury Employees Union who are here with us today. NTEU will have an opportunity to address us near the conclusion of the meeting.

It's now my privilege to turn the meeting over to Chairman Stephen Burns.

Chairman?

CHAIRMAN BURNS: Thanks, Vic. Welcome everyone again today. It's hard to believe when he said 25 years that we've been holding this. Actually how many of you were at the first one? There we go. I remember the first one I think down in Bethesda at the Hyatt. And at that point it was a Chairman's meeting. Chairman Selin had decided to initiate this. So it's very

interesting that we're back here 25 years. And I know we're all looking forward to this. It's been interesting when -- I think I've made all of them but the three when I was over on sabbatical over in France. But again thanks for coming today.

As Vic said, I think this is a great opportunity for us on the Commission and you to interact with us, to discuss issues in front of us, to hear -- for us to hear what you have to say and to build on what I think is a strong and successful relationship within this agency.

Before we get to questions I want to acknowledge the elephant in the room, and by that I don't mean to say anything about the election. I'm talking about the challenges that the agency is facing and that you as employees are facing as we deal with resource constraints and changes in our workload.

First, let me reiterate that we're a strong agency, a firm and fair regulator doing extremely important work, and we have the respect in our worldwide community. And what we do here; that is, protecting people and the environment, ensuring the safe use of radioactive materials and the safe operation of nuclear installations, is in my view greatly valued by those who have responsibility for overseeing us, those who we regulate, and the American public at large. Our safety and security mission is unchanged over the years.

The way we go about it, however, has changed over the years and will continue to evolve. As many of you know, I came into the agency initially right before the Three Mile Island accident, and I think I've talked at some other events in terms of just how offices worked. How you communicated, how you got things copied, how you did things has changed dramatically and in many

ways I think has contributed to a more integrated workforce and one that can share knowledge, share experience and get things done that we think we need to do as an agency more effectively.

But, yes, we face some challenges in carrying out our mission. We're moving into a smaller footprint in terms of our office space. We've reduced for the time being some external hiring. There have been cost-cutting measures to help us achieve a greater equilibrium in our resources as a result of the hard look we took through Project Aim and the more limited resources that have been appropriated to us. We've moved staff around as a result of organizational changes. We've offered some buy-outs and early-outs. Those I realize create some uncertainties, and I've been hearing that some of you may have some anxiety about the impacts that our decline in overall budget and some in FTE will have on our day-to-day lives.

But I want to be clear about one point: Nothing that NRC has proposed in its 2017 budget contemplates the use of involuntary measures to achieve the reductions necessary to right-size the agency. Further, nothing that I have heard in the discussions with the Congress lead me to believe that the agency will be appropriated at a level that would have that result.

But that said, at the end of the day the Commission can't control the outcome of deliberations that happen within the Congress other than to continue to advocate, as I believe we have, on behalf of the agency for a fair appropriation that allows us to continue to perform our mission appropriately.

I have complete and total faith in our ability as an agency and your ability as individuals who contribute to this organization to not just weather uncertainties that change inevitably, but to excel. And that's what will be done

over the course of my career at the NRC. One, as I said, it's spanned nearly the entire time of the agency's existence. We've often had to face hard times when we needed to pause, regroup and then move forward and meet the emerging challenges while keeping grounded in our core mission. You're talented, dedicated and resourceful and we are as an agency doing good work. Yes, excellent work. And we can be proud of what we do on a day-to-day basis.

Here at the NRC there are still opportunities for personal growth, for training, for changes in duties if desired and participation in special projects, for finding new and different ways of doing the job. And there's certainly interesting work ahead. When we talk about the possibility of small modular reactors and non-light water reactor designs coming in front of us, with changes in technology, with advances in modeling and findings in research. We need to keep focus, too, on overseeing the existing fleet of reactors as well as partnering with Agreement States and ensuring the safe use of radioactive materials.

So while I do acknowledge that this is a challenging and, yes, interesting time, I urge you to continue to look for opportunities to improve how we carry out our work, to take pride in the good work we do and what this agency achieves.

Let me end today with a quote that I think serves us well. It comes from President John F. Kennedy during a speech he gave in 1963. He said, quote, "Change is the law of life, and those who look only to the past are present are certain to miss the future," unquote.

Thanks again for being here. I look forward to interacting with you. And I'm going to turn to my fellow Commissioners for their remarks and then

we'll take your questions.

Commissioner Svinicki?

COMMISSIONER SVINICKI: Thank you, Chairman Burns.

Good afternoon. It's good to see everybody. Thank you for those of you who made the trip across the street. It was a lovely day to take a little walk outside. I was going to mention that this was my ninth of these meetings, but I also knew that didn't put me anywhere close to being a record holder. I can't compete with Chairman Burns. And I did not know the history that it was originally a Chairman meeting, and perhaps, Commissioner Baran, that's why his chair is so far over from the rest of us. (Laughter.)

COMMISSIONER SVINICKI: He actually scooted down a little bit this way.

CHAIRMAN BURNS: I just need a lot of spaces.

COMMISSIONER SVINICKI: Good for me. He does end up fielding quite a few of the questions, so I think we need to give him that elbow room.

But I was also reflecting on the fact that there are three of us up here. Commissioner Baran and I were talking about what that would mean in terms of a changed dynamic. I think this is at least the third three-person Commission that I've served on, so five, four, three. I think it points up a little bit to something the chairman was saying, is that we're well-served by a lot of our structures and processes.

The fact that, at least in my humble opinion; maybe you'll ask my colleagues and get a different answer, I hope not -- but in my humble opinion this three-person Commission is working very, very well together. Our systems and institutions are robust enough to serve us throughout change,

which if you serve as a commissioner as long as I have, change is the real constant.

When I reflect upon 2008 when I joined the agency; and maybe some of you joined as recently as that as well, it was such a dynamic growth period. I see this period of contraction for NRC as really the companion to that and part of the cycle that government agencies, that large institutions go through.

And so, I don't think we take as much note of it when it's a growth period because it isn't as challenging to weather that as it is to weather the change of contraction and perhaps diminished mission space, but it is important that we confront very squarely the changes that are going on in the energy economy of the United States, and probably of the world as well. So, we have to reflect that.

And the Chairman's given some very eloquent comments on change, about where we are as an agency. I listened closely. I'm in agreement with everything he said. I tried to think what would be most on my mind if I were you sitting in a chair. And I remember attending a few similar types of meetings when I began my career with the Department of Energy sitting in the audience at an all-hand or all-employee meeting, which I would have to say I don't think DOE has as routinely. I might have been at one with the Secretary of Energy. Mostly it was my office director. But I think questions about change would be central, and so I'm so glad that the Chairman made that a highlight of his remarks.

I observe -- I'm not expert on change; each of us has our own opinion, but I observe that the cycles of change are shortening. So not only do we have change as a constant; I think that the cycles, whether they be economic,

cycles of policy consideration, they're becoming more and more abbreviated. And what that requires us to do is be agile and adaptive, which was a key focus of Aim and is still in my mind, I think, that we've talked about Project Aim in terms of getting smaller and right-sizing ourselves. But agility and adaptability was a key part of that. I think that that's going to be an imperative going forward.

I know it's not easy. I like change as little as the next person, I think. The older I get though, the more I know that it's absolutely a necessity. That doesn't make it any more comfortable. But I think I'm impressed by what I see in terms of our ability to weather it, about as well or better, than any large institution that I've been a part of.

So I encourage us to kind of keep each other as our number one piece of business; we are the business of each other, and to live the NRC values and our principles. And I think through that we'll be able to emerge as -- I've used this term, and I don't like it, but I use it anyway -- NRC 2.0. We'll get through the current cycle of change and then we'll see what lies ahead.

Thank you, Mr. Chairman.

COMMISSIONER BARAN: Well, thank you to everyone for being here. We don't get too many opportunities to get together as an agency and take stock of where we are and where we're heading, so it's great to see another good turnout this year. I'm comparing that against just last year, not a 25-year track record, but it looks pretty good to me. And I guess I understand the appeal. We get to grill you guys throughout the year at Commission meetings and smaller staff briefings, so it's only fair that every once in a while you get the chance to quiz us. So here we go.

Last year Vic had just started as our EDO and a number of senior management changes had just been announced. And I think everyone's doing terrific in their new positions. Well, Marc Dapas just started with NMSS, so we'll see how that goes.

(Laughter.)

COMMISSIONER BARAN: I'll let you know next year. No, I'm kidding. He's going to do great. And of course we have a new Chief Information Officer and a new Director of the Office of Public Affairs, so welcome to Dave Nelson and David Castelveter.

I started worrying actually that we had a new policy of just hiring people named Dave --

(Laughter.)

COMMISSIONER BARAN: -- but then I remembered that Kim Howell is our new Director of the Office of Investigations. So I think we can chalk that up to coincidence.

I also want to take a moment to just thank my colleagues for all that they do. There aren't too many of us left up here, but like Commissioner Svinicki, I'm confident that the three of us will do just fine until we're back up to a full complement of five commissioners.

As everyone's mentioned, we've had a lot of changes since last year. And change can be good; it can re-energize, it can focus us, but I know that change can also be stressful and challenging. And uncertainty is also hard. And we still have some waiting to do on the budget as Congress finishes its work on appropriations. So hang in there. If you're anxious about particular items, please ask us about it today.

Before we get to your questions, I want to take just a minute to reflect on where we are with Project Aim, because I think it's easy to lose sight of how much we've done in a short amount of time. In a few weeks the agency will start the new fiscal year with our FTE levels at about where they were in 2007 when the agency was ramping up for the expected wave of new reactor applications. That means we will have reduced our workforce by nearly 10 percent in just two years as a result of the Project Aim efforts.

We're getting close to achieving our goal of aligning the agency's resources with our current and expected workload. Summary baseline items will kick in during the coming fiscal year and a few more will take effect in fiscal year 2019. But I think there's a strong case to be made that NRC will soon be correctly sized for our workload.

