

UNITED STATES

NUCLEAR REGULATORY COMMISSION

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NUCLEAR REGULATORY COMMISSION REORGANIZATION FIRST

100 DAYS: ENHANCING REACTOR AND MATERIALS OVERSIGHT

INTEGRATION AND PERFORMANCE

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THURSDAY,

OCTOBER 15, 2026

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The Commission met at NRC Region IV offices, 1600 East
Lamar Boulevard, Arlington, Texas, at 9:00 a.m., Ho K. Nieh, Chairman,
presiding.

COMMISSION MEMBERS:

HO K. NIEH, Chairman

DAVID A. WRIGHT, Commissioner

BRADLEY R. CROWELL, Commissioner

MATTHEW J. MARZANO, Commissioner

DOUGLAS W. WEAVER, Commissioner

NRC STAFF:

MIKE KING, Executive Director for Operations

SABRINA ATTACK, Deputy Director for Reactor,
Materials, and Preparedness Programs

AMBER DONLEY, Ph.D., Senior Resident Inspector,
Turkey Point, DRP, Region II

JEREMY GROOM, Acting Chief Nuclear Reactor
Inspector, Office of the Chief Nuclear Reactor Inspector

JARED HECK, Director, Division of Federal Materials
Programs (DFMP), NMSS

SHELBIE LEWMAN, Acting Branch Chief, Allegations and
Enforcement Branch, DOCP, CNRI

JAMIE PELTON, Deputy Office Director for Regional
Oversight/Chief Nuclear Materials Inspector.
NMSS

JONATHAN PFINGSTEN, Health Physicist, Inspection
and Licensing Branch 2, DFMP, NMSS

LIZETTE ROLDAN-OTERO, Ph.D., Branch Chief,
Inspection and Licensing Branch 3, DFMP, NMSS

GREG WARNICK, Director, Division of Reactor
Projects, Region IV, CNRI

PROCEEDINGS

(9:00 a.m.)

1 CHAIRMAN NIEH: Good morning. I'm going to call this
2 meeting to order in Region IV. Today, we're going to examine the NRC's
3 regional inspection programs and reactors and materials. And this meeting
4 comes exactly four months after the reorganization we went through in June.

5 And as many of you know, NRC underwent a major reorganization driven
6 by Executive Order 14300 to help us streamline our operations and prepare
7 ourselves for licensing and deployment of new nuclear reactor technologies.

8 And I want to thank the Region IV staff and the SECY staff for arranging
9 this meeting here outside of NRC headquarters, which is where the
10 Commission usually meets.

11 So, going back to this major reorganization that we
12 performed, the most significant impact to the regions is the shift from four
13 largely self-contained regional offices to a centralized, nationally managed
14 program under headquarters with the creation of the chief nuclear reactor
15 inspector and the chief nuclear materials inspector. And our goals for the
16 regional realignment are to achieve greater consistency, efficiency, and
17 accountability in how we implement these programs. And while the org
18 chart has changed, our safety focus has not changed.

19 Every regional employee in every region is essential to
20 what the NRC is doing right now in this comprehensive period of reform.
21 Every resident inspector, every regional inspector, is essential to the NRC
22 safety mission and essential to the public's trust in the NRC and in nuclear
23 technologies.

1 Now, our goals, again, as I mentioned for the region, is to
2 achieve that greater you know, alignment, efficiency, and accountability in
3 how we implement the programs here, and that's what we're going to
4 discuss today. I want to say that, you know, the regions are very important,
5 and I can say confidently, you know, on behalf of the Commission, that we
6 value the work that happens in the regions. And I want to point out I
7 actually have two regional staff working in my office. I have Jesse Rollins
8 on rotation, and Sarah Elkhiamy, who I hired from NRC Region I.

9 And, in fact, almost every other Commissioner, if I'm not
10 mistaken, has had -- either currently has staff from the region or has had
11 staff from the region working in their office. So we really value the work in
12 the region. In fact, Jesse and Sarah, they're superstars, and I know there
13 are other superstars out in the region, and it's my mission to find out where
14 they are and convince them to move to headquarters, because I really think
15 that makes, you know, our work, you know, much better you know, having a
16 greater understanding of what happens in the region.

17 In fact, Commissioner Crowell and I were just out visiting a
18 company that's, you know, building a test reactor in Austin, and one of their
19 representatives mentioned the fact that having technical reviewers that had
20 worked in the region really helps the licensing process along. So you all are
21 really so important to what we do here in our agency, and I want you to know
22 that on behalf of the Commission.

23 And the final thing I'll say: success of this reorganization
24 isn't going to be measured by what our org charts look like. It ultimately will
25 be measured largely by the performance of the facilities that are being

1 overseen here in the region. So really appreciate what we -- what y'all do
2 here. Looking forward to the discussion.

3 And before we jump into the presentation, let me ask my
4 fellow Commissioners if you have any remarks you'd like to make. No?
5 Okay. Mike, I think we're turning it over to you.

6 MR. KING: All right. Good morning, Chairman Nieh and
7 Commissioners. It's my pleasure to be here this morning to kick off this
8 meeting in Region IV in the great state of Arlington, Texas. So Chairman,
9 you took a lot of my talking points this morning, so I'll just -- I'll skip to
10 acknowledge that, you know, although it's only been a relatively short period
11 of time, 100 days was passed three weeks ago on our reorg, and we
12 reflected on our experiences so far.

13 We have made significant progress, including
14 implementing the revised reactor oversight process. These
15 accomplishments would not have been possible without the hard work and
16 dedication of our staff and headquarters and, of course, across all four of our
17 regions.

18 It's especially fitting that we're hosting this meeting here in
19 our Region IV office. Our regions have been significantly affected by the
20 new organizational structure. They've transitioned from standalone offices
21 organized by location and function-based teams. In our regional materials
22 licensing inspection staff, though geographically separate from
23 headquarters, now report directly to NMSS. They continue to collaborate
24 closely with their counterparts across the agency, and you'll hear more about
25 their progress during the second panel later today.

1 Similarly, our operating reactor oversight staff in the
2 regions and at headquarters now report to the new Office of Chief Nuclear
3 Reactor Inspector. This office brings together all functions related to
4 implementing oversight of operating reactors under one unified office. This
5 structure is designed to strengthen alignment, promote risk-informed
6 thinking, support consistency nationwide, and foster collaboration across
7 reactor inspection and assessment activities.

8 Today, we'll discuss the results of the change
9 management plan as highlighted in our accomplishments during the first 100
10 days of this reorganization as well as priorities for the next several months
11 ahead. As we move beyond the initial milestone, safety and security remain
12 at the center of our work. We are improving the way we communicate, plan,
13 and make decisions, preparing for emerging demands, and holding
14 ourselves accountable to national priorities. Our LEAD Framework in
15 organizational behaviors, including self-awareness, self-correction, and
16 continuous learning, are essential to our long-term success. We're actively
17 gathering feedback from our staff through a variety of channels and using
18 that feedback to make adjustments where needed. We're also committed to
19 implementing these changes transparently and providing sustained support
20 to our staff.

21 I'd now like to introduce our panelists: Jeremy Groom,
22 Acting Director, Office of the Chief Nuclear Reactor Inspector, who will begin
23 with a status update on establishing the new Chief Nuclear Reactor
24 Inspector Office; Greg Warnick, Acting Regional Administrator in Region IV,
25 who will share his reflections on implementing the revised reactor oversight

1 process; Dr. Amber Donley, Senior Resident Inspector at Turkey Point, who
2 will provide direct feedback on changes experienced by our resident
3 inspectors in the field and discuss the overall health of the program; and
4 then, finally, Shelbie Lewman, Acting Branch Chief, Allegations and
5 Enforcement Branch, who will explain how oversight functions are being
6 managed across multiple offices following the reorganization.

7 With that, Jeremy, please take it.

8 MR. GROOM: Thank you, Mike. Good morning,
9 Chairman and Commissioners. Thank you for the opportunity to brief you
10 today on the status of the stand-up of the Office of the Chief Nuclear Reactor
11 Inspector and the results of our first 100 days of reactor oversight under the
12 NRC's new organizational framework.

13 Next slide, please. Since June 15th, when CNRI was
14 formally established, we have moved diligently to stand up the new
15 organization, stabilize our core functions, and build the infrastructure
16 necessary to deliver the ROP as directed by the Commission. CNRI has
17 made substantial progress. Our headquarters program office functions are
18 now fully integrated and operating cohesively. And just as importantly, the
19 reorganization established a uniform regional operational structure, helping
20 drive nationally consistent and predictable oversight with more balanced
21 workloads and clear accountability for mission execution.

22 This slide highlights the broad scope of CNRI's
23 responsibilities. Our organization includes staff working across 28 states,
24 overseeing the safe and secure operation of our nation's reactor fleet.
25 Collectively, CNRI completes more than 65,000 hours of direct inspection

1 each year at 55 operating site -- sites, covering 95 reactors.

2 Beyond inspection, CNRI partners closely with other NRC
3 offices to manage approximately 200 allegations per year, support around
4 100 investigations, and participate in more than 60 escalated enforcement
5 actions each year.

6 I also want to provide a brief update on staffing, which is
7 also highlighted on this slide. Today, CNRI stands at 530 full-time
8 employees, which places us roughly 20 FTE above the staffing levels we
9 project will be necessary to implement the revised ROP. While we are
10 slightly above our target, I'm pleased to report we have achieved greater
11 than 80 percent of the reductions required to meet staffing levels needed for
12 the new ROP, and we accomplished this through entirely voluntary
13 measures.

14 We also have a solid plan to fully leverage the remaining
15 staff on near-term enhancement projects. And, over the long-term, we're
16 partnering with our agency partners to align workloads, redeploy expertise,
17 and ensure every employee has a clear pathway forward within the agency.

18 Today's presentation will walk you through the details of
19 these efforts and more. But before moving to the next slide, I'd like to
20 emphasize the progress you'll see today reflects extraordinary collaboration
21 across headquarters and the regions. Next slide, please. As CNRI
22 transitions into its full operational maturity, I'd like to highlight the core
23 prior -- priorities that guide our new office.

24 Our first priority is core mission delivery with a clear focus
25 on safety, efficiency, and speed. While safety and security remain CNRI's

1 North Star, we also recognize that effective oversight must be both efficient
2 and timely to support the continued operation of the nation's reactor fleet and
3 its essential contribution to our national energy goals. To achieve this, our
4 oversight programs are now structured to concentrate our efforts on the
5 issues of greatest risk significance.

6 Later in this presentation, Greg Warnick, Region IV's
7 acting regional administrator, will provide an overview of how our inspection
8 sampling, risk insights, and resource usage are aligned to help maintain
9 focus on the right issues at the right time. His perspective will demonstrate
10 how targeted oversight improves safety outcomes while enhancing
11 regulatory predictability, including timely decision-making with clear and
12 efficient documentation.

13 Our second priority is operational excellence. CNRI's
14 operating cadence has quickly become a defining element of our identity.
15 Each week, CNRI's senior leaders, including myself and the four regional
16 administrators, participate in a national fleet status call to align on shared
17 priorities, emerging trends, and key resource considerations with an
18 increasing reliance on data to guide our decision-making.

19 This slide highlights a dashboard we use to monitor
20 resource expenditures for plant status activities, along with its drill-down
21 capability, illustrated for the Arkansas Nuclear One facility. Integrating tools
22 like this into structured engagements help reinforce and guide our
23 operational rhythm. This structure has already strengthened national
24 alignment, reduced variability, and improved communications across
25 headquarters and the regions.

1 Importantly, this model also mirrors best practices we've
2 seen in industry, particularly in organizations that manage distributed
3 operations. The predictable cadence, shared agenda, and real-time
4 discussion of inspection and operating experience help ensure CNRI speaks
5 and acts with one voice.

6 Our third priority is leadership and continuous learning.
7 Early in the reorganization, we set a clear expectation that CNRI's leaders
8 must be visible, present, and engaged. We emphasize self-awareness,
9 accountability, and a learning mindset, supported by efforts to modernize the
10 inspector training program, strengthen our regulatory craft, and reinforce
11 fundamentals such as event response and plant walkdowns. Within CNRI,
12 professional development is a shared responsibility, and our leaders, in
13 particular, play a key role in modeling these behaviors and preparing the
14 NRC for the future. Next slide, please.

15 While it's easy to think of CNRI as primarily an
16 inspection-focused office, I want to highlight the essential headquarters
17 components which help form the national backbone of our reactor oversight
18 programs. One of the central challenges of the June reorganization was the
19 need to bring together major oversight functions that had long operated
20 across multiple offices, including the Office of Enforcement, the Office of
21 Investigation, and oversight elements from the Office of Nuclear Security and
22 Incident Response and the Office of Nuclear Reactor Regulation. These
23 functions were historically dispersed, each with its own processes, points of
24 coordination, and decision paths. Successfully combining these
25 responsibilities into the Division of Oversight and Compliance Programs, the

1 Division of Reactor Inspection and Support, and the Division of
2 Investigations required careful planning, sustained collaboration, and a
3 deliberate focus on preserving program integrity through the transition.