So I want to thank everyone for your contributions and recognize what we've all accomplished. Thank you for your hard work and dedication. It does not go unnoticed. And I look forward to hearing your thoughts and questions.

Thanks.

CHAIRMAN BURNS: Thanks, Commissioner. And I think with that we can start. Open the floor for the questions.

QUESTIONER: Great. I'll start with the first question. Are we contemplating additional buy-outs early-outs, or RIFs to meet staffing targets?

CHAIRMAN BURNS: Well, I think as I said in my opening remarks, certainly for fiscal year 2017 that we are not. We got something like 85 or so, the buy-out, early-out in that phase, and I think that's helped us out. So I'll leave it there.

QUESTIONER: Good afternoon. What are the plans for vacating

Three White Flint North?

CHAIRMAN BURNS: I might ask for some help here. We are sort of reducing our profile.

But maybe, Cindy or Maureen, could you help address that?

MS. CARPENTER: Hi. So the plans for producing space in Three White Flint. The plan right now is that what we've proposed to management is to release a floor, one floor every year, FY '18 through FY '21. And that allows us then to also be able to renovate Two White Flint.

As we're renovating Two White Flint, we need the space to put the staff. And so, the plan is over a couple of years, but that can change depending upon budget and anything else that goes on with that.

CHAIRMAN BURNS: Okay.

MS. CARPENTER: Okay?

CHAIRMAN BURNS: Thanks. And I think again part of that -- as Cindy mentioned, part of that strategy is essentially to allow us to do the refurbishment within the existing complex, the Unit -- Unit 1 -- (Laughter.)

CHAIRMAN BURNS: -- the White Flint, One White Flint and Two White Flint. We're in the nuclear business. Heck, we can call it Unit 1 and Unit 2.

(Laughter.)

CHAIRMAN BURNS: In those two buildings in progression, sort of a coordinated time span.

QUESTIONER: What can you tell us about when we might get back to a Full Commission? How is the Commission operating with just three Commissioners?

CHAIRMAN BURNS: Well, I think as Commissioner Svinicki and I think also Commissioner Baran noted, I think we're working fine with three Commissioners. I will hesitate to give any crystal ball as to when we would have a fuller complement. I think as many of you know we do have a nominee who's been out there, Jessie Roberson, who's currently with the Defense Nuclear Safety Board.

So, but the real question is when that would proceed. And I don't have any really good information on that. So I think for the time being -- as I think Commissioner Svinicki alluded to, we work with what we have here and in terms of --

COMMISSIONER SVINICKI: It's not too shabby. (Laughter.)

CHAIRMAN BURNS: No, no, it's not too shabby. I mean, so what we don't do is hold back.

COMMISSIONER SVINICKI: Yes.

CHAIRMAN BURNS: We're not holding back in anticipation of once and future Commissioners.

QUESTIONER: Good afternoon. Do you anticipate either a Government shutdown or sequestration?

CHAIRMAN BURNS: I do not at this point. And from the standpoint of I think what you're hearing, I think it looks like the Congress is trying to avoid that. But if any of my colleagues want to chime in on that --

COMMISSIONER SVINICKI: I will say that I think that a shutdown is unlikely this fall. Sequestration, there are some difficult mathematics that have to be done in terms of -- even with a continuing resolution achieving a certain budget level, and our CFO and others are much more expert in that. But I

think there's some complicated mathematics that they're struggling with that they might have to do some -- the potential exists for some temporary across-the-board hold-backs. So I just -- I'm not expert on that, but I don't want to give an all-clear on the funding level. I think a shutdown is unlikely. I do think the actual level of continued appropriation is an open question.

COMMISSIONER BARAN: I don't have too much to add. I agree a shutdown is unlikely for this year.

QUESTIONER: Great. The next question is do we have a full-time individual on Capitol Hill advocating for the agency? My understanding is that we did in the past.

CHAIRMAN BURNS: I may not understand quite what that full-time individual -- I mean, there are many of us here, and I don't count just the three of us up here. I count those -- some senior staff who may do briefings, some of you who may do -- in areas of expertise. You are our advocates in a real way because you -- we're asked questions formally through hearings or through some of our drop-in type visits, courtesy visits with the Congress, members of the senior staff, our CFO and all will answer questions. We have our Congressional Affairs Office, which is well-engaged and helps us with those types of relationships.

So I'm not sure what was meant by the full-time person. At one point we did have a rental office closer to Capitol Hill. It was actually up close -- actually closer to FERC than it was to the Capitol Building. But from my standpoint I think each of us sees our responsibility as part of that interface with the Congress. And I know the senior staff and those called up are important components of that as well to make sure we communicate the agency's

mission, what we're doing and answer questions as we can.

QUESTIONER: With all the hacking we read about in the papers are you comfortable that our IT systems and our licensee systems are secure?

CHAIRMAN BURNS: I think what we need to do is take seriously when we have evaluation such as we've received from the Office of the Inspector General about ways of looking how do we improve?

For example, I think one of the items that the IG identified earlier this year or late last year was really a need to translate that type of protection to make sure that was covered in some of our contracting.

Overall I think -- and I'll take it from an agency standpoint, I think we're doing well. I know Dave Nelson is newly arrived. This is an area he's looking at.

With respect to our licensees, one of the things we did as an agency is to get a little bit ahead of some others in terms of requiring cyber protection as part of our design-basis threat and to promulgate rules the industry is implementing. We have some discussions with some of our sister agencies such as the FERC, which has important responsibilities for the national grid on that.

And one of the other things that I inherited in this role is to meet periodically with an informal group that's organized through the White House that discusses efforts and innovations in terms of improving cyber protection, not only from a formal regulatory footprint, but voluntary measures and other incentives. And so, that's been an important thing.

So I think we're on the right track. It is something -- this is one of those things we need to pay continued to.

Commissioner Svinicki?

COMMISSIONER SVINICKI: Maybe I'll just offer -- I'm in agreement with everything the Chairman said and I think that NRC is putting as much effort into this for our own systems as any other government agency. I'm not aware of anything more that we could be pursuing or doing as part of the federal family that we're not doing.

But you had told me when I applied for my first security clearance 26 years ago as a federal employee that at some point in time the entirety of my clearance and background investigation files would be exfiltrated by someone, I would have been very appalled at that. It was not a pleasant thing to wake up and hear that that had happened to me. I was glad that OPM took quick action. I signed up the day I got my code that told me you can go online and sign up for the most comprehensive monitoring of your credit and other personal information.

But clearly the threat is very real. It's a new day. It's a new dawn. That's among the most sensitive information repository the Government has. So I hope all of you took it seriously. We have to do what we can in response to what's happened. Sign up for what is made available to us now that the breach has occurred.

But I'm not confident just as a federal employee that this is anything we're ever going to be able to say we declare victory on that. I think it's going to be a constant and evolving threat.

COMMISSIONER BARAN: And I agree with all that and I think it's going to be true for our licensees as well. It's absolutely the case that NRC was out there very forward leaning on cybersecurity protections for power

reactor licensees. It's something we're going to have to remain on top of as time passes. It's not a threat that's going to go away. It's going to be a dynamic and evolving threat.

And there are other licensees we have that we still have work to do on: fuel cycle facilities and others. And there's a road map in place for that. So there's more work to be done there, but I think compared to some other sectors or other parts of the sector we're in we're pretty far along.

QUESTIONER: Is there a reason why Commission offices do not need to work on action plans based on the results of their FEVs and Safety Culture Surveys?

CHAIRMAN BURNS: Could you repeat the question? I didn't --

QUESTIONER: Is there a reason why Commission offices do not need to work on action plans based on the results of their FEVS and Safety Culture Surveys?

CHAIRMAN BURNS: Frankly, I don't have a lot of information that I can respond to them. When you say "Commission offices," you mean Commission-level offices? Do we know? Can somebody help me out on this? Miriam?

MS. SCHWARTZ: (Off microphone.)

CHAIRMAN BURNS: Miriam, you want to --

MS. SCHWARTZ: Hi. The reason I'm aware of this is because I'm partnering this with the agency. It's an agency action plan that's actually a higher level. Most offices should be aware of it because the things that you're doing in your offices should be aligned with the things that the agency is trying to do. And the theme this year is to try to encourage more development of

trust and leadership, and they're developing ways to make that happen.

CHAIRMAN BURNS: Okay. Thanks.

MS. SCHWARTZ: So the Commission is involved.

CHAIRMAN BURNS: Yes. Yes.

MS. SCHWARTZ: Maybe not directly each one of the Commissioners, but overall.

CHAIRMAN BURNS: Thanks, Maria.

COMMISSIONER SVINICKI: Yes, can I just add to that?

CHAIRMAN BURNS: Yes.

COMMISSIONER SVINICKI: To the extent that the question had to do with individual Commission -- or members of the Commission and the small staffs that they have, I will say that when we look at various actions, there are uniquenesses posed by the fact that our staff, although in most cases we have hired staff from the agency; we have the latitude to bring people in from the outside to work in our personal offices, there are uniquenesses posed by the fact that we are in term-limited presidential appointments subject to Senate confirmation.

So there are instances where the practices that we utilize to staff our offices and receive advice, however we choose to do that -- and again, the history of this agency, I think you all should be very proud that political appointees coming in and the main have hired, that the NRC has so many capable and qualified individuals that we -- I have hired exclusively from agency staff. And then when they're done serving in my office, some of them have returned to roles back in the NRC staff. That's not like that at every place that's headed by political appointees. So, but there are uniquenesses.

The folks in my office aren't guaranteed beyond my term to have employment. So they offer up to be subject to some unique circumstances working for me. And I also operate under slightly different practices than other offices in the agency. It's an outgrowth of the fact that my office is unique.

COMMISSIONER BARAN: I would just add, too, it's not something that the Commission is not focused on. We are focused on it. We have a Commission meeting focused just on the IG Safety Culture Survey, and we ask probing questions for a couple hours on that to make sure we understand what is that survey revealing and what should we as an agency and as a commission do about it?

And in all of our conversations -- this is true for me and I assume it's true for my colleagues. When we have conversations with EDO and other senior managers, the FEVS results come up routinely. What's being done in different offices and throughout the agency to address the concerns that those reveal? It's a high priority for us.

CHAIRMAN BURNS: Thanks, Commissioner.

QUESTIONER: Given that this is an election year, when do you think Congress will pass our appropriation?

CHAIRMAN BURNS: Well, I think we've alluded to this within the last few minutes, but there is some expectation -- but again, we have to -- we're sort of observers a little bit on the outside as well. There's some expectation that you may see a continuing resolution that goes into December. That's of course a continuing resolution. And then I think it's a little bit of wait and see in terms of a final appropriation or what the form of that takes.

I don't know if my colleagues, who have more experience on the Hill

certainly than I do, have any other insights.

COMMISSIONER BARAN: I don't have a better prediction to make than that.

CHAIRMAN BURNS: Okay. Thanks.

QUESTIONER: What are your thoughts on the agency's relationship with Congress and what can we do to further improve it?

CHAIRMAN BURNS: Well, I actually think our relationships are pretty good, and there are several benchmarks I would give on this, and I'll let me -- I'll give a couple of comments and let my colleagues address it as well.

And part of that goes to what I would say observed over the course of a career here. And one is NRC is responsive. In other words, I think we take seriously requests when a congressman or a senator or committee says I'd like an answer back by X date, we may not always meet that date, but we're pretty good about informing people, that says we think we can get you an answer by this, one. So we're responsive.

Two, and by "responsive," I also mean that in terms of the substance. I think we try to be helpful in terms of giving them the information that may be of interest to their constituents, interest to their sponsoring legislation. If they have a particular concern about what the agency does or what the industry is doing, that we're giving that kind of information.

And the other part of that, I think, is being accessible. We'll appear in front of the Congress when they hold hearings. We try to meet their requests from their staff for information.

So those things -- I don't think this is a world in which you are always going to have -- you're all going to be singing around a campfire singing

"Kumbaya," but I think what you do is you create a healthy respect. You know you respect them. You try to create a healthy respect for what we're doing as an agency by giving them information, by being responsive.

Those are the things that work on the relationship. Those are the things I think we as Commissioners try to do. I think that's what our senior leadership tries to do. And as I gave in my earlier example, I think that's what you can do in terms of when -- if you're assigned a task of creating those answers that we need to provide to post hearing questions, or you may have expertise which on occasion where we ask your office or the Congressional Affairs asks for you to go down and try to explain some issue, putting your best foot forward, that's how I think we improve those relationships.

Do my colleagues want to say anything else?

COMMISSIONER SVINICKI: Well, as someone served as congressional staff for over a decade, I will second Chairman Burns' observation that the responsiveness of agencies to the Congress in their relationship, like any data set, it's spread across a little bit of a range.

I had experience with an agency; and no, I'm not going to name any names, who, when invited to testify on their budget in the spring, had still not submitted any responses to the budget questions presented the spring before. So that -- I'm not saying we should aim for that, and that is in -- it may be even in the median or the mean in the data set, but I would agree that NRC has a posture of responsiveness that's right up there I think with the higher performing agencies.

It's easy to give the most attention to those, the least satisfied, perhaps, with either the work we do as an agency or our responsiveness on

any given item, but in the main when I go and engage directly on Capitol Hill, I find that there is a lot of respect for the work that you all do, the high quality, the discipline, the rigor of that. But we can always be striving to do better. And Senator Carper on our Oversight Committee always says that. It's not perfect. We can be making it better.

But I think that that posture of responsiveness that many of you participate in stands us in good stead in that relationship. But we're always going to have critics; and I actually like our critics. It isn't always possible to feel real good when you're sitting on the receiving end of that criticism, and so many NRC staff who do community meetings mid-cycle, other community engagement, I know have a lot of experience with that as well.

But it creates a dynamic tension that is good, because it pushes us to maybe step back and reflect on how our actions are perceived, what we're doing well, what we can do better. And I think that you -- if everyone is singing your praises, I don't -- I actually would pause and step back and wonder a little bit about that, because that would seem very strange to me.

COMMISSIONER BARAN: I completely agree with that. We probably do maybe half a dozen congressional hearings a year. I guess it's variable. Sometimes a little bit more; sometimes a little bit less in the two years I've been here. And we get good questions. We get good questions that are -- that you take a step back, and it's important for us to be able to answer those questions and to be able to answer them in a way that people find understandable and convincing. So I think the oversight has been really valuable.

In terms of how are things going, how are the relationships going, I

have a relatively short window on that, just the two years I've been here. Before that I was still working on the Hill. My sense is that in the two years we've been here the hearings have been really very constructive. Almost every one of them has been good positive tone and constructive questions and answers. So I think that's an indicator. There hasn't been a lot of negativity in the hearings. And so, I think that's a sign that things have been moving in the right direction.

CHAIRMAN BURNS: One thing I wanted to add -- and this is just to sort of dispel the notion that it's all coming from here in the Washington area that we're doing this. But one of the things Congressional Affairs has helped me with in terms of doing some of my site visits out around the country is we'll invite local congressional staff or staff that's actually located here in Washington. We've had some good attendance. I think going down to South Texas we had almost eight people from local -- the senators and congressmen in the area.

And one of the things I want to say there is our resident inspectors, just as they -- I think they are many things, like these community meetings and all that, are a great face for the agency there, because they're able to engage. We have them come in. We may have a meeting with the congressional staffers either separately or as part of the overall briefings, but they get to see the face of our residents, get to engage with them. And I think that gives them a good, in effect, the person on the ground who's there for the NRC.

So it works in a lot of ways. And I just wanted to raise that and give credit and my thanks to the residents who've been there on those trips where I've had congressional staff there.

QUESTIONER: We received two questions with a similar theme, so I'm going to ask them ask one with two parts.

What is the advantage of the new pre-retirement program that allows for part-time work and part-time retirement benefits? And secondly, why doesn't the NRC and OCHCO do more to encourage phased retirement?

CHAIRMAN BURNS: Well, I know that the -- I'm probably going to -- I'm going to talk and let Miriam come up I think and perhaps if there's anything she would have to say on that, but I know that this pre-retirement or this phased retirement has been in the works. I actually think it was in the works before I actually did retire in 2012.

I know there can be some advantages and disadvantages. I'm not sure I can speak to them all.

But I don't know, Miriam, is there anything you can add to this at this point?

MS. COHEN: (No audible response.)

CHAIRMAN BURNS: No? Okay. Well, yes, it's available. I mean, it's not available. I don't know that there's --

COMMISSIONER SVINICKI: Mr. Chairman, I don't know that you're the best example --

CHAIRMAN BURNS: No, no, I'm not.

COMMISSIONER SVINICKI: -- of how this works because -- (Laughter.)

COMMISSIONER SVINICKI: -- I don't think everyone's --

CHAIRMAN BURNS: No, I'm not.

COMMISSIONER SVINICKI: -- going to come back as chairman.

CHAIRMAN BURNS: Yes. Yes. (Laughter.)

CHAIRMAN BURNS: Yes. Yes, I now know what it means to be a pension offset person. (Laughter.)

CHAIRMAN BURNS: But, no, I think the idea -- I mean, if you look at the idea; and I recall this when it was first being proposed a number of years ago, is that it might be a way if people are -- I said I'm done with working full time. I'd like to start to phase toward a retirement thing, but I'm not quite there yet in terms of it, that it was a way of looking at that.

It potentially -- I lead to some of our office director staff how it could be of advantage, but I can see potential advantages in terms of the knowledge management area. That's one of the things I think we're all concerned with, not just with at the NRC, but a lot of places in terms of transfer of knowledge. So it may have some benefits of that.

I think it's a matter of talk to your offices, talk to your HR -- or excuse me, OCHCO representatives and sort of work it from there.

QUESTIONER: What's happening with the proposed merger of NRR and NRO?

CHAIRMAN BURNS: Well, the Commission has a paper before it which a merger was proposed and we're in the process of concluding the voting on that paper. So I would expect sometime in the near future we'll have a better granularity as to next steps.

QUESTIONER: What are the plans for the advancements of administrative assistants within the agency?

CHAIRMAN BURNS: You have any particulars on -- I think -- again, I'll use some of mine from my -- some past experiences. What I think you look

at with the administrative assistants -- and this is -- I think this has been an area that's a challenge over the years, is that you look at the ways of how work is done. When I began you didn't have computers at every desk. You -- I'm not -- no, we didn't have any word processing. We had the IBM Selectric that erased two lines. What an innovation. If you remember those.

And so, I think the challenge has always been is that there's a need for administrative support. It's in that type of support, getting things done and getting -- helping getting the mission-critical work out. But it's a matter of adaptability. I know in my own office when I was with the General Counsel it was sometimes looking at tasks, added tasks or differing tasks that actually made that position more than answering a phone or sending our correspondence. It was maybe coordinating some of the training issues in the office, taking care of centralizing within the office certain types of things. So I think one of the things we do need to do, our offices need to think about, is how we continue to challenge and help those in administrative assistant positions grow.

Miriam?

MS. COHEN: Oh, I think the Chairman did a great job answering the question. I think where we are right now at this time is that we're encouraging those employees in administrative assistant positions that we have a number of available opportunities through our online training, availabilities through Skillsoft on our web site.