4 Through that effort, we were able to build an integrated
5 headquarters structure that reduces fragmentation, strengthens national
6 consistency, and streamlines decision-making across the agency. To help
7 illustrate how these headquarters functions operate in practice, Shelbie
8 Lewman, chief of the Allegations and Enforcement Branch, will later share
9 an overview of these critical activities, including how CNRI manages matrix
10 functions that support other NRC business lines. Her discussion will
11 highlight how CNRI has clarified roles, unified expectation, and strengthened
12 the management of allegations and enforcement pathways. Next slide,
13 please.

14 As I conclude my remarks, I want to highlight an essential
15 pillar of CNRI's long-term success: our culture. And specifically our
16 adoption of the Leadership, Excellence, Accountability, and Discipline
17 Framework, or the LEAD Framework. CNRI does not view LEAD as a
18 standalone initiative. We see it as the linkage between what we do and how
19 we do it, and we are integrating LEAD principles into the daily routines and
20 expectations that shape our organization's identity.

21 Like other NRC offices, commitment to the LEAD
22 Framework begins with leadership, and every one of CNRI's leaders has
23 made a clear commitment to model the broader LEAD expectations, our
24 values, our ideal behaviors, and the principles of good regulation through
25 presence, accountability, and consistent engagement. But within CNRI, we

1 also reinforce that leadership is not defined by title. It is defined by
2 behavior. And the commitment to the LEAD principles must extend across
3 the entire organization.

4 Later in this meeting, Dr. Amber Donley, the NRC senior
5 resident inspector at Turkey Point, will highlight how the resident inspector
6 community is embracing these same expectations, including through the
7 recent formation of the Senior Resident Inspector Council. Her perspective
8 will show how LEAD behaviors are strengthening communication, elevating
9 issues early, and deepening the professional standards among those who
10 serve as the agency's daily on-site presence.

11 I will now turn over the presentation to Greg Warnick, who
12 will discuss how the revisions to the reactor oversight process have been
13 implemented over the last 100 days.

14 MR. WARNICK: Thank you, Jeremy. Good morning,
15 Chairman and Commissioners, and thank you for the opportunity to provide
16 my reflections on our first 100 days of implementing the revised Reactor
17 Oversight Process, or ROP.

18 Next slide, please. These first 100 days have been
19 marked by a significant change and a commitment to continuous
20 improvement consistent with our LEAD Framework. Following Commission
21 direction, we finalized updated inspection procedures and manual chapters
22 and launched the rollout with robust staff training, town hall meetings, and
23 public engagement.

24 As of July 1, the ROP changes became effective,
25 sharpening sample expectations for inspectors and streamlining the program

1 by consolidating several inspection procedures. These changes focus
2 inspection resources on areas of greatest safety significance, eliminate
3 redundant or low-impact activities, and improve clarity and sample selection
4 criteria.

5 So far, we've conducted 331 baseline inspections under
6 the revised framework. Staff and industry feedback have been a
7 cornerstone of our approach, collected through direct interactions, feedback
8 forms, informal discussions, and public meetings. This feedback loop has
9 already prompted several adjustments consistent with Commission direction
10 regarding making and communicating changes to the ROP. Key
11 adjustments have been formally communicated through a Commissioner's
12 assistance note.

13 We have also acted on real-time feedback during
14 inspection procedure development and implementation. For example,
15 concerns about resident inspectors performing certain security tasks
16 resulted in reassigning those activities back to our regional specialists. This
17 clarified responsibilities, ensured consistency across regions, and better
18 aligned inspection staff inspection tasks with staff expertise. Though we're
19 early in the early phases, phases of implementation, we continue to collect
20 feedback and make adjustments as needed to ensure the ROP remains
21 responsive and effective. Next slide, please.

22 A central element of the of the revised ROP is the change
23 to the more-than-minor screening thresholds. Incorporating this screening
24 into the significance determination process replaced subjective screening
25 questions with objective risk-based criteria. This reduces unnecessary

1 documentation and allows inspectors to focus on the most risk-significant
2 findings. Early data suggests the new criteria reduce regional variability and
3 support predictable oversight outcomes.

4 As shown on this slide, a case study of 100 documented
5 more-than-minor findings resulted in a 33 percent decrease when applying
6 the new criteria, which was within our predicted 30 to 40 percent overall
7 reduction. Results from the first full quarter of applying the new criteria align
8 with the reduction in findings we anticipated from our preliminary analysis.
9 As communicated in SECY 26-14, some issues that previously had been
10 documented as findings and now screen as minor will be tracked. This will
11 allow inspectors to capture particular minor violations in sufficient detail to
12 inform ROP self-assessments and for future inspection scoping on a
13 risk-informed sampling basis.

14 The tracking tool has also helped to ensure we do not
15 have unintended outcomes from the change to the more-than-minor
16 thresholds. For example, a minor violation entered into the tracking tool
17 helped identify the need for a screening update to the fire protection SDP.
18 Specifically, a gap in the screening guidance associated with risk-significant
19 fire scenarios was identified, prompting submission of a feedback form to
20 revise the SDP so that comparable issues screen as more than minor in the
21 future.

22 Industry feedback has been generally positive, noting the
23 revised approach is more predictable and less burdensome. We continue
24 to capture lessons learned and will continue to provide guidance and training
25 to ensure consistent application. The revised more-than-minor screening

1 criteria have improved the efficiency, clarity and risk focus of the reactor
2 oversight process. Later in today's meeting, you'll hear from CNMI about
3 similar initiatives they are pursuing to further enhance consistency and
4 effectiveness across the agency. Next slide, please.

5 Turning to security oversight. The inspections have been
6 recalibrated to better match risk, focusing inspector effort where it provides
7 the most meaningful security assurance while reducing unnecessary burden.
8 This ensures activities are concentrated on the highest consequence
9 scenarios in areas most critical to plant security, supporting a more effective
10 and efficient use of NRC resources. I want to highlight one key adjustment
11 that we made. Initially, we had branch chiefs from the force on force team
12 lead's home region oversee and sign inspection reports, even when those
13 inspections were conducted outside the region.

14 After experience showed this was less effective, we shifted
15 to having the host region's branch chief oversee and sign reports. This
16 leverages established relationship with site security managers and supports
17 consistent high quality inspections. This adjustment has clarified our
18 structure and improved communication. We are now applying this national
19 scheduling model to other inspection areas such as engineering. Updated
20 inspection frequencies and travel expectations have also established a more
21 efficient security inspection cadence. These changes streamline resource
22 use and optimize inspector deployment, ensuring the security program
23 remains rigorous and responsive while reducing unnecessary operational
24 burden. Next slide, please.

25 A key goal of the revised ROP and CNRI reorganization is

1 to foster a one oversight team culture and ensure consistent application of
2 our oversight processes. In the first 100 days, we have made tangible
3 progress through cross-regional collaboration and resource sharing,
4 including support for resident inspector backfill and engaging subject matter
5 experts from other regions to address technical challenges. Centralized
6 technical support has reduced duplication, standardized guidance, and
7 produced resource savings. Our oversight is increasingly data-driven, with
8 CNRI's executive dashboard providing real-time visibility into program
9 performance, and standardized metrics across regions. Routine use of key
10 performance indicators, trend analysis, and benchmarking reinforces
11 national consistency, facilitates rapid course correction, and ensures best
12 practices are shared and applied.

13 For example, the indicator from the dashboard on this slide
14 monitors the age of unresolved, very low significance items and has
15 improved visibility to management to help drive inspectors to more timely
16 decisions on very low safety or security significance issues. This tool helps
17 us apply experience and risk insights to effectively decide if a potential issue
18 of concern merits the expenditure of further agency resources. In summary,
19 the first 100 days of the revised ROP have demonstrated the NRC's
20 commitment to independent, risk-informed, and efficient oversight. We
21 remain dedicated to making this work, continually checking our approach
22 and adjusting as we learn and ensuring we achieve the desired outcomes of
23 safety, security, and regulatory effectiveness.

24 I will now turn the presentation over to Dr. Amber Donley,
25 who will discuss the current health of the Resident Inspector Program.

1 DR. DONLEY: Thank you, Greg. Good morning,
2 Chairman and Commissioners. I'm Dr. Amber Donley, the senior resident
3 inspector at Turkey Point Nuclear Generating Station. Thank you for the
4 opportunity to provide this update on the impact of the reorganization and
5 the revised ROP on the resident inspector workload and the health of the
6 resident inspector program. Next slide, please.

7 Resident inspectors continue to serve as the agency's
8 primary eyes and ears at the sites, responding to events, conducting
9 independent oversight, and elevating issues of significance to regional and
10 agency leadership. That mission remains central to our daily work. As
11 reflected on this slide, consolidation of inspection procedures has
12 streamlined the program and reduced administrative burden while preserving
13 safety and security. Total baseline inspection hours decreased roughly 42
14 percent.

15 Notably, the reactor safety inspection hours, which impacts
16 the residents the most, decreased approximately 36 percent. These
17 efficiency gains allow residents to focus attention on risk-significant plant
18 evolutions and major maintenance activities, including refueling outages.
19 The revision to the more-than-minor screening criteria has further clarified
20 expectations. I have personally experienced the efficiency gains in the
21 screening process during preparations of my second and third quarter
22 inspection reports. I was able to report faster and more consistently
23 dispositioned issues with clearer communication of significance to
24 management and the licensee. This clarity reduced unnecessary
25 documentation and supported predictable oversight outcomes.

1 From the resident perspective, including my own, these
2 changes have increased time spent on purposeful observations and reduced
3 time spent on administrative mechanics. Early indications point to improved
4 efficiency in sample completion and issue screening. We are continuing to
5 quantify these gains through CNRI dashboards and feedback channels as
6 implementation matures. Next slide, please.

7 The Senior Resident Inspector Council now serves as
8 CNRI's national leadership body for the Resident Inspector program. The
9 council provides direct structured feedback to program leads on ROP
10 implementation, training needs, and program health and effectiveness,
11 ensuring that the resident perspectives inform program decisions. This
12 slide chronicles the evolution from the former Resident Inspector Standing
13 Committee to the SRI Council. The council retains the standing
14 committee's focus on identifying best practices, information sharing, health
15 monitoring, and recommending enhancements, and it augments those
16 responsibilities by establishing formal feedback pathways to CNRI branches
17 and advancing training and knowledge management recommendations.
18 These functions strengthen national alignment, improve knowledge
19 stewardship, and help ensure the Resident Inspector program remains
20 world-class and consistent with the agency's LEAD Framework.
21 Memberships include experienced seniors and resident inspectors from
22 each region, a field facility senior, and CNRI program lead.

23 This structure ensures representation from both power
24 reactors and fuel facilities, supporting alignment not only across CNRI but
25 also with our colleagues in CNMI, who perform similar oversight functions.

1 In practice, the council elevates emerging issues early, promotes consistent
2 expectations, and helps carry forward decisions across regions one through
3 four. This disciplined engagement is reinforcing national consistency and
4 supporting predictable oversight across the reactor fleet. Next slide, please.

5

6 CNRI continues to modernize resident inspector training,
7 working closely with the Office of Research. The competency-based
8 qualification, or CBQ program, remains central to producing field-ready
9 inspectors. Individuals who are competent in plant walkdowns, comfortable
10 engaging licensees, and equipped with strong practical inspection skills.
11 Opportunities exist to strengthen programmatic knowledge after basic
12 qualification, and CNRI and Office of Research are partnering to enhance
13 both initial and refresher training.

14 This effort includes validating knowledge and skill lists,
15 improving qualification sequencing, and ensuring resident inspectors are
16 prepared to perform the expanded inspection areas previously covered by
17 specialized regional inspectors. The NRC launched the CBQ pilot in
18 January of 2022, producing six fully qualified inspectors. The NRC
19 transitioned fully to CBQ in December of 2023 and now has nearly three
20 years of operating experience that has yielded 12 fully qualified inspectors
21 and 21 trainees. Current trends show that inspectors are taking slightly
22 longer to complete their training compared to the pilot program. While
23 analysis is still underway, initial indications suggest that mentoring support
24 and on-site priorities may influence qualification timelines.

25 A comprehensive CBQ assessment will occur later this fall

1 to evaluate time to competency, mentoring needs, and regional
2 implementation practices to guide future improvements. Feedback from the
3 regions indicate that CBQ graduates arrive with strong practical inspection
4 experience, though additional programmatic knowledge may be beneficial
5 following basic qualification. CNRI and Office of Research are incorporating
6 this insight as they design the updated refresher modules. Next slide,
7 please.

8 CNRI is beginning to see improvements in the resident
9 inspector recruitment and retention. The 15 percent annual retention
10 incentive is increasing program stability, strengthening resident retention,
11 and improving overall site coverage. As shown on the slide, survey results
12 identify that the retention incentive financial compensation and the longer
13 tour length account for approximately 60 percent of the primary reason
14 residents chose to remain in the program.

15 Additionally, other residents who had considered leaving
16 the program -- 80 percent reported that the retention incentive influenced
17 their decision to stay. Survey results continue to trend upward,
18 demonstrating sustained improvement and satisfaction over the past several
19 years. While it is still early to assess the full impact of the tour length
20 changes implemented in September of 2025, those changes make the
21 position more attractive by allowing inspectors to build longer-term careers
22 with fewer relocations.

23 In 2025, atypical departures due to the deferred
24 resignation program made it difficult to discern clear trends in Resident
25 Inspector Program health. Coverage gaps were effectively mitigated by

1 nine nontraditional entrants whose experience and institutional knowledge
2 helped offset increased turnover during this period. As the program moves
3 beyond these one-time impacts, stabilizing trends are expected to emerge
4 through longer tenure, increased experience, and continued improvement in
5 resident satisfaction. While the DRP negatively affected the program and
6 recovery may take additional time, current data indicates the underlying
7 health of the Resident Inspector Program is improving, as reflected by the
8 positive survey responses.

9 In summary, the reorganization and the revised ROP are
10 yielding improved efficiency, clearer expectations, and strengthened national
11 consistency. These changes are enhancing resident inspector
12 effectiveness while maintaining the safety and security mission that remains
13 our North Star. I will now turn the presentation over to Shelbie Lewman,
14 who will discuss the effectiveness of our distributed and shared oversight
15 functions.

16 MS. LEWMAN: Thank you, Amber. Good morning,
17 Chairman Nieh and Commissioners. I am Shelbie Lewman, the Acting
18 Branch chief for the Allegations and Enforcement Branch in CNRI. It is my
19 honor to provide you with an overview of the new agency structure on
20 allegations, investigations, and enforcement.

21 This morning, I will provide an overview of the revised
22 allegations, investigations, and enforcement program structure, the synergy
23 developing between the Chief Nuclear Reactor Inspector and Chief Nuclear
24 Materials Inspector, completed changes within the enforcement program to
25 gain efficiencies, and changes on the horizon for each program. Next slide,

1 please. Enforcement functions are now aligned within consolidated
2 CNRI/CNMI structures for greater consistency. The allegations and
3 investigations programs for both business lines remain within CNRI but
4 include enhanced coordination with our partner offices.

5 These unified oversight roles are designed to reduce
6 fragmentation and ensure streamlined processing of allegations and
7 enforcement cases. This slide reflects the revised structure of the
8 enforcement program, and all delegations of enforcement authority are in
9 place to reflect the new organizational structure. Next slide, please.

10 As you are aware, the previous agency organization had a
11 centralized Office of Enforcement. This was a standalone office that
12 partnered with program offices and regions. Under the reorganized
13 structure, many of the responsibilities of the former Office of Enforcement,
14 including programmatic responsibilities for the agency's allegations and
15 enforcement policies, Differing Views Program, Enforcement Alternative
16 Dispute Resolution Program, and implementation of the agency's Reactor
17 Enforcement Program, now reside within CNRI's Allegations and
18 Enforcement Branch.

19 This paradigm was designed to bring most reactor
20 oversight under the one umbrella for the sake of efficiency and consistency.
21 One key area of responsibility, namely the implementation of the agency's
22 materials enforcement program, which previously resided within the Office of
23 Enforcement, has shifted to NMSS. I will discuss in just a few minutes the
24 synergy building between CNRI and our counterparts in NMSS. As you can
25 see on this slide, while we are no longer a standalone Office of Enforcement,

1 the Allegations and Enforcement Branch under CNRI is still providing service
2 to and partnering with entities within CNRI and throughout the agency to
3 ensure an efficient and consistent implementation of the allegations and
4 enforcement policies across the agency.

5 I will also note that, as expected for any major change, the
6 allegations, investigations, and enforcement programs have experienced
7 challenges along the way. We are overcoming those challenges as they
8 arise, and I am very proud of the resilience of the allegations, investigations,
9 and enforcement teams across the agency as we have all worked to ensure
10 strong programs for the agency, our stakeholders, and the public we serve
11 during this time of change. Next slide, please.

12 As I mentioned previously, CNRI does not have primary
13 responsibility for implementing the enforcement program for materials cases
14 in the new organization. That responsibility now resides with NMSS's chief
15 Nuclear Materials inspector and her team. That said, the CNRI and CNMI
16 are not working in enforcement vacuums. As my friends and colleagues
17 Jamie Pelton and Jared Heck will confirm in the next session, CNRI and
18 CNMI are building synergy with intentional and thoughtful effort between
19 these two entities to ensure consistency in the implementation of the
20 enforcement program across the agency.

21 These efforts include regular formal and informal meetings,
22 retreats, and counterpart meetings to reinforce shared practices and to
23 address any systematic challenges. This integration of reactor and
24 materials oversight programs is designed to strengthen national consistency
25 and workforce agility by allowing us to partner and focus our resources in the

1 areas of greatest risk, ensure timely decisions to maintain regulatory
2 credibility, and promote a joint culture in the enforcement program that
3 focuses on the LEAD Framework and promotes innovation. Next slide,
4 please.

5 Before reorganization, the agency was already well on its
6 way to maximizing efficiency in the enforcement program. For example, it
7 streamlined the enforcement pathways by adopting a three-tier enforcement
8 panel system that includes a no enforcement panel option for cases of lower
9 safety significance that clearly meet enforcement policy examples. This
10 alleviates the need to bring enforcement panel members together on cases
11 where enforcement pathways are clear and thus expedites disposition of
12 these cases.

13 As you can see on this slide, during the first year of the
14 three-tier system, 57 percent of escalated enforcement matters were
15 resolved in alignment with the enforcement policy without requiring the
16 agency to utilize resources on enforcement panels. The agency has also
17 established a more efficient differing views program in response to the
18 ADVANCE Act. Admittedly, differing views program at one point in the
19 agency's history could stagnate an issue and delay important decisions.

20 This new process, which aligns with the LEAD Framework
21 concept of debate with candor, deliver with unity, balances the differing
22 views -- the, excuse me, ensures that all differing views are heard, and it
23 balances that with our stakeholders expectations that we as an agency
24 make timely decisions. To achieve this balance, the differing views program
25 now requires early engagement, prioritizes safety-significant issues, has

1 defined timeliness goals, and no longer allows the same issue to be
2 repeatedly entered into the process. Since full implementation of this new
3 process, we have processed one formal non-concurrence and one formal
4 differing professional opinion. The non-concurrence was successfully
5 processed in six days, and the differing professional opinion was processed
6 in nine.

7 Finally, the agency recently awarded an enforcement
8 alternative dispute resolution contract that improves timeliness, structure,
9 and documentation rigor across early ADR and enforcement ADR activities.
10 Next slide, please. More efficiencies in the allegations, investigations, and
11 enforcement program are on the horizon. For enforcement, CNRI and
12 CNMI are implementing targeted enforcement policy and manual updates to
13 simplify policy structure and ensure alignment with Executive Order 14300
14 rulemakings. We are also updating enforcement guidance to reflect
15 advanced reactor ROP practices and better integrate expectations for next
16 generation technologies. CNRI is also strengthening our allegations and
17 investigations programs. The Division of Investigations is enhancing its
18 program, refined case opening priorities, and improved processes to provide
19 clear off-ramps when exculpatory evidence emerges.

20 On the allegations side, CNRI plans to add efficiencies to
21 the program by sunseting the previous agency allegation advisor role and
22 hiring a senior allegations program manager to assist us in modernizing the
23 allegations process. This will be done, of course, with safety as our North
24 Star. CNRI also plans to modernize the allegations metrics to further
25 enhance consistency, transparency, and timeliness. Additionally, we are

1 exploring risk-bounding allegations at the intake and allegations review
2 board phases of the process to better focus our resource on safety
3 significant issues.

4 Moreover, CNRI is partnering with OCIO and CNMI to
5 improve enterprise systems designed to enhance cross-program
6 coordination. To do so, this cross-office coalition is enhancing development
7 of the ARIES system to ensure seamless tracking of allegations,
8 investigations, and enforcement actions. The end goal of this enhancement
9 is to ensure the end-to-end efficiency of cases, clear case visibility, and
10 improved support for staff decision making.

11 Before I conclude, I want to take a moment to thank the
12 allegations, investigations, and enforcement staff and our management
13 teams across the agency, including the legal staff who support us daily.
14 Because without all their dedicated work and commitment, this
15 transformation would not be possible. That completes my portion of the
16 presentation. I will now turn it back over to Mike.

17 MR. KING: Thank you. And thank you, panelists. I
18 know how much work it was to prepare for this meeting today. I'll just close
19 with a couple of points. One is, you know, the changes we made to the
20 ROP and this reorganization across the agency are very significant, and we
21 knew that in advance before we headed down this path. So we really put
22 efforts up front to ensure we had a good change management plan and that
23 we're really alert to any unanticipated impacts, and we're monitoring to
24 ensure that we're really achieving the desired outcomes that we intended to
25 achieve.

1 A hundred days is not a lot, a large amount of time, but
2 preliminary indications, as illustrated here today, is that we're seeing some
3 positive impacts. And not surprisingly, we've found -- had some bumps in
4 the road, and we're making adjustments as we learn and go, consistent with
5 our LEAD Framework, which we're ingraining to all aspects of how we do
6 business. But we're not done. There's a lot more work to be done, and
7 we're continuing to monitor for unintended impacts. We're monitoring for,
8 you know, are we having any impacts to industry performance overall?
9 We've got a lot of indicators that we're monitoring carefully for that. But I
10 want to acknowledge that these are significant changes.

11 Change is hard, and a special thank you to regional staff.
12 You are the most impacted directly by these changes, and it's continually
13 impressed by leadership feedback about your resilience, your dedication,
14 and you have really leaned into this and made this successful. It would not
15 have been successful without you. We continue to support you. We'll be
16 working with you along the way to ensure long-term success. So, thank
17 you, heartily -- thank you for all of us. With that, Commission, look forward
18 to your questions.

19 CHAIRMAN NIEH: Okay, great. Commissioner
20 Weaver's going to start first, but Mr. Secretary, how are we controlling time?

21 MR. MARTIN: I don't have a timer. I'll -- I'll keep time
22 myself. I'll try to keep speaking.

23 CHAIRMAN NIEH: Okay, that's each Commissioner is 10
24 minutes. Okay, you all -- you all have iPhones here. There's a timer
25 there. You can self-police. How about that? Okay. Commissioner

1 Weaver, you start.

2 COMMISSIONER WEAVER: All right, very good. Thank
3 you. Great to be here. Good morning, and thank you for the excellent
4 briefing this morning. The regional offices are an essential component of
5 the agency's ability to achieve our mission, and I appreciate this discussion
6 in a regional office on enhancements to the ROP. I'm reminded that I
7 started in Region I 33 plus years ago and just to give you some sense of
8 what did the organization look like at that time.

9 I worked for a section lead who was responsible for three
10 facilities. I was a reactor engineer, essentially a resident inspector in
11 training. We were sort of the bullpen, if you will. Of course, then that
12 section lead reported to a branch chief who had another section, who then
13 reported to the DRP division director, who, of course, had a deputy and was
14 a regional administrator, and they had a deputy. I think, you know, we've
15 leaned this thing out a long way, and I think the -- that's the decision-making.
16 Leaning the leadership chain and the decision-making go hand-in-hand.
17 So I just want to acknowledge that.

18 I want to acknowledge also, Mike, just like you did, that the
19 reorganization and the ROP revisions have had a big impact on the regional
20 inspection staff. They're a tremendous asset to the agency, and change,
21 especially of this magnitude, is not easy, just as you said. Nevertheless, I
22 do think the changes were warranted, recognizing the ROP is
23 performance-based and licensee performance had improved.

24 With that, I'll jump into a few questions. When I got here
25 December of last year, getting the reorg approved so you guys could move

1 out was probably my highest priority. And the reason it was my highest
2 priority was I felt like we needed stability. How quickly -- try to get to
3 stability as quickly as we could. And I think I -- if I were a staff member at
4 that time, the questions that I would have had are: Will I have a job? What
5 will that job be? And who will my supervisor be? I think these are
6 important questions. And I think for the most part, number one and two
7 have been answered. But even in this panel, we have a lot of actors. So
8 my question to Mike, I guess, and Jeremy, when will the rest of the ranks be
9 filled in so that, like, we have solidity and clarity on who's going to be doing
10 what?

11 MR. KING: Well, thanks for the question. And I couldn't
12 agree more. There was a lot of focus on our part of really helping ensure
13 the Commission had all the information they needed to make that decision
14 because we knew staff were very anxious. They needed to have some
15 level of certainty. So we're still focused on that, and I think what we're
16 seeing so far now is we still have some leaders that are leaving the agency.

17 And so I think we're seeing a fairly normal level of turnover
18 at the leadership level, and we're planning ahead through succession
19 planning efforts to kind of figure out how do we best backfill and align the
20 right leader for the right role at the right time. And so we still have a few
21 actors in place. Recent changes in Region IV prompted some of the most
22 recent, but it was an opportunity for the regional administrator, former
23 regional administrator, and excited for him for it. But we are focused on
24 trying to achieve as much leadership stability as we can because we
25 recognize the impact to the organization.