It's an interesting time because in the past there were a lot more opportunities for employees in administrative assistant positions to move into what I would call more upwardly mobile positions and get them out of those

administrative support functions. But we don't have as many of those opportunities anymore, so we're encouraging employees at all levels, not just administrative assistants, but those that may be in positions where their opportunities aren't what they were in the past to look at opportunities to maybe move horizontally or move into other parts of the organizations where they could pick up some additional skill sets.

And then just quickly on the phased retirement, the Chairman did also a great job answering that, as we have information on our web site about the phased retirement program. We were one of the first agencies I believe in the Government to actually move ahead with a phased retirement program. There are requirements for both the employee and the supervisor.

So I would just encourage any of you that have questions about that program to consult the web site and then have a discussion with your supervisor about the availability of that program for you.

QUESTIONER: What are your thoughts on the level of Commission oversight of staff? Do we have the right balance between staff empowerment and Commission oversight?

CHAIRMAN BURNS: I think as a general rule or as a general notion I think there is a pretty good balance. There have been some areas I think in the last year where the Commission has taken a look at particularly its role in making sure it's exercising an appropriate oversight role in terms of what the staff does, because after all ultimately as the policy makers in the agency we're held accountable for -- we are accountable and we're held accountable for some of the decisions.

So for example, in the rulemaking area we re-instituted some of the

early touches or early looks in the rulemaking process to make sure that this is something that would comport with where the agency, the Commissioners and the Commission thought the agency ought to be going. So I think I'd give that as an example as where I think the Commission has exercised an appropriate role.

I think for the most part the Commission puts a lot of trust in the staff on a day-to-day basis carrying out the inspection program, carrying out the licensing program, a lot of things like that. Those things are well-established. They're established through agency procedures, agency policies, direction for the office and the senior management. And I think those things work very well.

But at the end of the day there are going to be times -- and that's why the Commission -- that is the role that the Commission plays, and each Commissioner with his or her vote play is to size those matters that are really policy matters for the agency and to help give direction in terms of where the agency needs to pull back, move forward or think innovatively, or sometimes give affirmation to what the staff thinks ought to be done.

Do my colleagues want to add to that?

COMMISSIONER SVINICKI: I agree with everything that Chairman Burns said. It's interesting -- curious to think about this question alongside one of the first questions we were asked at 1:30, which was how is our relationship in terms of external oversight and how is our relationship with Congress and other things?

There is a tremendous body of delegated authorities that don't reside with the Commission but have been further delegated within the agency, not

only to the EDO and very high-ranking officials, but a lot of that over the course of the agency's history has been delegated down. And there is a tremendous confidence that we reside in that whole body of actions. And I think it's easy to then just single out the things that the Commission has reserved to itself, but those things reflect the measures that are key and pivotal to having external confidence in the agency as a whole, of the American people and others. And so, when the Commission has one of those important matters that it's reserved to itself in front of it, are we going to dig into it? Are we going to use it as a kind of a probative value or as a smart sample of what's going on in the agency and dive quite deeply and have in-depth back and forth with the staff? You bet we are because we do sit in those congressional hearings and we get asked things at sometimes a very, very mundane operational level within this agency.

And so, we have to not only look informed enough, but be informed enough of those various measures and be able to speak intelligently to that, because we were also asked who's advocating for this agency? And of course we don't lobby because we would be lobbying with the funds appropriated to us, which is not an appropriate thing to do.

But all of us I think have an advocacy role if you believe in what you do and you speak to that and defend it. If it's criticized, then you are an advocate of what you do here and what your colleagues do. But we do advocate in the first forum for the agency's budget, for getting you all what you need. So if we can't do that competently, then kind of we all fail as a group because we're not ready to do what we need to do.

Something like licensing actions, you could look at it and say why

does some of the issuance of licenses have to be authorized by the Commission and so many other day-to-day issues of great safety significance are delegated to the staff? It's not perfect. I don't think it's meant to be entirely rational. It's a partnership between the agency's professional staff and its political leadership as embodied in this Commission and then with an independent look by the Inspector General, who also has a measure of independence over what we do.

It's a little bit like the checks and balances in the Constitution. And since Constitution Day is coming up, I'm sure we're all reading our pocket versions of the Constitution. But a lot of the things that Congress puts in law are meant to be a balancing, a balancing of all the important things that need to be happening day to day. And the Commission could not possibly have a direct role in with having some sort of body of measures reserved to the Commission so that you create that dynamic tension between leaders and the organization they lead, between the organization as a whole, and then bodies that exercise independent oversight, whether it be our Inspector General or the committees of the Congress. And through all of those measures I think what we're trying to create is the responsiveness and accountability that the Chairman talked about.

COMMISSIONER BARAN: I would just add, I think on rulemaking we've struck a pretty good balance in the last year or so. I think having concise, streamlined rulemaking plans for the initiation of a rulemaking is a good step.

It was something we I think as an agency largely approximated before that because it was so routine before rulemaking was initiated to have a SECY

paper come up to the Commission to vote on it. I don't think there were too many cases where rulemaking was initiated without that. But I think having a formalized procedure for a streamlined rulemaking plan makes some sense. It makes sure that the Commission is involved early and that the staff isn't expending a lot of resources on a rulemaking without the Commission knowing about it and without the Commission having said, yes, we think it's a good idea to pursue this rulemaking. So I think that's a good balance.

And I think overall in the time I've been here I think the staff's done a good job. We'll have an SRM come out. Staff's done a good job of implementing the direction and then just keeping us informed of that implementation.

My goal just personally is that I tend -- in terms of voting on staff requirements memos, I tend to prefer less direction, not more. Unless the direction is really useful I'm not one to vote for kind of same things over and over again that we've already said or reiterating things that are in existing direction or telling the staff to do something that we think they do anyway. So I tend to be more for kind of a focused shorter staff requirements memo and having the staff implement that and just through information or other mechanisms: CA notes, keep us informed of how that implementation is going.

QUESTIONER: Will there be any change in the requirements for security clearances for all NRC employees or inspectors? Will other criteria be established besides access to classified information to retain a security clearance?

CHAIRMAN BURNS: Well, one of the things that we did have come in front of us as a result of a Project Aim initiative was to look at the issuance of Q and L clearances, or basically a clearance to all employees. And it was

decided that -- and this is really in the course of not just an NRC decision -- and what I also wanted to dispel, that this isn't necessarily just a cost-cutting measure, because in the long run it may not actually have significant cost savings, is that we -- in line with a lot of other federal agencies are doing is looking at the need for and the nature of the classification, or the clearances I should say that are provided.

So that effort I think is underway. What it may mean in the long term is fewer Q and L clearances. You still need sort of a high trust, as I understand it, for a number of positions, but that's sort of at a very general or broad level, that's where it is.

Have I got that basically right, Vic?

MR. McCREE: (No audible response.)

CHAIRMAN BURNS: Okay. And, Cindy?

MS. CARPENTER: (No audible response.)

CHAIRMAN BURNS: Okay. Good.

QUESTIONER: Is the Commission discussing the upcoming decommissioning activities and plans to shut down nuclear power plants?

CHAIRMAN BURNS: Well, I think we are from the standpoint that we have an initiative in terms of the rulemaking initiative that was done about a year ago underway, and certainly we have to engage with utilities who announced their potential plans for early shutdown or shutdown before the end of licensed life of their facility. So we certainly maintain awareness of that.

COMMISSIONER BARAN: I would just add, I think it's a very important rulemaking, the decommissioning rulemaking. I believe the direction to initiate that rulemaking was end of 2014, and the Commission direction was

it should be a broad scope rulemaking that should look at a variety of issues.

Exemptions. Moving away from the exception process, but also taking a fresh look at a number of questions.

Should we be looking at approving PSDARs, Post-Shutdown Decommissioning Activity Reports? What's the appropriate of State and local governments and non-governmental organizations? There are a lot of stakeholders that have questions about is 60 years the appropriate time frame? Are the options, the three options the right ones?

So it's important to have a rulemaking from my point of view and consistent with the Commission direction to look at all those issues. It's something that I think we're going to see just an increasing amount of attention on. Every time we've seen a site announce that they're going to be shutting down, it's a whole other part of the country that's getting engaged on these issues probably for the first time.

There are state governments, there are localities, there are obviously the citizens in the area and non-profit groups that really are focused on these issues. And that may not have really been plugged into this discussion before a shutdown is announced at a particular site. So I think it's important now.

And every time we see an additional plant shut down or we see one announced, I think it's just gotten that much more important.

And there's a management challenge here that I think our managers are aware of and that I think we'll deal with well, which is to keep moving forward on that rulemaking even as we have additional licensees coming with exemption requests, be able to walk and chew gum at the same time, do both those things. And I know the folks have focused on that and it sounds like we're

going to be in a good place on that.

So I think it's a really important issue. It's definitely something I think about quite a bit and it's something we hear from stakeholders a lot about.

CHAIRMAN BURNS: One thing I might just add is what I found very interesting in some of the international engagements I've had this year is -- it actually was a little bit of a surprise to me, but a number of countries were asking us where we are with this, how we engage it. And I guess I did not have as good appreciation that even our earlier experience -- and I think of particularly like in the late 1980s, 1990s, particularly in many of the Yankee units when they were decommissioned. That kind of experience that some of our foreign colleagues have not particularly had, and for example, in sort of bilateral agreements -- or excuse me, bilateral meetings with -- for me with the Swedes, with Korea. And in Japan I was asked to give sort of a presentation to each of the regulators. And in at least one public session our approach to decommissioning, what are some lessons learned so far and all that. So I think this is an also area we're going to have continued in international engagement on in the future.

QUESTIONER: Commissioner Svinicki, you have mentioned NRC 2.0 several times. Could you elaborate on this vision?

COMMISSIONER SVINICKI: I think, for me, NRC 2.0 is just maybe to have another term that is not NRC after Project Aim and there is some point at which, as the chairman mentioned, we just need to just take the objectives and the learnings of Project Aim and cause those to be enduring mindsets that we have going forward.