1 COMMISSIONER WEAVER: Can you put a date on that?
2 Just for accountability purposes. Yeah.

3 MR. KING: Jeremy, do you want to talk about it?

4 MR. GROOM: Well, I just say that we have a number of
5 postings out now for senior executives, and there's going to be downstream
6 effects. I believe most of those senior executive positions that we have
7 posted would be filled. We'll make selections probably in the next few
8 months. There'll be a period of time for OPM certification and then possibly
9 move. So I would see those positions being filled first half of next year,
10 right, first quarter of next year, and then some associated downstream
11 assignments after that. But I think we'll see a lot of stability going into early
12 2027.

13 COMMISSIONER WEAVER: Great. Thank you. So
14 kind of a related question. You know, there was an intent in the reorg to the
15 extent we could as we, as an agency, move from oversight to more licensing
16 to make sure that folks had an opportunity to retool if they needed to, to take
17 a role in licensing. So, Jeremy, I think you said you're about 20 over on
18 staffing. Is there anything else that needs to be done to sort of fulfill that
19 vision of retooling or, yeah, how do you see that playing out?

20 MR. GROOM: Yeah. Thank you for the question, sir. I
21 believe we have most of the pieces in place for the cross-qualifications.
22 Very early on when we recognized that the ROP changes was going to
23 impact staffing at the regional level, we worked with the Office of Nuclear
24 Reactor Regulation, I was in the office at the time, to develop pathways
25 where region-based inspectors could qualify, give credit for their experience

1 in oversight, past experience at the plants and kind of fast-track their quals
2 to be either license reviewers or project managers.

3 We've seen some of that. We've sent a number of staff
4 from the regional offices to either the Office of Advanced Reactors, Office of
5 Nuclear Reactor Regulation, or NMSS. We're at a point now where I think
6 we're starting to balance out, and the acute need that we had early on in the
7 reorg is kind of waning. We do have a couple of challenges in a few
8 discrete areas.

9 Security is one that I'm particularly focused on. I want to
10 make sure we don't lose any of our exceptional talent we have, regulatory
11 talent or security talent in security, and we're looking at pathways to give
12 opportunities to them to demonstrate that experience, use it, the agency
13 leverage it in different ways. Maybe it's not specifically in security oversight,
14 but other areas of either oversight or licensing. So I don't believe we need
15 anything else at this moment. I think we've got a good plan, and we're,
16 again, partnering with our other partner offices at headquarters to make sure
17 we've got clear pathways for everybody in the agency.

18 COMMISSIONER WEAVER: Okay. Thank you, Jeremy.
19 Greg, you mentioned, I think it was you, about when we -- there were
20 concerns, I think, even in discussions as we contemplated the ROP
21 changes, about having resident inspectors pick up security, and you
22 mentioned that's one of the things that you pivoted on. Are there others? I
23 mean, one of the concerns was, you know, a lot of the resident inspectors,
24 were they going to be overloaded, underloaded? I mean, besides security,
25 what other tweaks, I'll say, do you see as being -- have you made or do you

1 see as being needed going forward?

2 MR. WARNICK: Yeah. Thank you for that question.

3 The security resident inspector feedback actually happened from a site visit
4 or some interactions with Jeremy, so we're getting good real-time feedback
5 from inspectors. When there's a concern, we act on it, and in this case, we
6 did. Resident inspectors, we're still early in the implementation phases, so
7 they're still kind of trying to find their way. How much extra time did they
8 have? Their overall baseline inspection has been reduced. At least in
9 Region IV, I know that those resident inspectors have been helping out on
10 supplemental inspections, other inspections like that.

11 As we go through runtime, I do foresee a need in
12 engineering, for example. Their inspections went to triennial. Those
13 engineers still do things like ISI inspections, so maybe some cross-training in
14 ISI, which happen every refueling outage, to get them, those inspectors,
15 more involved with some of those activities. As well as, like I mentioned in
16 CNRI, we're seeing a lot more cross-collaboration. Special inspection at
17 Dresden, for instance, populating a team. We're -- those engineering
18 inspectors are tremendous resources for things like that. So I do see, in the
19 coming months, looking at those inspectors in particular and making sure
20 that they have the workload necessary to justify having them. Certainly
21 justified, they provide tremendous value, and we'll make sure that we're all
22 kept busy providing safety.

23 COMMISSIONER WEAVER: Thank you. How am I
24 doing, Jody, on time?

25 A minute? Oh, boy. Dr. Donley, I'm going to just quote

1 something you said, which I think was excellent. You're spending more
2 time on -- and I'm paraphrasing, I suppose. You're spending more time on
3 purposeful observation and reduced time on administrative mechanics.
4 Now, I like that term, administrative mechanics. I probably would've called it
5 something else. But, in 30 seconds, I guess, what other efficiencies do you
6 see as someone on the ground on the front line through this process, the --
7 because of the changes?

8 DR. DONLEY: Yeah. So, like I mentioned, the
9 more-than-minor screening has improved our timeliness and dispositioning
10 issues. The questions and the appendices in the inspection manual
11 chapters are very clear, and they reduce the subjectivity in screening issues.
12 And so that makes it very easy to communicate the significance and why
13 they're minor or more than minor.

14 COMMISSIONER WEAVER: Okay. Thank you.
15 Shelbie, I apologize. I just ran out of time. Thank you. Chairman?

16 CHAIRMAN NIEH: Starting my timer. Hey, that was a
17 really, really great briefing. You know, for us to become an agency that has
18 a strong culture of continuous improvement, it's important for us to talk about
19 what's working and what's not, and I think you did a great job talking about
20 the changes. I really appreciate the cross-functional engagement between
21 CNRI and CNMI with the Senior Resident Council that, Amber, you
22 mentioned. It's fantastic that you're bringing in the fuel cycle folks into that
23 discussion. I really like the emphasis on the LEAD model and how that's
24 helping us be a better agency, so kudos to you all. And I'm going to jump
25 into questions because I want to hit all of you with a question here.

1 I went to all the regions. I heard from every single region
2 concerns about the minor, more-than-minor threshold, hey, we're writing up
3 fewer things. What about these insights? You know, are we going to lose
4 these things? I heard you talk about the tracking tool, which I think is great,
5 but tell me what we're actually going to do with that. Jeremy or Mike, I want
6 you to help me understand. If we see things that are lower level trends,
7 they don't rise to the threshold of being documented, but as a safety
8 regulator, right, our job is safety. We see things that are adverse trends in
9 the industry. How are we going to act on those things, and what
10 mechanisms will we have to engage with our licensees?

11 MR. GROOM: Yeah. Thank you, sir. I'll take that
12 question. When we developed the new ROP, we recognized that we were
13 going to lose some valuable data because of the changes to the
14 more-than-minor screening thresholds. And we talked about this in the
15 papers we submitted to the Commission. We knew there were certain
16 amounts of that data that we wanted to capture because it's very valuable.
17 It provides insights into operating experience. It provides insights into the
18 ROP self-assessment. It'll provide insights into how these changes are
19 being implemented and whether they're being effective or not. And they're
20 also used, in some cases, for future inspection planning. If the inspector
21 wants to follow up on corrective actions to an issue, even if it's minor,
22 sometimes that's really warranted.

23 And so we tried to come up with a mechanism to capture
24 that data. It's still in its early trial period, and there's probably going to be
25 adjustment, but what we've done is we set some criteria. We try to give

1 consistent criteria where we can have our staff capture the data from their
2 inspections, even if it's a minor issue, capture it in a database, and then use
3 that for all the things I talked about, operating experience, self-assessments,
4 or inspection planning. We have some entries already, and it's already
5 yielded some results where we've made some changes to the ROP because
6 we recognize one of the things that screening to minor did warrant a change.
7 That's going to be reviewed by our headquarters program offices for
8 operating experience.

9 We actually implemented a new process called the Rapid
10 Operating Experience Program. This is designed to be something at a
11 lower level than something like an information notice or a bulletin. It's a
12 quick hit. If we see a trend in something where, you know, multiple issues
13 occur, maybe it's a maintenance issue, maybe it's a certain subset of
14 equipment issues, our staff can pull those together, put it out in a really quick
15 operating experience note, and alert the rest of our inspectors to go look for
16 those types of things.

17 You know, there are some drawbacks to this. You know,
18 we want to make sure that we're not conveying that we're keeping some sort
19 of shadow database of minor enforcement actions. That's not what this is
20 about. This is simply us collecting data to inform our judgment about where
21 the ROP is, what kind of operating experience we need to act on, and give
22 our inspectors the opportunity to plan for future inspections. I think there'll
23 be some adjustments after we get some runtime on this, but we have that in
24 place now, and I think it's going to be effective.

25 CHAIRMAN NIEH: Mike?

1 MR. KING: And I'll just mention, we're also -- I mean, the
2 changes we made to the ROP are much broader than just the
3 minor/more-than-minor change. So we're monitoring for industry trends
4 overall in performance, and if we see some trend in performance that seems
5 to be unusual, we're going to be looking back and saying, hey, did we make
6 a change to our program that potentially, you know, put, opened up a blind
7 spot for our ability to monitor for this performance? And so it's more than
8 just the minor issues that we're monitoring for.

9 CHAIRMAN NIEH: Yeah. Hey, where I'm going with this,
10 team, is the safety performance rests with our licensees, and I want
11 assurance that we're going to have some mechanism where senior leaders
12 of the agency will engage appropriate with either a site leader, corporate
13 leader, or even INPO in your annual meeting. So I think you really need to
14 think about how we capture safety insights. And I want to drill a little more
15 on this, and I hate that I'm eating up my time on this one topic, but it's
16 important because safety is what we're all about here in the regions.
17 Industry trends paper, if I remember correctly, I think we stopped doing that
18 paper, or does that paper still come up to the Commission? I haven't seen
19 one in 10 months that I've been on the Commission. Do we know what
20 we're doing with that?

21 MR. GROOM: I don't believe we do an industry trends
22 paper any longer, sir.

23 CHAIRMAN NIEH: Yeah, there used to be an ITP paper,
24 it was annual trends. Anybody? You guys nodding your heads here in the
25 room? You guys don't remember? All right, I'm dating myself here. But

1 there used to be something that captured industry trends. My suggestion to
2 you all, and you decide what to do, I'm not giving direction from the table
3 here, but we need to be thinking about how we're conveying broader
4 industry trends because all of us here interact with senior members from
5 utilities as well as the industry writ large here, and it's important for us to get
6 the insights, especially when we see things that are potentially adverse
7 performance trends in the industry. So again, I'm not saying we want to
8 necessarily see the paper, but again, we're writing up a lot less these days,
9 so I think the mechanisms we have -- I want you to consider that. Also, with
10 the AARM, I don't know if you've thought about how the AARM is going to be
11 adjusted based on our new thing, but we've got to stay sensitive to what's
12 happening in the industry.

13 Okay, I'm going to move on, and this is no in particular
14 order. Greg Warnick, hey, I saw in SECY-26-0077, the calendar year 2025
15 paper, a couple things that stood out to me is the SRI and RI gap. Looks
16 like we've had some improvements in '24 and '25, but the overall trend is still
17 higher than we need to be. Do we still have sites that we're struggling to
18 keep staffed? And, Jeremy, you could weigh in on this as well.

19 MR. WARNICK: Yes. Dr. Amber Donley, she did a good
20 job talking about the current trend. The retention incentives, some of the
21 things that we put in place, have been effective. This SRI Council, one of
22 the focuses that they have is to make sure that the status that we've
23 achieved continues. As far as site gaps, we have been challenged in
24 Region IV with some unexpected losses of inspectors to industry as well as
25 to headquarters to support licensing and operate -- Office of Advanced

1 Reactors, but we've gained tremendous support from other regions, which is
2 different than what we've seen in the past. For example, River Bend
3 Station, we have some gaps over the next few months, and Region I and II
4 have both stepped up tremendously to help backfill. We are aggressively
5 looking to fill our pipeline with RIDPs, and we're being successful there. So
6 we're working on it, but we have work to do to get to the point where our
7 pipeline is filled and we are able to fill the gaps effectively such that we don't
8 leave a site uncovered.

9 CHAIRMAN NIEH: Okay. Thank you. I appreciate that.
10 And hey, Amber, I got a couple for you. Your slide on
11 minor/more-than-minor, you had, you know, you looked at 167, I guess,
12 would've fallen off. Is that how I interpret the graph there? Or they --

13 MR. GROOM: They would've remained.

14 CHAIRMAN NIEH: -- they would remain
15 more-than-minor?

16 MR. GROOM: They would remain more-than-minor.

17 CHAIRMAN NIEH: So that means that we wouldn't -- oh,
18 they would've stayed more than -- okay. So from your -- is the
19 more-than-minor or the minor/more-than-minor threshold, is that telling you
20 that we're getting the desired result or not? With --

21 MR. WARNICK: Yes, I can speak to that. That was in
22 my part --

23 CHAIRMAN NIEH: Okay.

24 MR. WARNICK: -- of the presentation.

25 CHAIRMAN NIEH: Oh, that was in your -- I'm sorry.

1 MR. WARNICK: Yeah.

2 CHAIRMAN NIEH: Okay.

3 MR. WARNICK: The message is that with the case study
4 we did, we are getting the intended results. Now, we're still early in the
5 process. We have one quarter's worth of data. We just finished the
6 second full quarter of implementation, but those reports aren't out yet. But
7 we're seeing about a 30 percent decrease, or on third decrease, 33 percent,
8 which is what we predicted through that case study.

9 CHAIRMAN NIEH: Okay. Yeah. Thanks, Greg.
10 Actually, I was going to a -- because you mentioned that it was -- the
11 threshold was allowing you to focus on more significant things. I was going
12 to ask you for an example, but I'm going to run out of time here. But, so I'm
13 going to pivot to a different one for you. So you worked at Peach Bottom,
14 right? You worked for Exelon, and they have a very prominent
15 management model that they use in their organization. What is your
16 perspective about what we're doing here with the LEAD Framework and how
17 that's going to help you in doing your role as a senior resident inspector?

18 DR. DONLEY: Yeah, I -- when they first -- when the
19 LEAD Framework was first rolled out, I definitely -- it felt very familiar --

20 CHAIRMAN NIEH: Okay.

21 DR. DONLEY: -- and sounded very familiar. And I think,
22 you know, the accountability portion of that is kind of empowering to --
23 empowering leadership at all levels, and I think that's going to be impactful,
24 especially for seniors.

25 CHAIRMAN NIEH: Okay, great. That's awesome to

1 hear. And, Shelbie, I got probably like 30 seconds left. Hey, I heard you
2 mention something about working on the -- an off-ramp for allegations and
3 investigations. You know, one of the things I've reflected on in my time in
4 the industry with -- particularly with investigations activities where, you know,
5 it's clear up front that exculpatory evidence is there, where you, you don't
6 need to keep the investigation open. There's no willfulness, but yet we kind
7 of still hold the record open, complete the investigation. I think the VLSSIR
8 model is a really good model to apply in what you're looking at here and
9 providing that off-ramp, particularly in the investigations area. So I think
10 there's a great opportunity. I love that you're jumping on it. When's that
11 going to be done?

12 MS. LEWMAN: So we're looking at several different
13 options, and I think we'll be implementing one within the next month or so
14 and then several others, I would say, probably by the end of the calendar
15 year. I'm looking at Jeremy, but I think, yes, at the end of the calendar year.

16 MR. GROOM: Yeah, there's actually three or four
17 different initiatives we have going on in the division of investigations that will
18 allow us to have those off-ramps. And there's some that we can do very
19 early within the next few months. There's some that'll take a little bit longer,
20 but I don't expect anything would go beyond like the second half of next
21 year.

22 CHAIRMAN NIEH: Okay. Hey, great work, team.
23 Really proud of what you're doing. Thank you. I think David, right,
24 Commissioner Wright?

25 COMMISSIONER WRIGHT: Yeah, I updated my iPhone

1 last night, and I have a thing called legislative standard time on mine.

2 CHAIRMAN NIEH: It moves at half -- half time, counting
3 down.

4 COMMISSIONER WRIGHT: And yeah, it just starts
5 counting down whenever it wants to if you want to check it out.

6 CHAIRMAN NIEH: I might borrow that from you.

7 COMMISSIONER WRIGHT: So I came in and spent time
8 here in headquarters yesterday for benefit of my colleagues here. Met with
9 the leadership at all levels. Started with Greg and his team and then met --
10 kind of broke them out into three different groups so that I could talk to the
11 inspectors on the material side and then the corporate support areas. And I
12 was struck by how a couple of things, Mike, for your benefit here too, how
13 free they were to engage once the caffeine kicked in. They were a little
14 slow getting started, but once they started, they really engaged.

15 And I wanted to know a couple of things. I wanted to
16 know, hey, what's working well? But more important, what's not working so
17 well? And, you know, we spend a lot of time on the reactor side of the
18 house with the residents, and we spend a lot of time on the material side too.
19 But there's some issues going on in the corporate support area that were
20 not a problem before the reorg, but they're a problem now. And I know that
21 there's some stuff that's being worked on. They recognized that yesterday,
22 but not everyone who should have known really knew what was going on, so
23 -- which told me two things. One, you cannot over-communicate, and you
24 cannot ever over-explain things. So you just have to pretend that not
25 everybody knows.

1 So I think you're being intentional about that. I used that
2 word a lot yesterday, that there are some things that we just have to be more
3 intentional about until we really get this thing running good. But I was very
4 grateful to the staff here for -- to reaching out and sharing those things,
5 because it really meant a lot. And I wanted them to know, one, that I heard
6 them and that I was going to share what they told me. So I've honored that
7 too.

8 So, Greg, I'm really very impressed with your team. Y'all
9 seem to be really growing closer, although in the materials side, they were
10 like, we need to get closer even still. We need to -- and we need to interact
11 with the others who are involved at the region here like we used to. Right?
12 So those things, we can do that even in a centralized way of doing things.
13 But sometimes centralizing things makes it a little bit more impersonal, and
14 you don't get the data you used to get when you weren't. So if we're paying
15 attention to those things, Mike, that should self-correct, right? So to those
16 out there who brought those up, thank you for raising the issues.

17 Point is not everything's perfect, right? And I told them
18 yesterday if it was perfect, I was going to go buy a lottery ticket today. But
19 it's not perfect. It's a living document. There are things that are going to
20 change in every area. And the -- you know, there's another concern about
21 staffing support for early engagement. You know, we've been preaching a
22 couple years, early engagement is key, right? But it's now getting to where
23 everybody's coming in for early engagement, and we're not really ready to
24 do it the way we would like to do it. I'm aware that leadership's aware, but I
25 think it's a focus that's a little bit more front and center, you know, and more

1 urgent now than it was even a year ago. And, you know, but it means we've
2 gotten the message out, right, Jeremy? And that's a good thing.

3 In the six and a half minutes I got left, Amber, start with
4 you for a second. Thank you for sharing your insights on the resident
5 inspector program. You know, I'm a fan. You know, I'm still going after my
6 honorary resident inspector qualifications. You know, was at Comanche
7 Peak last year. I was at Oconee earlier a month or so ago -- or two. And,
8 you know, I -- when you talked about what you're talking about, you got my
9 attention. That the -- that senior program, that -- I think that's stellar.
10 That's a great thing, and I hope it works out really well.

11 I wanted to ask you about the SRM on 25-0042. Okay?
12 Tour length was only one of the things that was considered in that SRM.
13 We also mentioned eligibility requirements for applying to the Resident
14 Inspector Program. I'd love to hear a little bit more maybe about how that
15 SRM is being implemented and the impact maybe it's having.

16 DR. DONLEY: I'm going to turn that one over to Jer.

17 MR. GROOM: Yeah. Thanks, Commissioner Wright.
18 That's probably more of an appropriate question for the program office --

19 COMMISSIONER WRIGHT: Okay.

20 MR. GROOM: -- and I can address it. So we're working
21 that SRM. We have all the pieces in place to extend the resident inspector
22 applicant pool to physical sciences, the 1301 OPM series, particularly if
23 there's any nuclear background within those individuals. That is not an
24 issue at all. That will help some. I think we've done an early assessment,
25 and it's not going to solve all of our problems.

1 We're looking actually beyond what the Commission
2 directed in that SRM to even broaden the applicant pool further. You know,
3 things that we're thinking about is, there are existing licensed operators who
4 maybe don't meet the positive education requirements in the OPM 0800
5 series, but they've operated nuclear plants. They know how they work.
6 They know how they operate. You know, we need to find a way to extend
7 the opportunity for them to come into our program and be part of our
8 oversight community.

9 So we're working with the Office of the Chief Human
10 Capital Officer to try to find ways to, you know, broaden the applicant pool to
11 include individuals that don't have the positive degree requirements. We
12 would do that not only for the resident inspectors, but also, like, our licensed
13 operator examiners. That's a particularly difficult place for us to fill our
14 ranks. And we think that prior licensed operators would serve as
15 outstanding examiners.

16 So that's working. It does require some engagement with
17 the Office of Personnel Management on the series and whether it needs to
18 be a specific carve-out, but we are working that. But the other piece on the
19 physical sciences, we have everything in place for that, sir.

20 COMMISSIONER WRIGHT: Okay. Thank you. Greg,
21 I'm going to come back to you real quick. Yesterday, in the resident
22 meeting that we had, there was a sense that I was hearing that they were --
23 the interpretation of what the targets were, the minimum hours were -- they
24 were concerned it was more fixed and that they couldn't deviate from that.

25 And one of the things that was brought up that I brought up

1 and you concurred on this, it was if -- we're a safety organization, right? If
2 there's something that requires you to go beyond that minimum, by all
3 means, do it. Can you speak a little bit to, you know, and you talked about
4 this, didn't have a lot of runtime. We're only 100 days in, right, and it's still
5 early in the game.

6 So how is the inspection staff really adjusting to the new
7 system? And from your -- from where you sit right now, what are you
8 hearing in addition to what we talked about yesterday?

9 MR. WARNICK: Well, first thing I'm hearing is that the
10 inspectors, through the procedures, have the tools necessary to look at
11 risk-significant issues to maintain safety. So that's the first point. Beyond
12 that, you're right. We acknowledge that those estimates in there, we need
13 some runtime and some data collection to understand whether or not we hit
14 the mark with the estimates and the procedures.

15 One of the slides Jeremy put up there was a dashboard
16 that illustrated the resource numbers expended at particular sites. It's a
17 great tool that's just come out that enables us to drill down by inspector, by
18 site, by region to really analyze what it takes to do the inspection. So the
19 message that we're working to communicate to the inspectors, still working
20 on it, is that we need to charge the time it takes to complete the objectives of
21 the procedure, not working to the estimated hours in there, but we need to
22 be aware of it because we need the data collected. What

23 does it take to do the procedure effectively? Compare that across the
24 regions, compare that across individuals, so that we can re-baseline, inform
25 where we're at to make the adjustments necessary to, again, continuously

1 learn and get the procedures where they need to be over the evolution of
2 implementing the oversight process.

3 COMMISSIONER WRIGHT: Right. Again, we didn't get
4 it perfect. And if there needs to be adjustments made, we're making them.
5 Correct?

6 MR. WARNICK: That's right.

7 COMMISSIONER WRIGHT: Right.

8 MR. WARNICK: And that's why we need the real data
9 coming in.

10 COMMISSIONER WRIGHT: Right. And I did hear
11 yesterday as well, for the benefit of my colleagues, the way that you're
12 dispositioning some of the things that you're finding from the -- it's getting
13 done in light speed compared to how it had been done before. So you've
14 been empowered to do things, which is the Commission's intent, right?
15 That's what we were trying to do.

16 So I'm really glad to hear that, Jeremy, that y'all are --
17 you're making that progress. I've got 30 seconds. I'm coming to Shelbie.
18 Got to get you to say something today.

19 MS. LEWMAN: All right. Here we go.

20 COMMISSIONER WRIGHT: Good to see you again. So
21 not a lot of runtime yet, but -- and the process, the program that you're
22 involved in right now, how are you feeling about the new system? And have
23 we set ourselves up for more efficient, consistent disposition of allegations
24 and inspection findings?

25 MS. LEWMAN: Thank you for the question, and the short

1 answer is yes. So previously, the allegations team in my branch, and the
2 allegations teams in the regions were separate entities under separate
3 offices. We've now brought them all under CNRI. So they report to
4 different people, but, you know, the ultimate reporting chain is CNRI.

5 Previously, each of the teams had slightly different office
6 level expectations, milestones, metrics, goals, in addition to the agency level
7 ones. We've now streamlined all that. They have the same expectations.
8 All the teams have the same expectations, and we streamlined the metrics.
9 So people are now able to focus more of their time on the actual mission
10 work for allegations as opposed to spending a lot of time on redundant
11 systems we were using for tracking stuff.

12 And the work we're doing on the ARIES system is also
13 designed to streamline the allegations. So we're not spending as much
14 time doing tracking and reporting, but we're spending more time to ensure
15 that we're really consistently dispositioning these allegations and finishing
16 the mission work. I'll turn it over to Jeremy if he has anything to add.

17 MR. GROOM: No, I think Shelbie did a great job. It's an
18 area that I worked in for a long time in Region IV. I knew some of the pinch
19 points and some of the bureaucratic processes that we had in place.
20 Coming in, bringing these all into CNRI, we streamlined those. We focused
21 on timeliness, we focused on quality, focused on decision making. And I
22 think we've empowered our staff to run the program as it should be run,
23 making quick decisions. And when there is a true safety issue, we hone in
24 on it, we focus on it, and we get to the right answer.

25 COMMISSIONER WRIGHT: Thank you so much.

1 COMMISSIONER CROWELL: Thank you, Mr. Chair.
2 Since we're keeping our own time today, you can strike up the --

3 COMMISSIONER WEAVER: I'll help you.

4 COMMISSIONER CROWELL: -- strike up the orchestra
5 or cut my mic. I'll just keep going until then. So a couple remarks off the
6 top. First, thank you to Greg, to you and the region for hosting us today.
7 It's incredibly -- it's important to show, it's important for the Commission to be
8 here and show the importance of the regions. I mean, I think for those who
9 are worried about the regions going forward, the fact that the Commission is
10 doing Commission meetings in the regions shows that continuing
11 importance. And at this point, I think we can't not do Region III since we're
12 about -- we're three out of four right now. So I look forward to that.