But NRC 2.0 is just, if you are enjoying your career here and want to be part of

moving forward, if you are like me, you know you show up every day and there is things that you think, okay, this is well designed but maybe there is another process or procedure you have to go through where you feel that three of the ten steps don't add value. I think that the process of creating NRC 2.0 is that the Project Aim environment not only allows you to bring forward those suggestions but really is an environment that encourages you to say what could we be doing better. Are there parts of this job that I have a ready-made process or solicitation through Project Aim where I have an audience that is very interested in my bringing forward those ideas?

And coming out the other end of that pipeline is maybe the NRC that you think is addressing things in a more efficient and effective way, while having the kind of agility that would allow you throughout however much of your career you choose to spend at NRC you could get the most out of it and find that to be the most fulfilling. It might be measures that allow you to have a skill set that you can use in one capacity and migrate that to another capacity.

In my time at the Department of Energy, there was a lot of reorganizing that went on and perhaps there were a lot of management fashions of the day that came and went but, for a while, I was in a matrix organization which allowed me to kind of be dispatched to different work, as it became more or less active. And to me that is a bedrock of agility, where you are allowed to take a skill set and maybe be part of this Team A for two months and then move that to something else.

NRC 2.0 is just the call to say what does that NRC of the future look like to you. If you are enthused about it and have ideas to bring forward, Project Aim is something, it is an incubator that wants to take the best of those

ideas, at least how I see Project Aim and give you avenues to get those in front of the right people who could look at the elements of it that might be strong or might not work so well, get you that feedback and get those in place.

I know we are all busy doing our day-to-day job and Project Aim is kind of layered on top of that. But what is a challenge can also be unique opportunity for NRC at this point of inflection because there is so much change occurring outside the agency. We are pledged to adapting ourselves to that. And you know if that entuses you and you want to be part of creating that NRC of the future, that is what it means to me, is being part of that journey that will take us to the NRC, as it needs to look ten years or twenty years down the road and it becomes you know that nuclear is more active then. So, what are the best elements of agility that we can preserve through that?

QUESTIONER: Regarding the OPM breach of our personal information, was the monitoring provided initially extended beyond the original 18 months offered? Was it expanded to our families whose PII information was also stolen?

CHAIRMAN BURNS: I'm not sure I can answer what the extent of it is. I know it -- my understanding is it extended to family members because my wife got a notification regarding it. This is, of course, at the time happened when I had retired but because she was a contact person and all that.

I don't recall what the particulars are of it but we can get more information. Miriam says we can get some more information on that. We will be happy to provide that and get that word out.

QUESTIONER: Okay, again, these questions are related, so I am going to read both of them.

CHAIRMAN BURNS: Sure.

QUESTIONER: Are there any plans to consolidate regional offices?

And in looking at reducing costs, are we looking, again, at bringing the TTC in Chattanooga up to Headquarters in Rockville to reduce travel costs?

CHAIRMAN BURNS: There is no proposal in front of the Commission at this point for in terms of the consolidation of the regions. We have some papers at the regional offices, themselves; in other words, reducing the number of regional offices.

The Commission has for consideration a paper about concerning the consolidation of materials programs, which it is still voting on, although, again, the recommendation from the staff, at least, was there were some efficiencies but not to further consolidate those programs.

And the second part of that was on the TTC. I don't know of any proposal to move the TTC here. And I don't think that was something that was being looked at through Project Aim.

QUESTIONER: How long do you think the downward pressure on budgets and staffing levels will continue?

CHAIRMAN BURNS: Downward pressure on what?

QUESTIONER: On budgets and staffing levels.

CHAIRMAN BURNS: Oh, budget and staffing levels.

I think those, in some respects, they will always be there because in terms of a budgeting process, there is always a give and take between resources we may desire, what is viewed as reasonable, in terms of those who are responsible for appropriating it and for all the other stakeholders out there, industry and others, who may have a viewpoint pulling in different directions.

I think what we have done through Project Aim and, again, I give a lot of credit to the Commissioners who are here, Commissioner Svinicki, as well as staff leadership who is here, is really taking this seriously two years ago, as a way of helping shape our future as much as we can, because we know, ultimately that the budget is a product of not only what the President may propose but what the Congress views as appropriate in terms of an appropriation.

You know, it is hard for me to say we have hit a particular level. I think what we have done a lot of, and maybe I will leave the answer at that, is I think we have done a good job of looking at areas where we could reduce and looking at areas where we might be able to do things more effectively with fewer resources. And in that sense, what I think we have done is a responsible job of identifying those things, being pretty forthright about it in terms of our oversight in Congress, as well as the appropriators.

So, you know will there be future pressures on that? I think that is always the case. But I am very confident we really have done a good job of getting ourselves to where I think the right spot is for us.

COMMISSIONER SVINICKI: I agree with the chairman. I think what is interesting and is embedded in the question is will there be pressure on budgets and if there is going to be pressure on it, what do you do about it.

I agree, if you remove the word downward from the question, there will always be pressure for us to justify the budgets that we are asking for. I think one of the ways that we can build confidence is if we can demonstrate that we have an eye on the horizon and maybe over the horizon to the extent we can, that we are trying to stay apace with what is the activities that we regulate

under law. We are a regulatory agency so we don't have pure mission in the sense that we are advancing telecommunications infrastructure or something else. We are responsive to the activities, the amount of activity that we need to be overseeing, licensing, and regulating in the broadest sense.

So, I think if we show that we have the right kind of resources models, strategic workforce planning, that we are doing the best we can to get estimates of licensing workload and other types of workload over the horizon. If we can build confidence with the Congress that those processes are pretty well informed, nobody is perfect, and nobody has a crystal ball but we show that we are outwardly looking. We have kept ourselves in a way that we can adapt to that. I think that is how we will always be the most credible in budget space.

So, there will always be pressure but we stand ourselves in good stead if we can demonstrate that we have got a pretty good finger on the pulse of all of this and that what we are asking for is commensurate with the amount of activity that we are going to need to spread those people and those contract dollars across.

And so, again, I just see that as being really one of the things that the foundation of Project Aim was looking at our ability to do that, improving upon that. And that credibility would just serve us going forward, no matter whether we are asking for a smaller budget or a larger budget.

COMMISSIONER BARAN: I agree with all of that. I think we are in a very good place and will be in a very good place the next couple of years to have a very good story to tell about the work that we have all done together to match the agency's resources to its workload that we have now and that we

have anticipated in the coming years.

It has really just been a tremendous amount of effort and significant results in a short period of time, just a couple of years. And so a lot of what has already been approved, every baseline and other steps, potentially the merger and other things that could have potential FTE or resource impacts, a lot of that is kind of in motion. And so we will see some of that take effect in the coming years, in the next couple of years.

But so much has been done and I think it has really helped to inform the discussions we have with OMB and with our appropriators about what is the work that we have, and where do we see the workload going, and what are we working on and why is that important. So, I think it has been very useful and is paying, I think, some significant dividends that way.

And you know part of the question, there is an element of it which is unknowable, right? I mean, we can do everything we can as an agency to have a very thoughtful budget request. Then, there are elements that we don't have any control over that get decided by elections and other things. And that is unknowable. But I think we have been very focused, collectively on the parts of this we do have control over. And I think it has gone very well.

COMMISSIONER SVINICKI: I would just add to that that there is also just the fact of life changes that occur. We begin the development of the budget two years in advance. Right now, the Commission is very involved in fiscal year '18 and so you know already, between the time that the staff first engaged Chairman Burns on a potential budget proposal, we had a reactor that looked like it was heading for shutdown; now it looks like it is not heading for shutdown. So, we are constantly in the process of truing of those things up.

It isn't just the political changes that occur but other fact of life changes.

I did not make a comment on the question, the earlier question about looking at the structure of the regions and the TTC partly because I agree with the Chairman's answer. There aren't any specific proposals on that.

But as a general matter, my hope for NRC is that you would always be looking at whether the structure serves what the work that you need to do. I have made this comment at some of our Project Aim Commission meetings but, since not everyone we don't have an audience this big for our Project Aim Commission meetings, I will say it again.

I think a lot of transformational initiatives have three phases. It starts out by looking a lot at activities and I think the re-baselining was a manifestation of that. You say- what are activities that we are doing? We started them for whatever reason? I'm sure it was a very valid thing at the time but maybe at this stage, we don't anticipate them returning value to our organization that it doesn't make a lot of sense to complete them.

The second thing then is you look at that set of the activities that remain that you decided were truly significant and meritorious and you look at how you are doing them. You look at what are our procedures like. NRR has been very engaged in looking at various streamlining and process, business process improvement initiatives. So you move. You take the smart set of activities and then you decide if the procedures and processes are a good way of undertaking that work.

The final, and I think maybe the most philosophical and difficult step of the transformation initiative is structure. You look at that smart set of activities that remain under more effective processes. Are we organized as a body, as

an institution in the right structure to allow us to carry out the smarter processes and the smaller set of activities in the best possible way? And so that brought forward the paper on NRR, NRO perhaps coming together, on looking at consolidation of activities in regional offices.

And whether or not things move forward on specific proposals in front of NRC right now, I just encourage everyone to think about NRC once had five regions, now it has four regions. If you had a concentrated set of plant shutdowns in one of the remaining four regions, wouldn't you want to, as an organization, look at the geographic spread of that work? Would you maybe want to look at, if the United States was going to go through a period where it had a spike in premature closure of plants, would you maybe want to look at how that work was organized and structured here? Would you still want to be splitting it between NRR and NSIR and others?

There are ways to be maybe organizing your work a little more organically. I know that any of these structure changes takes so many resources that you don't want to constantly be modifying your structure but if a trend is going to exist for ten or fifteen years, you know I would argue that maybe you want to look at re-rationalizing that.