13 The chairman said something in his opening remarks that I
14 want to build on and maybe clarify for him. We want you all to be
15 superstars, and don't think that if you get taken up, if you're getting courted
16 to move to headquarters, that you're a superstar, and if you're not getting
17 courted, you're not a superstar. Everyone has different skills and different
18 needs and different desires, so you can be a superstar wherever you want.
19 And I know that's what you meant.

20 So it is hard for me to believe that we're only four months,
21 100 days into this. It's just the speed at which we did this reorg and then
22 including all the other changes and the ROP stuff is just -- I mean, it's -- I'm
23 actually really, thoroughly impressed that we're in such good shape as we
24 are now given such challenging times. Commissioner Wright said it well,
25 and I believe this, and you've heard me say it before, but everything revolves

1 around good communication. Communication is actually the key to
2 efficiency. It's not -- it doesn't -- communication shouldn't delay things. It
3 should be information sharing up, down, sideways so that there's no
4 duplication of effort, there's clear understanding as you make decisions, and
5 staff aren't left in the dark as to what's going on and why, even if it doesn't
6 directly affect them.

7 So, thank you for continuing to be -- set a good example
8 for communication. And I know that's a big part of the LEAD model as well.
9

10 You know, as a former state regulator, I can say that, you
11 know, the best form of enforcement is strong compliance and -- because if
12 you're doing good compliance, you have clear, consistent rules, your need
13 for enforcement diminishes. But it never goes away, so we always have to
14 be -- keep a vigilant eye.

15 So, there's been talk about the regions in the context of the
16 ROP changes and other oversight changes. My understanding, I believe,
17 from the Commission's vote on the reorg is that -- or ROP, I forget which, but
18 I think there's a 24-month review of the oversight changes at some point,
19 and so we're two years -- we're 24 months minus -- we're 20 months away
20 from that. Is that where we are? Okay. And so are these little
21 adjustments that you're making along the way, they'll get rolled up into that, I
22 assume, but then there'll also be bigger picture things that maybe need
23 clarity or feedback or direction? But you're not -- what I'm getting is you're
24 not waiting till two years from now to make changes that you see as
25 necessary.

1 MR. KING: Correct. And I think we've talked about just
2 some of the few ones along the way. We're going to identify things, and to
3 the extent we feel like we need to move out on them now, we'll just do that.
4 And we'll roll that up as, you know, overall, here's our experience over the
5 past 24 months in rolling out the changes to the ROP and the reorganization.

6 COMMISSIONER CROWELL: Greg, either for you or
7 anyone else who's, you know, regionally-based, what was the kind of
8 feedback you got from the public during the discussion of ROP and other
9 oversight changes? Just curious, like, what the flavor was out here outside
10 of the Beltway.

11 MR. WARNICK: Yeah, I do monthly calls with the site
12 VPs. We were at Comanche Peak yesterday. I do visits to the sites with
13 the residents. And, overall, the feedback is positive. They are seeing
14 efficiencies in the process. The more-than-minor screening threshold
15 change certainly has reduced debates between inspectors. They're seeing,
16 we just heard yesterday at Comanche Peak, some value in the metric that
17 we have in driving efficient resource use for very low significance issues.

18 So it's been positive. Some of the highest level of
19 feedback has been on how we're implementing some of the new inspections.
20 For example, the problem identification resolution inspection, there was
21 some question about the timing of that inspection. Is it a one-week
22 inspection, a two-week inspection? We heard that feedback, and, actually,
23 we just processed a feedback form to clarify the resource estimate, the
24 number of inspection it takes. It is a one-week inspection. And we're
25 communicating training inspectors to make sure we're implementing that

1 inspection as intended. So, good feedback, but critical feedback as well
2 that we're considering and making adjustments as needed.

3 COMMISSIONER CROWELL: Was there feedback from
4 the public or stakeholders that expressed concern that we were lowering the
5 bar of the integrity of our oversight programs through these changes and that
6 they were concerned about, you know, the NRC's role in this going forward?

7 Or was it communicated that we're actually -- we're changing the way we do
8 things but keeping that high level of oversight and inspection?

9 MR. WARNICK: From the industry, which is a lot of the
10 feedback I had, no. But in the ROP --

11 COMMISSIONER CROWELL: How about regular
12 people?

13 MR. WARNICK: Yeah, ROP --

14 MR. GROOM: I think I can speak to that a bit. So, we
15 host bimonthly ROP public meetings. They're attended by members of the
16 public. We do receive feedback and concern from individual members of
17 the public, stakeholder feedback, about, you know, Does this diminish the
18 NRC's safety footprint on these sites? And what we've tried to
19 communicate is the ROP changes themselves were intended to preserve the
20 safety-significant components of the ROP, focusing on those, and what the
21 changes were intended to do was eliminate the low-value work that maybe
22 didn't produce the same safety benefit. And I think when we communicate
23 in those terms, you know, members of the public generally get it.

24 There's always going to be, you know, skeptics about what
25 we're doing. But I think, in general, we've gotten some positive feedback

1 that they understand the basis for our change and how we preserve safety
2 with what we've done to the ROP.

3 COMMISSIONER CROWELL: So, so far, you've seen our
4 ability to effectively communicate on this work for --

5 MR. GROOM: Yes, sir.

6 COMMISSIONER CROWELL: Yeah. Okay, good.
7 Jeremy, I'm going to stick with you for a second here because there's been
8 some talk about staffing levels and your targets like that. Your staffing
9 levels, they're -- the current targets are a reflection of current footprint of
10 CNRI and needs? Like, you know, the existing fleet? Or what?

11 MR. GROOM: Yes, sir. I think if you were to actually
12 look at the FY27 budget and what everything that was allocated to oversight,
13 it would be much higher than what I presented on my slide. The value I
14 presented on my slide reflects the realities of the ROP changes as
15 implemented. So, we've already accounted for reductions in staffing to,
16 essentially, address the changes to the oversight program. That's why
17 we're still a little bit over, around 20 FTE, because we're working through
18 those changes. But, again, we've done it all through, you know, voluntary
19 measures, movement within the agency and to partner offices. But the
20 values do reflect the realities of what the ROP would take to implement, as
21 directed by the Commission in the major SECY papers that we submitted.

22 COMMISSIONER CROWELL: Are you at all concerned
23 that we're maybe a little bit overstaffed for today, but, by shrinking, we'll be
24 understaffed for tomorrow? I am -- it's hard to reconcile this with the
25 knowledge that we're all trying to enable a safe and secure nuclear

1 renaissance. And I believe that means that we'll have more, not less,
2 licensees out there that require some level of engagement and inspection. I
3 just feel like our staffing levels are going in the opposite direction of that,
4 recognizing that reality. Could you square those for me?

5 MR. GROOM: Yeah, you know, it's a absolute
6 management concern. It's something that I'm focused on very much every
7 single day. Let me just -- let me just make sure that it's clear that the values
8 I'm talking about are for the existing reactor fleet. If we add operators, we
9 add new entrants, new reactors, our staffing levels will need to change to
10 make sure we provide the right amount of oversight.

11 COMMISSIONER CROWELL: Yes, and that's hard in the
12 federal government to --

13 MR. GROOM: Yeah.

14 COMMISSIONER CROWELL: I mean, you're already
15 chasing your tail at that point, like to play catchup and get, you know,
16 approval and to hire more and fill more, and then the hiring process itself. I
17 worry if we wait 'til then we're just -- we're behind.

18 Mike, do you want to hop in on this?

19 MR. KING: Yeah. No, it's a good point. In fact, when
20 the hiring cap or hiring restrictions were lifted last year, we looked ahead and
21 we said, okay, based on the pipeline of everybody we're reviewing and
22 estimated timelines for when these plants might come online, our
23 construction inspection and oversight needs, what would that forecasted
24 growth be for the regional offices? And we factored that in to our hiring
25 decisions at the time.

1 We're currently in the process, as you know, of revamping
2 our human capital management, strategic human capital management plans
3 and efforts. And a key part of that is us looking ahead and saying, do we
4 need to hire now to be ready for the workload in the future? Now, I'd like to
5 say we've finished that effort and we've got the program up and running.
6 We're not quite there yet, but we're -- we are looking ahead to see, do we
7 need to start hiring? And if so, what areas? For that very reason: we know
8 it takes time to hire up inspectors and get the right folks in the seats at the
9 right time. So we're looking at it. It's an area of focus for us.

10 COMMISSIONER CROWELL: Okay, thank you.

11 Amber, I think I'll turn to you to talk about the resident
12 inspector program. You know, I note you titled your presentation "Health of
13 the Resident Inspector Program." In terms of the overall health, what would
14 you say are the biggest near-term challenges that you're concerned about or
15 the more vexing challenges you see for getting the resident inspector
16 program to the healthy spot that it needs to be? Like, what are you most
17 concerned about?

18 DR. DONLEY: Sure, absolutely. I think, for the resident
19 inspectors, having the pool of RIDPs is very, getting -- making sure that's
20 fully staffed and getting them trained up. Because that way they can help
21 supplement any changes that happen or any promotions or anything within
22 the program. But having that pool of RIDPs that are fully qualified and
23 ready to go help with backfills and ensuring that we have a good talent
24 pipeline for the -- for the program.

25 COMMISSIONER CROWELL: Yeah. And I know we're

1 a little short on that talent pipeline and qualifications over the past couple
2 years have been slim. Maybe we can get Wright in there as qualified and
3 help fill the gap a little bit.

4 DR. DONLEY: Absolutely.

5 COMMISSIONER CROWELL: I didn't have enough time,
6 but I wanted to discuss some of my concerns -- ongoing concerns with the
7 NOC (phonetic) adherence and TPO process. But we'll do that another
8 time. So, thank you all.

9 COMMISSIONER MARZANO: Thank you, Mr. Chairman.

10 And I want to express my gratitude to this panel, and especially to the staff
11 that has made this meeting possible here in Region IV. And, of course,
12 former member of my staff, superstar, I would say, Greg Warnick, really
13 appreciate the work that you've done and everything that you've
14 accomplished since, you know, ending your rotation in our office. It's truly
15 remarkable.

16 Yeah, preparing for this meeting, no simple task. And,
17 again, the staff has done commendable work to enable this important
18 discussion today. I also want to kind of put a finer point on what
19 Commissioner Crowell was alluding to about the significance of the
20 Commission holding a meeting here in Region IV. Our presence reflects
21 our commitment to making the agency more accessible and transparent to
22 the public. It serves as a meaningful reminder that the impacts of our work
23 are felt across the country and not confined to the walls of headquarters in
24 Washington. The agency, our stakeholders, and the public benefit from
25 holding these meetings because they reinforce the concept that effective

1 governments requires visibility and engagement beyond the nation's capital.
2 And although this was a resource-intensive exercise, we should strive to
3 provide more opportunities like this as our regulatory footprint grows and
4 extends into new communities across the country.

5 I think I can also speak for my colleagues that we
6 recognize the considerable demands that the reorganization and the ROP
7 changes have placed on staff. It is truly remarkable, and I'm just as
8 impressed as are my colleagues with the substantial coordination, judgment,
9 and persistence, and that the efforts to date demonstrate a strong
10 commitment to our mission in accomplishing this difficult task of positioning
11 the agency for the future workload that's coming to us.

12 And, again, you know, what we've seen here, and another
13 point that my colleagues mentioned, is, as we go through implementation,
14 where the Commission needs to be engaged and may need to help advance
15 staff needs and priorities as we go along with the implementation.

16 So I want to kind of talk a little bit more higher level on the
17 reorganization effort itself and state that, you know, the goals of this
18 reorganization were intended to better position the agency to meet the
19 expectations of Congress and the administration, to become more
20 responsive to national priorities, support innovation, accelerate the
21 deployment of new nuclear technologies, without compromising our core
22 safety mission. And, at the same time, the success of reorganization
23 depends less on the structure and the organizational chart, and more on
24 whether the change that's implemented successfully improves performance
25 in practice and can be sustained without overburdening our staff or

1 weakening our effectiveness in other areas.

2 Organizational change is not a technical exercise. It
3 requires strong leadership, clear communication, a willingness to pivot when
4 implementation challenges arise. Ultimately, the difference between a
5 reorganization that works on paper and one that succeeds on practice
6 comes down to how well that change is managed. And, from the discussion
7 today, it is clear to me that I -- you know, the thoughtfulness that is required
8 and all of these different qualities of leaders to make this effort successful
9 have been demonstrated here, and so I'm very encouraged by this
10 discussion.

11 And then, also, as the LEAD Framework reminds us,
12 excellence is not defined by the absence of problems, but how those
13 problems are recognized, understood, and addressed. So, my questions
14 today are going to kind of focus a little bit less on the outcomes that we
15 expect, but how we're measuring those things in practice and how we're
16 identifying unintended consequences and navigating those challenges.

17 I think what I'd like to kind of start is my appreciation for the
18 thoughtfulness of the implementation of the minor/more-than-minor threshold
19 changes. I think that this was one of my concerns as we were going into
20 this vote, understanding how this policy would be implemented, and, of
21 course, the public's view of the NRC's regulatory or oversight footprint and
22 facilities. I think what we've seen today is the vigilance that's required to
23 ensure that we're identifying these unintended consequences.

24 But one of the things that I think I'd like to get a little bit
25 more clarity on, you know, for the -- on Slide 12, the tracking of open items, I

1 guess, or items that are still yet to resolve, how are we going to use this
2 metric here, specifically maybe the average number of days, you know, to
3 guide our actions? Is there a specific number or is this something that is
4 kind of more case-dependent? You know, some issues, you know, maybe
5 the significance isn't necessarily tied to how long they're open, so maybe a
6 little bit more insight into that.

7 MR. WARNICK: Yeah. This metric is an effective metric.
8 We're using it a lot more under the new CNRI organization. What it does is
9 from the end of an inspection, if you're still looking into an issue, you still
10 need to engage, expend resources. We're putting a clock of 45 days on
11 that to get all the answers that you need to be able to close it out and not
12 spin our wheels for weeks on end for something that we know will be of very
13 low safety significance.

14 So we have done a lot. Tricia Vosmar, for example, our
15 DRS director here, took an action to look at the criteria for what goes in
16 there, and then we engaged the other division directors across CNRI, and
17 we find the guidance to make sure we're all aligned on what's going in there.
18 We talk about those biweekly, make sure we're using the same threshold
19 for what goes in there -- very low safety significance issues -- and then
20 maintaining visibility so that we can work with our staff to make sure that
21 we're driving those to resolution within that 45 days.

22 We've been effective at doing that. When something
23 happens, we do look at it initially to look at what the potential significance is.
24 When there's a chance of it being greater than very low safety significance,
25 we put that on a 120-day metric to make sure, again, we're giving the

1 attention necessary to make sure we have timely decision-making for
2 something that could be greater than green.

3 COMMISSIONER MARZANO: Okay. Thank you for that.

4 I want to step back and talk a little bit about your leadership, Jeremy, in
5 establishing the CNRI office. The staff that are under CNRI were arguably
6 the most affected by all the changes and face significant uncertainty as to
7 their future with the agency, as Commissioner Weaver pointed out.

8 So I want to give you an opportunity to kind of talk about
9 how you navigated these challenges and what were some of the keys to
10 your success in launching this new office, and kind of what are -- maybe for
11 some, for other folks here, what are some of the leadership qualities yourself
12 that you thought really benefitted your implementation or your management
13 of this?

14 MR. GROOM: Yeah. Thank you for that question, and
15 it's been the honor of my lifetime to be able to stand up this office. I have a
16 real passion for our agency and our oversight community. The way I
17 approached the reorganization and the standup of CNRI was to be very
18 open and transparent. Commissioner Crowell mentioned a few minutes ago
19 that you can't over-communicate, and that was my philosophy going into
20 this. As soon as I knew kind of what the final structure was of the office, I
21 immediately started holding town hall meetings, engagements. I've traveled
22 to all four of the regional offices multiple times over the last 100 days. I
23 want to be very visible, present, and approachable by the staff in CNRI, and I
24 think it's paid off.

25 I have people that reach out to me on a regular basis with

1 their concerns, suggestions. Some are actionable, and when they're
2 actionable we work those and we resolve them very quickly. We don't let
3 issues linger and fester within the office. And on occasion, when I can't act
4 on something or we're -- something's not actionable, I provide the direct
5 feedback and make sure they understand, you know, why we're going
6 perhaps in a different direction.

7 I've expected the same of my direct reports, the regional
8 administrators and the deputy office director for inspection and
9 investigations. They're taking the same approach at their level. And really
10 it's about being approachable, visible, and communicating in a very open
11 and transparent way.

12 COMMISSIONER MARZANO: Well, I just want to
13 express my gratitude for that and the work that you've done to achieve what
14 you have, and I think some of that is on display today, so that's really a great
15 story to tell. I want to switch over to our resident inspector program. You
16 know, you mentioned bringing folks in from industry or operator experience
17 sliding into roles fairly easily and then working through some of the OPM
18 challenges there. Just to put a plug for the nuclear navy as well. Similar
19 background, similar experience there.

20 But, Amber, you know, we are in this position where we
21 are having to fill the ranks. It takes time to take a candidate and turn them
22 into a proficient inspector. You know, as this pipeline fills up in the interim
23 and really kind of into the future, how do you see the new training
24 organization that is now under the research office can help improve, you
25 know, maybe where gaps within the existing ranks exist in terms of

1 experience and proficiency?

2 Because I think we do really skew right now a little bit on
3 the kind of less experienced, less proficient end of that spectrum right now.
4 So what are some opportunities within the new training organization that can
5 help bridge those gaps as we start to kind of get to a better place with our
6 staff?

7 DR. DONLEY: Absolutely. Thank you for that question.
8 I know some of the things that have helped have been bringing back the
9 retired annuitants and having them kind of solely focus on training. I believe
10 in Region IV, they actually brought back one of the former senior inspectors
11 who has a ton of NRC inspector experience, and he's now working for the
12 TTC as a trainer.

13 And I think that's a really great benefit, having some of
14 these folks with a lot of experience come and train our new inspectors and
15 offer like the refresher training or even a series training and/or even just
16 getting out to the sites with the new RIDPs to kind of walk them down on the
17 sites and show them kind of the things to look for, things that they've seen,
18 especially if they have a history of the site itself. And then it alleviates some
19 of the burden on the seniors who may not have that same knowledge, and
20 they can focus on doing the inspections versus having to train folks up, so.

21 COMMISSIONER MARZANO: I really appreciate that.
22 And I think, you know, looking for opportunities in some of my discussions
23 with folks, you know, looking at our refresher training, our requal training,
24 that kind of continuous education piece, I think that there's probably some
25 opportunities within that as well, and I encourage you and the SRI Council to

1 kind of be looking at how we orient the training organization to help address
2 those gaps. So thank you again, and my time's up. Thank you very much.

3 CHAIRMAN NIEH: Well, let's thank our panelists here on
4 the CNRI side of the house. We're going to take five minutes here to reset
5 the table and bring up the Chief Nuclear Materials Inspection team. Thank
6 you. All right, we'll be back in five.

7 (Whereupon, the above-entitled matter went off the record
8 and resumed following a brief recess.)

9 CHAIRMAN NIEH: All right, we're going to resume with
10 the Chief Nuclear Materials Inspector. So Sabrina, I think you're going to
11 lead us off. Please. Thank you.

12 MS. ATACK: I will. Thank you, Chairman. And good
13 morning, Chairman and Commissioners. I'm Sabrina Atack, the Deputy
14 Executive Director for Reactor, Materials, and Preparedness Programs in the
15 Office of the Executive Director for Operations. I'm pleased to kick off the
16 second panel of today's meeting, during which the staff will provide an
17 update on the formation and first 100 days of the Chief Nuclear Materials
18 Inspectorate. Next slide, please.

19 Before I introduce the panel, I'd like to highlight the
20 important role of this organization. The Chief Nuclear Materials
21 Inspectorate includes two divisions that perform a broad array of functions.
22 First, the Division of Federal Materials Programs, or DFMP, brings all the
23 nuclear materials users, or NMU, licensing and inspection under common
24 leadership, along with an Inspection and Enforcement Support Branch.

25 The division performs licensing and inspection of

1 radioactive sources that are used in medicine, academia, and industry. The
2 staff in this division also interface closely with our Agreement State partners
3 to implement the National Materials Program.

4 The second division in the inspectorate is the Division of
5 Decommissioning, Fuels, ISFSIs, and Transportation, also known as DFIT.
6 The division performs inspections of fuel and enrichment fabrication
7 facilities, materials and reactor decommissioning, and spent fuel storage,
8 transportation, licensees, and vendors. As you will hear in today's panel,
9 the staff in the materials and fuel cycle programs have made significant
10 progress in integrating our national programs under common infrastructure in
11 the more than 100 days since the reorganization.

12 With these programs now centralized in the Office of
13 Nuclear Material Safety and Safeguards, the staff has identified
14 opportunities to further integrate licensing and inspection across the
15 business lines, improving consistency, efficiency, and mission alignment.
16 The office has leveraged the LEAD Framework to set high standards, seize
17 opportunities to be self-aware and self-correcting, and develop talent and
18 leaders.

19 For example, each leader within the organization
20 established 100-day plans to set forth actions to unify the staff, open lines of
21 communication, and set expectations and then measure results. In the
22 spirit of continuous improvement, the office also conducted extensive focus
23 group sessions working with the Office of the Executive Director of
24 Operations in the process to get feedback on the reorganization and pivot
25 where needed. Our panel will elaborate on the NMSS organization, as well

1 as the progress and accomplishments in the program.

2 Without further ado, I'll introduce our panel. First, Jamie
3 Pelton, Deputy Office Director for Regional Oversight and the NRC's Chief
4 Nuclear Materials Inspector, will provide a status on updates to NMSS to
5 incorporate the new divisions and set clear long-term direction for the future.

6 Then Jared Heck, the Director of DFMP, will provide reflections on the first
7 100 days since the reorganization and its effect on the materials oversight
8 programs.

9 Jonathan Pfingsten, a Senior Materials Health Physicist in
10 the Inspection and Licensing Branch Central within DFMP, will discuss
11 efficiencies gained as a result of changes made through the reorganization.
12 Finally, Dr. Lizette Roldan-Otero, the Chief of the Inspection and Licensing
13 Branch West within DFMP and who is currently on rotation to OEDO, so
14 we're quite familiar, will discuss advancements made in the Agreement State
15 Program. I'll now turn the presentation over to Jamie Pelton. Next slide,
16 please.

17 MS. PELTON: Good morning, Chairman and
18 Commissioners. As Sabrina said, my name is Jamie Pelton. I am the
19 Deputy for Regional Oversight in NMSS and the Chief Nuclear Materials
20 Inspector. Over the first 100 days of the NRC reorg, our materials oversight
21 program has truly leaned into the benefits of the reorganization, aligning
22 licensing and inspection, increasing consistency, and accelerating
23 decision-making to enhance our national risk-informed inspection program.
24 Throughout this panel, I look forward to sharing the status of what's working
25 well, our focus areas, and how we're setting long-term direction and high

1 standards for sustained performance. Next slide, please.

2 As the Chief Nuclear Materials Inspector, I oversee two
3 new NMSS divisions that brought together over 120 staff and management
4 from all four regions and multiple offices and headquarters to drive
5 alignment, consistency across licensing and inspection. As you'll see in the
6 next slide, these divisions license and oversee an expansive and diverse
7 group of licensees.

8 One division is the Division of Federal Materials Programs,
9 DFMP, led by Jared Heck. As Sabrina said, DFMP brings NMU together
10 under a common leadership. We combine materials licensing and
11 inspection into common branches, East, Central, and West, reducing the
12 number of branches from six to three following the reorganization.
13 Enforcement and Inspection Program Management are within the same
14 division. This structure is intended to drive efficient and consistent
15 decision-making.

16 Our second division is the Division of Decommissioning,
17 Fuels, ISFSIs, and Transportation, or DFIT, and is led by LaDonna Suggs.
18 DFIT has two fuel facility inspection branches located in Region II.
19 Decommissioning inspectors from three of the regions are consolidated in
20 the Decommissioning Oversight, Evaluation and Remediation Branch, and
21 ISFSI transportation and vendor inspectors from three regions and
22 headquarters are integrated into the Spent Fuel Storage and Transportation
23 Oversight Branch.

24 This organizational structure gives staff a broader view into
25 the inspection and technical review activities, improves efficiency and

1 strengthens collaboration. It increases flexibility for resource sharing,
2 knowledge management, and cross-training, consistent with developing
3 talent and setting high standards. In one notable example, I'd like to give a
4 shout-out to our senior inspectors in the Decommissioning Oversight,
5 Evaluation and Remediation Branch. From day one in the reorg, they
6 teamed together to drive consistency and practices across the branch.
7 They truly took ownership to drive improvement in the organization and
8 embodied the LEAD model with their actions and leadership when they were
9 absent a permanent branch chief. So kudos to them. Next slide, please.

10 Before we go further, I want to share a quick snapshot of
11 the diverse array of licensees that we license and oversee across the two
12 divisions in CNMI. Starting at the right and working clockwise, DFMP
13 licenses and oversees over 1,600 nuclear materials licenses across
14 industrial, medical, academic, and other uses.

15 DFIT oversees ten Cat I, II, and III fuel fabrication, uranium
16 conversion, and enrichment facilities, 97 generally or specifically licensed
17 ISFSIs at or away from reactor sites, and finally, 30 decommissioning
18 facilities at reactors, materials, and uranium recovery licensees or
19 non-licensees. The broad scope of facilities that we license and oversee
20 are critical to our national priorities and make the drive for clarity,
21 consistency, and alignment through the reorganization that much more
22 important. Next slide, please.

23 To lock in the benefits of the reorganization, we focused
24 early on aligning objectives, work processes, and setting an enduring vision
25 to drive clarity, consistency, and alignment as a national inspection program.

1 This follows the strategic plan for delivering our core mission, driving
2 performance and accountability with a focus on leadership and people, and
3 the NMSS vision to safely enable today and tomorrow through an engaged
4 workforce and innovative regulation.