I began my federal career in a field element in an operations office at DOE and I think you can always also be examining the split between what does your headquarters element do and what does your field element do. Our field regional offices have so much capability there. We think of them as performing one type of function and role. If we stepped back, how would we create that NRC 2.0 or that more agile and flexible NRC if they did different things?

So, whether or not the Commission adopts the changes in front of it now, my hope for NRC is that it will keep kind of looking at itself, widening the aperture and thinking about for the work I am going to have for the next five or ten years, what is the structure that makes sense.

QUESTIONER: The impact of Project Aim and the reduced promotion potential could have an impact on an employee's willingness to raise concerns and differing views. What is the NRC doing to ensure that employees are comfortable raising concerns and differing views?

CHAIRMAN BURNS: Well, first of all what I say is that Project Aim and the fact that in an era where you may have not as many promotions because you don't -- because we have a shrinking force, those should have nothing to do with the willingness to raise concerns. We need robust debate in this agency on all the things that we do.

I think that management tries to do is ensure that the various avenues, and those avenues are institutionalized far greater than I know when I started in this agency, that there are a number of avenues, whether informal or more informal processes of differing professional opinion and the non-concurrence process, to get those views on the table.

My experience, since I have been back, is that I am seeing those and I am seeing how they contribute to the agency's consideration of some of the significant issues we have had in front of us.

So, my encouragement is for folks to continue to raise the issues they think that need to be raised here. If any of you heard Administrator Fugate this morning, one of the things that he said was that it is not really all out productive, we are going to a meeting, and everybody says yes, yes, yes, yes,

yes. We need to be raising those issues that are on the table when we do that. And I know I think most folks in this agency do, and most people feel comfortable doing so. And I would encourage you to do that.

So, my view, there is no connection because there can be no connection between the willingness and the safety in raising views and what Project Aim or promotion potentials have. They don't have anything to do with each other in the sense that we want employees to raise concerns, to raise issues to make sure that the things that are put before either management in the office or ultimately the Commission are based on a well-informed, robustly debated set of views that come before us for a decision.

QUESTIONER: Is the NRC's ratio of SES managers to employees in alignment with other federal agencies?

CHAIRMAN BURNS: I, frankly, don't have a good answer on that for myself. I just don't know. I think it is something that we look at. Historically, we have had a fairly substantial senior executive service. I know during times in my career there was a shrink back on that but that is something we can probably give you a better sense of in terms of the benchmarking.

Off the top of my head, I just can't answer the statistical question.

QUESTIONER: A recent OGC Yellow Announcement reinforces the agency's guidance on the appearance of conflict of interest. What is the Commission doing about the actual conflict of interest involving NRR post-Fukushima decisions that precipitated the Yellow Announcement?

CHAIRMAN BURNS: Can you say the last sentence of that? What is --

QUESTIONER: Sure. What is the Commission doing about the

actual conflict of interest involving NRR post-Fukushima decisions that precipitated the Yellow Announcement?

CHAIRMAN BURNS: Well, I actually don't think there was an actual conflict of interest involved here. But one of the things I asked, quite honestly, I asked of General Counsel, and Margie and I spoke, I discussed with her, I said I thought it was appropriate for us to have a reminder that we, as agency officials, as agency employees, need to avoid the appearance of a conflict or appearance that what we are serving is nothing but the interest of the United States and the United States, in the sense that it serves the American people in carrying out our mission. And Margie agreed with me that it was a good thing to do that. And that is what was really the genesis of the particular announcement.

I think we all, as employees, one of the things we -- and I know I think probably resident inspectors know this better than anybody else in this agency, but that what we have to do is we have to carry ourselves with integrity and that is to keep the appearance, as well as avoiding actual conflicts, which all of us who file annual financial disclosures, which I would rather go to the dentist, I know, sometimes than doing that. But those of us who file financial disclosures, those restrictions we have on stock holdings and things like that, that is part of what basically gives people outside the agency some confidence to do that, that we are serving their interest -- first serving the interests of the United States and their interests in carrying out our work.

And that is what I encourage everybody to do is to think about before I sort of self-promote myself, think about what that says and how that is said, and how that looks from the standpoint from what I, as an agency, a member of

this agency, or an employee of this agency, is doing. And does that pass that sort of smell test that it looks like, in fact, as well as appearance, that I am first a servant of the American people.

QUESTIONER: The 2017 budget has not expected RIFs. How does the 2018 budget compare to 2017?

CHAIRMAN BURNS: Well, the 2017 budget, as discussed, will probably get a CR and, at some point, there will be some sort of -- we hope some sort of agreement on a final budget.

The 2018 budget is in process and, unfortunately, given this is a public setting, I can't say much about that because there are restrictions in terms of OMB Circular A-11 and the like that because ultimately we submit this to OMB for the President's approval and release next year, we can't discuss a lot of the details of what that is.

QUESTIONER: An email this morning announced the retirement of several individuals representing over 300 years of government work experience. How do we replace that?

CHAIRMAN BURNS: Well, what we do to replace that is we look at the skillsets that those people represent. Then, we look at the contribution that they make to the agency or have made to the agency. We assure that we have those, if we need those skillsets in the future, that we have people who are either retrained because they are people within the agency can undertake the similar types of tasks or that we target external hiring so that we replace those particular skillsets.

We do some of things like NSIR did again to mention the program this morning on emergency preparedness and planning. We proactively engage in

knowledge management. So, not only on a general basis but, for some of those folks who are actually retiring that we engage them to pass on their learnings, to document what they have done, to reflect in office procedure and office practice what we have done. That is how we capture it.

Because the fact of the matter is, what will never change is we are all getting older. And at some point, even me, I am not going to be here anymore. But what I hope, and I know for me and when I was in the General Counsel's Office was very important and we got a lot of support from management, from folks like me who are about to retire, as well as folks who just come in, who are interested in hearing about how things had been done.

You have got to focus on that knowledge management piece of it and that includes, again, just to reiterate, it includes actual informal for formal exchanges of information reflecting an office practice and procedure how things are done, assuring that you have the skill sets that we need to conduct the work that we have to do in the future.

That is how we have to deal with it because the fact of the matter is we aren't going to prevent people from retiring because we haven't found the fountain of youth of the fountain of perpetual employment as yet.

QUESTIONER: Would the Commission please provide a status on its votes and any resultant SRM comments to SECY-16-0070, Integrated Strategy to Modernize the NRC's Digital I&C Regulatory Infrastructure?

CHAIRMAN BURNS: Yes, I think Commissioner Baran has voted. Is that right?

COMMISSIONER BARAN: I did, yes.

CHAIRMAN BURNS: He voted. I'm still in the process of doing that.

COMMISSIONER SVINICKI: I would just say this is still in deliberation and I know that sounds like a hand-waving response but the truth is, we engage each other pretty actively. Although Commissioner Baran has voted, if Chairman Burns and I have not, when we vote, Commission Baran may want to discuss the content of our vote.

I know that Commissioner Magwood told the story once in a congressional hearing indicating that, that isn't just lip service. We really are influenced by each other.

He told a story about he had already voted something and made a decision. Another commissioner cast a vote that brought up an aspect or dimension of the issue that he just had given no thought to at all, was persuasive enough that he re-voted to change his vote because it was that persuasive.

Now, that doesn't happen every day. That is a fairly noteworthy story. But when we say it is in deliberation, if one vote is cast or two votes, you know on a vote, it really isn't over until it is over. I won't say anything about people singing.

But it isn't over until the SRM is issued because then, this Staff Requirements Memorandum, all of our proposals get thrown into a big basket. And although Chairman Burns might not agree with something of mine, he may say, would you be willing to support if I modified it in the following way.

It is a very, very active process I think. You know we don't send our votes over a transom. The deliberation continues all the way until issuance of the decision or the SRM. So, if we were to tell you one vote is cast or two votes are cast or Commissioner Ostendorff voted, you know even that, he voted a number of matters before his term of service ended, not because he

felt that we would be bound by it, and we are not. In truth, it is very ephemeral. It actually disappears from the record unless it is referred to by a currently serving member in his or her vote. But he wanted to be sure that we had the benefit of any thought. He is a very humble man but he said maybe this will be of use to any of you in deliberating this matter.

And maybe that is a little bit of a long answer but I take as an opportunity to give you an insight into a process that NRC is unique to the members to the Commission themselves. It is the way we, in the rock polishing, are coming up with our policies and our decisions. That is why you are having a different diversity of people on this Commission is so important to me.

You know, personally, people have asked me what makes a good NRC commissioner; you have got vacancies. And I know the American Nuclear Society recently published a statement on that. I will be a little newsworthy here. I actually told them I thought that was a very bad idea and I am a 30-year member of the American Nuclear Society.

I said there is an ego to that of saying that only someone with a particular resume can be an NRC commissioner. I have served and had the luxury of serving with people from tremendously diverse backgrounds on the Commission itself. And every one of those people brought something, whether I agreed with them or in the main disagreed with them a lot, they brought their unique vantage point. And I think that is what Congress intends by having a Commission structure.

We could be like EPA. We could have an EPA Administrator. You could have Chairman Burns, he could have his own all-employee meeting. He

could sit up here and not have to think what anybody else thought. I don't think that is -- I think that NRC is as strong as it is because of that.

So, thank you for that and thus, endeth the homily. Thank you.

CHAIRMAN BURNS: Okay. Thank you, Commissioner.

QUESTIONER: In light of the lack of diversity, especially the underrepresentation of women in the selection of the current SES CDP class, has the Commission considered adopting a new value, diversity and inclusion, as one of the NRC's values? If not, should this be considered?

CHAIRMAN BURNS: Well, yes, it is a challenging thing, in terms of the classes. And I think all of us here, and I know in some of the closed meeting we have had with the senior management, in terms of trying to understand the succession planning process, as well as the management processes, I think a number of us have been very clear is that this is an important aspect of our work or assuring that we have good people and the right people in position.

So, it continues with the commitment. I don't know that adding to say the principles of good regulation that would make particular sense. But I think from my perspective, my commitment, is to continue diversity and inclusion. A lot of that depends on the pipeline. So, it begins there, in terms of folks coming into this agency. But it also is partly a willingness to look outside the agency sometimes and bring folks in.

So, there are things we can do. I think it is something I know in talking to Vic that he is committed to. We just have to keep working at it.

QUESTIONER: What is the Commission doing to retain the young generation of employees at the agency?

CHAIRMAN BURNS: Well, I think -- what I hope we are doing and, again, I can speak from my own experiences, as an office director and I think from my discussions with other offices, these are the types we are doing.

You try to give opportunity by giving important interesting work. You don't want to be just the bag holder, as my first boss here at the NRC called it dog robber, he referred to that, and somebody just handed paper or rather held papers for people. The way I -- and again, I draw on my own experience, the way you do that is you get folks engaged early on in terms of the important work of the agency. And that is, whether it is in licensing, whether it is in oversight, whether it is inspection, whether it is in technical review.

And coming back to that earlier question about losing knowledge, that is how we use some of our experienced people who may be going out the door to help engage the newer folk in terms of giving them insights to where the agency has been.

The other thing I would say is what we need to do is, and this sometimes it can be hard for us older folks, but what we need to do is be open. Commissioner Svinicki, I think, touches on this, being open to what looks like different ways we could achieve this or where is the why am I twisting in a circle two times before I go on to this next step. It is being open to those kinds of ideas from the folks who are new here. That is what I think is important.

Now, again, the other piece of that, there are some more mundane things. Oh, yes, let's make sure we keep paying our people at an appropriate level. Let's make sure that even where we know some tight times, saying that there are opportunities for engagement and advancement, some of that may be through rotational type assignments and other types of things like that.

So, it is really a whole panoply of things, I think, we can do as an agency. Those are going to be primarily at the ground level within the offices themselves to carry out.

But one of the things I think over the years I think we have attracted and some of these folks came in, some of them, a few them, when I did. A few of them I met a few years later but they were all, at one point, they were those young folks, many of them, who came in here and are now leading the agency. And again, I would give that as an example of what the attractiveness of the agency can be and where you can move within it.

COMMISSIONER SVINICKI: This is maybe a little bit of a tangent from the question but I am reflecting not only on this question, on the previous question that was asked about diversity in the SES candidate development pool this time around and also a little bit on the question about if there are fewer promotional opportunities, do I want to be a kind of conforming to go along, to get along mentality and not raise issues.

I think what I want to say on all of those points is that my greater concern is that both for maybe the rising generation at NRC, the strength that we have in our mid-career ranks, and we have got tremendous capability there, and then we have got those that have risen to the senior leadership, very, very just maybe senior by virtue of their expertise within the agency.

I think one of the most corrosive things that we sometimes have, I am going to say that, is the notion that I don't know if we have -- I always use the name Joe Smith. Is there a Joe Smith in the room? I don't mean this as an actual Joe Smith but you know we say Joe Smith, you know we all know he is going to be the next guy heading this division or Mary Jones, everyone knows

that she has been patiently biding her time and I shouldn't apply for X, Y, Z job because everyone has a kind of a sense that she is entitled to it next.

You know, throughout my career in federal service, which as I have said, is 26 years long now, that wasn't always the conventional choice for things but I had a spirit kind of maybe nothing ventured, nothing gained view of throwing my hat in the ring to maybe compete for things that were a bit of a stretch. And maybe if I didn't get those things, I got other things.

But I think it can be difficult but it is absolutely essential to strike the right balance between overall succession planning to having the process be accepting of getting the most vibrant number of candidates coming forward for various positions. So, I think that we have a very, very vibrant succession planning process at the NRC. But to the extent that people are opting themselves out and discouraged from competing, I think that that is to the long-term detriment of the development of all future leaders at all levels inside the agency.

And so to return to the SES CDP candidate pool, you know I don't second guess that that is a good team that looks at and makes those decisions. So, maybe not speaking to any particular pool of candidates, but just going forward my bigger concern would be did people look at the outcome this year or last time around and say well, why should I bother to throw my hat in the ring? I don't want to just be encouraging people for encouragement sake but I ask all leaders at every level making selections here, or even signing off on training opportunities and other things, the service that you give the agency in making succession planning and planning for the future part of your job, that is a deep service to give to NRC.

I think succession planning is everybody's job. I just told you a minute ago people ask me what makes a good NRC commissioner. That is part of my trying to really be out there with vibrancy, looking to have candidates for every position, which all these positions are part of the public trust and we are public servants. So, one small fraction of each of our jobs is to be planning for the future and getting people into these roles. And I think if people feel shut out of that process, that is something that we should all be vigilant in looking out for and working to make sure that that doesn't happen here.

QUESTIONER: Okay, I'm just going to warn you this is a long one. Could the Commission consider improving its mandatory hearing process? The current process involves many people being sworn in as witnesses, including any technical staff member who is part of the licensing review. It would be more time-efficient and cost-efficient if the commissioners could inform office management a few days before the hearing date about what areas a commissioner expects during the actual hearing. Then the only -- I'm sorry. Then, only the technical staff involved in those parts of the review would need to be present during the actual hearing.

The chairman could also provide a clarifying comment at the beginning of the hearing, if any additional technical areas were going to be added to the list of areas provided to the office prior to the hearing date. Technical staff in these newly identified topics could then be present at the end of the hearing to address these Commission concerns.

I welcome your comments on this suggestion.

COMMISSIONER SVINICKI: Do you want me to go first?

CHAIRMAN BURNS: Yes, go ahead.

COMMISSIONER SVINICKI: Lest anyone think that I am a tremendous listener and quick-minded, which I guess I would like to think I am but I am not that quick that I could have taken in all elements of this question. I appreciate that the person who asked this question submitted it in advance, so that some of us might have had the opportunity to see it before.

Generally, it is talking about what is efficient and what might not be efficient about the conduct of the mandatory hearings. The Commission has conducted a number of these over the last 12 to 18 months. And the notion of the question is, instead of having all of the staff witnesses be in the room for what is now a one-day hearing but when we did them a few years ago was actually well, two and a half days, actually, and so there was a lot of staff time. And so we are asked, as commissioners, couldn't you just have all your questions defined in advance and then only the witnesses that answer those questions would need to be present in the room and that would be more efficient.

Here is -- I want to pull way back on this question. First of all, let me admit that I am the only person sitting on this stage who has voted not once but multiple times that the Commission send a legislative proposal to the Congress eliminating the mandatory hearing. And I stand by that decision. Congress has failed to act on that and I don't second guess their wisdom but, to my mind, the reason why I have supported the elimination of the mandatory hearing is that I do, in some senses, consider it an artifact of 40 or 50 years ago when things like the internet, all of ADAMS, people had to go to and travel to public document rooms across the country and read paper documents. The ability of people through just communication tools and technologies to be aware of a

proceeding of interest or a licensing matter at NRC is dazzlingly more available to them now than it was 40 or 50 years ago.

But be that as it may, I respect other of my colleagues find a lot of value in the mandatory hearing.

The mandatory hearing staff and the applicant, to a degree, are testifying to work they have already done. So, I could sit in my office and have staff witnesses on the Environment Panel and I can read all their NEPA documentation and I could sit in my office and do that.

I think a logical extension of the question asked was, why can't we just conduct a paper hearing and we could just have questions. And we could do that. But to try to speak for those who advocate for continuing mandatory hearings, I am back to that comment I made about there is a few set of high priority things that the Commission reserves to itself and some of that is to have that back and forth with the staff. The case of a mandatory hearing, we are doing that in a public setting, it is broadcast over the internet. It is a window for any American citizen who is interested to peer into this agency process, a lot of which does happen at people's desks and on their computers, and is done in paper and document form, and they get to see the act of making a decision on a license, not contested issues but uncontested issues, happening in real time.

And so in that way, it may have an element of ritual but it also has an element of putting on display the kind of back and forth that the agency, the commissioners and the agency expert staff have on these issues.

So, the reason that I am not for taking it -- if it is going to be a public demonstration of why we are confident and why -- what was it, you know

55,000 hours' worth of staff technical work were done, all the things that were testified to in the mandatory hearing, I think it is a public confidence building measure. So, if you are going to do it, I think that you need to be prepared to answer any question. The reason it would be difficult for me to write all my questions out in advance is based on an answer you give to Commission Baran, I may then have a different question that I would ask.

And so if we are going to do it and Congress is going to insist that we continue to do these mandatory hearings that were first prescribed -- were they in the Atomic Energy Act, as amended or were originally? Okay, say 1962 and that is great when you have a lawyer as your chairman who can tell you this legislative history. But that is part of why you, as a staff expert are sitting in that room. I understand there is a lot of downtime for you but you are engaging in this very, very public demonstration of why it is, when we authorized the issuance of a license, what has gone into that. Why does it have integrity? Why does it have thoroughness? And so I think once we do it and it is a public demonstration, then we all show up and be part of that public demonstration.

COMMISSIONER BARAN: That was very balanced.

COMMISSIONER SVINICKI: Oh, yes, because I argued the other side. Did you see how we can do this?

COMMISSIONER BARAN: You don't even need me here for this. Well, yes, so I am a supporter of continuing to have mandatory hearings. I think they are very beneficial. And I think it is important for a COL or for a construction permit for the Commission, itself, to grapple with this issues and satisfy itself that the regulatory and the statutory requirements have been met.

So, I am a fan of them and I wouldn't say that Congress has failed to act on it. I would say they have not acted on it.

COMMISSIONER SVINICKI: I'm sorry. They have chosen not to or elected not to.

COMMISSIONER BARAN: But in terms of the specific question, I also I saw this one ahead of time and I gave it some thought because it had -- there is an intuitive appeal. Could we figure out ahead of time what is going to be covered? But you really, I think, Commissioner Svinicki, really touched on one of the struggles with that, which is it is hard to know where the questioning will go during these mandatory hearings.

This is, I think, true for Commission meetings and Commission briefings, generally, is that I know I have just had happen myself where I ask a question and I got a response that was totally unexpected. And then you ask a follow-up question and another follow-up question and pretty soon, people are coming up to the podium you weren't really expecting to be asking questions to.

So, I think as a practical matter, just to be very challenging to identify ahead of time before a mandatory hearing that is going to have several panels on a variety of issues, everything that could come up. And I could just see a scenario where we could try this and then a commissioner would have a question and it wouldn't take very long to get to a level of the depth where the staff realizes uh-oh, we don't have the right person in the room. They are across the street or whatever.

And so I appreciate the thinking behind it. I am not sure practically that it would really work. And I have had that happen just on my own

questions but as Commission Svinicki points out, a connection should happen with other commissioners' questions, too. I mean you go in thinking I am going to ask about this and then she asks about something. Oh, that's a really good point. I would like to explore this issue further. And suddenly, I am off my script in terms of what I was -- a script if you were going to have it, trying to figure, identify in advance what the issues are.

So, I think you would unnecessarily constrain the questioning in a way that wouldn't be good. And I think it would just be very difficult.

COMMISSIONER SVINICKI: Either that or I mean you would hold the record open.

COMMISSIONER BARAN: Yes.

COMMISSIONER SVINICKI: It could develop its own bureaucracy then around just the fact that we then are conducting a paper follow-up hearing after the oral hearing.

COMMISSIONER BARAN: Right. And you just miss out on the value of having the actual in-person back and forth of the ability for follow-up questions.

COMMISSIONER SVINICKI: So, you are the third vote. What do you think?

CHAIRMAN BURNS: Those were great answers and I agree with them.

One of the things -- I would say a couple things. One, the staff, in some respects, has the judgment to determine who will be identified as witnesses during the particular hearing. And in that context, let's recall, too, that the Commission has identified through the order, we know generally what the

presentations are going to be on. There may be I think in one of them there was a particularly interesting -- maybe this was the Levy one -- in terms of some of the environmental issues or an unusual aspect. But we had some bird or turtle or something.

COMMISSIONER SVINICKI: A bat.

CHAIRMAN BURNS: A bat! No, it was the bat. Right. It was the bat man in the Levy -- in the Fermi 3 hearing.

So, you know it is not so much that there is a real surprise. I would hesitate to say there is going to be a surprise about what the Commission questioning is. Because I think if there is a subject matter that some commissioner may wish to raise during the hearing, we are going to give you some notice that we want a discussion of this.

So, there is some judgment that the staff I think working with its counsel can make about who do you need there. But again, if these are folks who worked on it and, in a few instances, I know I have asked questions or seen my colleagues ask questions where the person, the witness at the table, really feels more comfortable with a handoff, which is a luxury you would not get in front of the Licensing Board, if you were in a contested hearing, particularly.

But that has worked very well. And I think in a couple of instances, having that person there avoided the need to do these clarifying add to the record type of aspect.

So, those are two other observations I would make in addition to what my colleagues said, and I think said well, if we are going to continue to have these, I think the Commission is interested in having a process where you can see the

testimony from the experts, from the staff who have been involved in the review and that can answer the questions there to the extent we can.

Now, I think we are at time. And wow, this has really gone quickly. I am going to call now on Sheryl Burrows, President of the National Treasury Employees Union Chapter here at the NRC to make some comments. Sheryl, welcome to the podium.

MS. BURROWS: Good afternoon. I am pleased to provide remarks on behalf of NTEU Chapter 208, the exclusive representative of NRC bargaining unit employees.

NTEU has been busy since our last agency all-staff meeting. In July of 2016, Chapter 208 held our election and I am joined here by many dedicated members of our newly elected Executive Board, as well as stewards and members of various working groups. I am grateful for the work they do every day to support our chapter.

Clergyman Phillips Brooks said do not pray for tasks equal to your powers. Pray for powers equal to your tasks. We all know that our agency and you, our bargaining unit employees, are facing and will continue to face many challenges in the next few years. NTEU continues to focus on the important role that partnership plays in everything from the impact of building renovations and moves, changing security requirements, including random searches, and reevaluation of security clearance and drug testing requirements, and the significant activities associated with Project Aim, including re-baselining and prioritization, corporate support, centers of expertise, the merger of NRR and NRO and the core standardization process.

This is a relationship that both NTEU and the agency are committed to

and it means that we need to hear from our bargaining unit to ensure that we bring your concerns to the partnership table.

Recognizing that our most important role is to advocate for our bargaining unit employees, NTEU believes that training is very important. I am pleased to report that almost all of our stewards and officers attended annual training in March, in order to be more effective in this role. Additionally, the Chapter assisted NTEU National as an arbitrator and won retroactive transit subsidy reimbursement for both fiscal years 2014 and 2015.

To enhance communication, we completely revised and updated our web page and we continue to provide information you can use in our weekly Monday Minute. NTEU hopes to have powers equal to our tasks and appreciates your support.

A large number of the 19 discrete activities associated with Project Aim have either been completed, or having received Commission approval, are being implemented. Some are still with the Commission. There is no question that the agency has accomplished a lot of very difficult work in a very short time in order to address both external and internal pressures.

Nonetheless, NTEU stewards and labor partners reporting hearing about the unintended consequences of Project Aim. For example, some employees, especially newer ones, have commented that they would be slower to consider raising safety concerns, should they arise, because they wouldn't want management to focus on them in an environment where they fear their job may ultimately be on the line.

NTEU believes that there are primarily two challenges associated with the continuing implementation of Project Aim. First, the continuing erosion of

trust in our agency's senior leaders and management, which is driven by the second challenge, the effectiveness of communications. For some employees, the various communications addressing change equate to nothing more than benign white noise, which exists in their background, as they continue to engage in their work.

For other employees, however, these communications are deeply demoralizing and contribute to the aforementioned erosion in trust. NTEU understands the agency's challenge. Effective communication is very difficult. It is important during stable times but especially critical during periods when employees are experiencing so many quickly implemented changes to their working environment. This is when the trust issue really comes into play. Would employees who are listening, who are looking to senior leadership and their managers for a clear message, do not see a correlation between the messages they are receiving and the actions that are being taken?

It is important that employees understand that all agency initiatives, decisions, and activities are not driven by Project Aim. But sadly, NTEU is seeing Project Aim regularly used as an excuse for agency decisions, as if somehow putting the words Project Aim out there grants amnesty to make these decisions.

For example, an employee determined to have been working at a higher grade level consistently over years, a true asset to the agency, was told that rather than being advanced to the higher grade, management would, instead, take away the higher graded work. One of the reasons cited in the decision was Project Aim.

Perhaps one of the most egregious unintended consequences of

Project Aim may be management telling the employees who are not getting enough substantive and challenging work that they shouldn't seek work outside the division because it would look like the division had too many FTE.

Additionally, a labor partner recently told NTEU that the nickname for Project Aim in their office is Project RIF because they now they are not getting the truth from senior leaders.

Being told there will be large reductions but not to worry sometimes causes employees to worry more. The agency says our employees are our most important resource. Yet, with all of the activities and metrics that have been met and are associated with Project Aim, with all of the efforts to communicate, why is Project Aim still so profoundly confusing to so many employees? And where is the important focus on the human face of the initiative?

At a recent two-hour town hall meeting in which dozens of ideas for restructuring NRR were discussed, a lone voice from one of the staff attending the meeting asked about what this means to NRR employees' quality of life. His questions were sincere and probing. For example, how does management intend to address the fear that resulting uncertainty of restructuring the office will create? How will qualifications be addressed? Who will do appraisals? What commitment will management make to ensure that the input to this process is appropriate and fair? When employees move to another division, will alternate work schedules be protected? Will telework plans be protected? Will part-time employees have to change their schedules? How will the quality of the working environment and work-life balance be impacted?

These are not just soft questions. They are incredibly important questions, questions whose answers affect employees working conditions every day, especially when roles and responsibilities are still not clear, processes and procedures are still not in place, and resources, including training, are still not obvious or accessible.

The cultural differences between offices and even between Headquarters and the Regions further complicates the problem.

NTEU is not asking our senior leaders and managers to dwell on the agency's challenges to the point that it destroys our employees' faith in the positive possibilities that are more effective, efficient, and agile than the agency can offer but NTEU wants to stress that employees who experience unpopular changes that accompany the activities associated with Project Aim will view these changes as solid evidence that the agency lacks commitment to its employees.

Couple this with the examples of unintended consequences I noted earlier, and you have a larger challenge which must be acknowledged and addressed.

These soft questions are really the hard questions. NTEU is fully committed to working with our senior leaders and managers through partnership to ensure that these questions are acknowledged and addressed. NTEU's focus will always be on the human face of change and the impact that change can and does have on our employees.

NTEU believes that the agency's recent change management initiative is an important step in the right direction and we applaud it.

In conclusion, both NTEU's mission statement, which emphasizes the

importance of treating all federal employees with dignity and respect, as well as our NRC values of integrity, service, openness, commitment, cooperation, excellence, and respect support this focus. NTEU believes this focus will create an even more engaged workforce, as the agency accomplishes its important safety mission now, in 2020 and into the future and we hope to have powers equal to our tasks.

Thank you.

CHAIRMAN BURNS: Thanks, Sheryl. Thanks for those comments. And I want to thank everyone else here in the room and those listening in for coming today, for posing some tough questions. I think we have had a good dialogue and I appreciate the opportunity to be here with my fellow commissioners today and wish you well, as we go on into the fall and continue to do the good work you do for this agency.

Thanks again. Take care.

(Whereupon, the above-entitled matter went off the record at 3:31 p.m.)