5 Consistent with our change management plan, we held a
6 CNMI leadership retreat in early August to establish expectations and a
7 shared vision and identify near and long-term challenges to drive alignment
8 and mitigate those challenges. Just over two weeks ago, we held our first
9 ever CNMI counterparts meeting, which connected licensing and inspection
10 staff both within CNMI and across other NMSS divisions. The CNMI team is
11 pictured to the left. These activities have helped us identify pain points,
12 resolve inconsistencies, and conduct targeted training across the
13 organization.

14 We're also leveraging the predictive index in NMSS.
15 Shortly after the agency's predictive index facilitators were trained, we held a
16 discussion at our CNMI leadership retreat to team-build and get to know one
17 another better as we move forward. We'll be holding similar sessions in
18 NMSS in the near future.

19 We've also created intentional connection opportunities
20 throughout the office. We've held connectivity events, welcome events, an
21 office-wide picnic, pictured to the right. We've created a series of short
22 videos for each branch, and we've highlighted each branch work at town
23 halls. The goal is to drive better coordination, build a positive culture, and
24 closer alignment between licensing and inspection to achieve our mission to
25 enable the safe use of nuclear materials as effectively as possible. Next

1 slide, please.

2 We've been working within the office to update work
3 processes and procedures. We're revising our delegations of authority in
4 the office as a whole, including CNMI, seeking opportunities to drive
5 decisions to the lowest appropriate level, consistent with setting long-term
6 direction, developing talent and leaders, and allowing staff to drive
7 innovation. The intention is to make decision-making more efficient and
8 increase accountability and ownership while preserving technical rigor in our
9 safety determinations.

10 In addition, NMSS rulemaking staff are advancing
11 conforming changes to 10 CFR necessitated by the reorganization, ensuring
12 that our regulatory framework reflects the new business line construct.
13 Across NMSS, we're being intentional about strengthening the connection
14 between licensing and inspection. In an early NMSS leadership retreat, we
15 identified opportunities to meet that objective through coordinating reviews of
16 RAIs, audits, and encouraging joint participation in project meetings.

17 Our counterpart meeting was a great opportunity to build
18 those connections even further. To the left, Chairman, we appreciated you
19 sharing your vision with the staff at the counterpart meeting. And pictured
20 to the right is Katherine Warner, a senior health physicist in the
21 decommissioning branch, discussing the Three Mile Island Unit 2
22 decommissioning status with staff at the counterpart meeting. These efforts
23 as a whole position us to be self-aware and self-correcting and provide the
24 foundation for a stronger organization. Next slide, please.

25 After we implemented the reorg, NMSS partnered with

1 OEDO to run facilitated focus group sessions across the office on our vision,
2 culture, and the LEAD Framework. We're using the feedback from those
3 focus groups to identify actions we can take to build on LEAD or to build
4 LEAD into our NMSS culture. We've established a small team to
5 recommend how to best integrate LEAD into our daily work, expectations,
6 behaviors, and culture to ensure long-term durability.

7 We began by incorporating the meeting advocate role into
8 our work cadence with Jared and LaDonna serving as the first advocates for
9 the office leadership meetings. We also highlight LEAD behaviors every
10 week that we discuss at the beginning of our NMSS leadership meetings and
11 have begun focusing -- incorporating the LEAD behavior of the month into
12 these discussions in alignment with OEDO.

13 In closing, the reorganization and leaning into the LEAD
14 model are resulting in tangible benefits, enhanced consistency in licensing
15 and inspection across the organization, and streamlined enforcement.
16 You'll hear more about these benefits from each of our presenters this
17 morning. I'll now turn to Jared Heck for his reflections on the first 100 days
18 within DFMP. Jared.

19 MR. HECK: Thank you, Jamie. And thank you,
20 Chairman and Commissioners, for the opportunity to share my reflections on
21 our first 100 days in the new organization. Next slide, please.

22 Our mission to enable the safe and beneficial use of
23 nuclear materials is perhaps nowhere more immediate than in our nuclear
24 materials program. Our inspectors and licensed reviewers support the safe
25 delivery of life-saving diagnostic and medical treatments, the build-out and

1 maintenance of our national infrastructure, and research into new
2 technologies that promise to make lives better. The staff who license and
3 oversee nuclear materials have long understood this, and for years, they've
4 cooperated across organizational lines to share knowledge and training,
5 develop regulatory and programmatic changes, and complete the agency's
6 inspection and licensing casework.

7 For example, following the global pandemic, inspectors
8 across the country picked up work outside their geographic region to meet
9 the mission and clear a significant backlog. This cooperation and core
10 mission focus is our foundation, and reorganization is helping us build upon
11 it. As this slide shows, in fiscal year 26, DFMP staff issued over 40 new
12 licenses and 800 amendments and completed over 400 inspections.

13 Before reorganization, we achieved high standards
14 through cooperation, but not always as efficiently as we could. Now,
15 practices are being streamlined, teams have been joined, and
16 decision-making has been consolidated. This enables us to accelerate the
17 pace of decision-making and program improvement while remaining focused
18 on our core mission. It's an exciting time.

19 It's also been a challenging time. We are bringing
20 together branches from three different regions, the former Office of
21 Enforcement and parts of NMSS. And each of these groups brings slightly
22 different practices to the new organization.

23 So in the first 100 days, we've worked to identify the
24 differences, prioritize changes, and develop new standards and updated
25 procedures, templates, and tools. We're delegating authorities to lower

1 levels and eliminating redundant or unnecessary management reviews.
2 Jonathan Pfingsten, one of our senior inspectors, will discuss this in more
3 detail a bit later. Next slide, please.

4 On June 14th, the day before the reorganization went into
5 effect, and for most of my NRC career, I reported to Region III, and I really
6 knew my way around that team. On June 15th, I was part of a new team
7 that I did not know nearly as well. I realized I had a lot to learn about NMSS
8 communications, workflows, and operating rhythms. So in these last 100
9 days, I've personally reached out to my new teammates in NMSS for help,
10 and I've received tremendous support from this new team.

11 Pictured here are members of our new team coming
12 together at the recent CNMI counterpart meeting in headquarters. And this
13 is what a culture of continual learning looks like at a personal level: people
14 sharing what they know, people asking questions and answering questions
15 to get things done, and people helping one another grow and build a shared
16 understanding of how we operate.

17 These personal connections are important. In CNMI,
18 we're located across the nation with staff in every NRC duty station. And
19 while we have tremendous tools for collaborating and communicating online,
20 meeting with staff in person is especially important to me as we form, storm,
21 and norm as a new team. That's one of the reasons we prioritize having the
22 in-person CNMI leadership meeting in Region I in the first 45 days, and
23 again, as pictured on the slide, an in-person counterpart meeting in
24 headquarters in those first 100 days. This is part of team building and
25 learning together.

1 Learning together also involves, of course, benchmarking,
2 formal and informal feedback, and regular self-assessment, and we're doing
3 those things too. For example, in our inspection programs, we recently
4 developed and implemented new more-than-minor criteria. We
5 benchmarked against reactor program criteria, solicited input from inspection
6 staff, and published these new criteria in Manual Chapter 0610, Appendix B.
7 We then provided inspector training and set up feedback loops that we'll
8 use to inform further programmatic and policy updates.

9 We also completed a self-assessment of how CNMI
10 implements Management Directive 8.3, which governs decision-making on
11 when to initiate special inspections. And we're now partnering with CNRI to
12 develop updates that will improve clarity and consistency of practices across
13 all NRC inspection programs. Reorganization promises to make this type of
14 benchmarking and collaboration across business lines easier.

15 Finally, we're building feedback into our daily behaviors.
16 One example is our use of the meeting advocate, as Jamie mentioned, a
17 role described within the LEAD model. Since reorganization, leadership
18 team members have modeled this role within NMSS during routine weekly
19 staff and leadership meetings. The advocate role is also being piloted in
20 NMSS at the branch level, and in the weekly leadership meetings within
21 DFMP, we rotate the advocate role among our branch chiefs.

22 The advocate is someone who monitors individual
23 behaviors and group performance against established norms and then
24 provides feedback on the effectiveness of our interactions. This sharpens
25 individual and team focus, reinforces respectful interaction, and enables

1 more productive work. These constructive behaviors then naturally spread
2 through our organizational culture. Next slide, please.

3 As I alluded to earlier, the reorganization has set us up for
4 long-term improvement in our ability to share resources, expand skill sets,
5 and better align our policies and programs with modern risk-informed
6 decision-making. On skill sets, we'll develop strategies to increase
7 cross-qualification of CNMI inspection and licensing staff.

8 This picture shows at the top left a licensed reviewer,
9 Sarah Forrester, who's cross-qualifying an inspection. Cross-qualification
10 helps both individuals and the organization adapt to changes in the agency's
11 licensing and inspection workload.

12 On programs, we'll pursue updates to inspection manual
13 chapters and enforcement policy to enable more flexible, agile, and
14 risk-informed decisions that can be made at the lowest appropriate level
15 using resources commensurate with risk significance. We'll eliminate
16 overlaps that have grown over time through a myriad of redundant office and
17 division procedures, and we'll fill gaps in existing guidance to create clarity
18 and alignment of practices. And as we make these changes, we'll
19 benchmark with counterparts across the agency to ensure the NRC's
20 programs are aligned.

21 And we've already begun to take the first steps. In
22 addition to what I've already mentioned regarding our work with CNRI, we'll
23 pilot an expanded authority for qualified senior inspection staff to issue and
24 approve clear inspection reports. Plus, rulemaking changes currently in
25 progress will further risk inform our regulatory licensing and oversight

1 framework. As implementation plans are developed, we'll continue to look
2 for additional opportunities to empower our workforce and ensure resources
3 are spent commensurate with the safety benefit.

4 We will also continue to evaluate the organizational
5 structure. The consolidation of regional materials, inspection and licensing
6 branches within my division, for example, has resulted in large branch sizes
7 where the supervisor's span of control is notably higher than elsewhere in
8 the agency. We're working to offset this impact by delegating more and
9 distributing work in new ways. We are actively evaluating alternatives, and
10 the results are not in, but in a culture of continual learning, we will be open to
11 adjustments if data and feedback tell us further change is necessary.

12 I'll now turn the presentation over to John Pfingsten, one of
13 our senior inspectors, who will discuss the efficiencies we've gained in
14 materials oversight. Next slide, please.

15 MR. PFINGSTEN: Thank you, Jared, and good morning,
16 Commissioners. Thank you for the opportunity to speak with you about the
17 staff's perspectives on the reorganization. Next slide, please. At the staff
18 level, the reorganization has driven immediate, meaningful improvements in
19 efficiency and decision-making. Prior to the reorganization, the
20 regional-based materials programs were separated by inspection and
21 licensing or medical and commercial industrial uses. The most significant
22 change in the daily lives of our regional materials personnel was the
23 consolidation of these inspection and licensing staff into unified branches.

24 This consolidation has improved the flow of information
25 between functional areas, including through knowledge transfer sessions

1 within multiple inspection and licensing branches. The new structure has
2 enabled more immediate, holistic reviews of emerging issues with fewer
3 procedural barriers, particularly within event response and allegations.
4 Another area of significant change is in how we process escalated
5 enforcement. The reorganization consolidated much of the decision-making
6 into a single individual, the director of the Division of Federal Materials
7 Programs. Coupled with other recent streamlining efforts, such as the
8 modified panel process discussed earlier by Shelbie, and a new
9 performance goal driving resolution of lower level issues, we've been able to
10 reduce the number of personnel involved, reduce the amount of time spent
11 reviewing panel packages, reduce briefings of management in multiple
12 offices, and reduce concurrences.

13 While there have been early lessons learned, we anticipate
14 saving approximately two weeks per action. This allows the inspection staff
15 to instead focus our efforts and resources on the most complex
16 risk-significant issues. For example, earlier this summer, I personally had
17 an escalated enforcement case involving the loss of materials for which a
18 civil penalty was considered. Given that the issue, its causes, and its
19 significance were well understood, we were able to approve the proposal by
20 email rather than a full panel, resulting in final approval and issuance weeks
21 earlier than if we remained in the old process.

22 Finally, similar to CNRI, and as Jared discussed, we have
23 developed and implemented new more than minor criteria effective October
24 1st. The criteria aim to reduce subjectivity, improve consistency, and better
25 align our enforcement actions with their actual safety impact, particularly

1 during inspections of lower risk programs such as the engaging licensees
2 seen on the slide. Staff training sessions were recently held on the new
3 criteria, including healthy discussions on the new examples. As staff
4 implement the new criteria, any discrepancies identified with the
5 enforcement policy will be addressed through a new formal feedback
6 process. Next slide, please.

7 Currently, the Federal Materials Program is focused on a
8 few key areas. As previously mentioned, the program was disparate in
9 branch focuses and processes across the regions. Following the
10 reorganization, we're focused on improving consistency. In the short term,
11 we are evaluating and developing different tools to improve our consistency
12 with enforcement actions across the different branches. Similarly, NMSS
13 has already implemented a single office-wide log for concurrences and
14 administrative processing of staff-generated documents, allowing for easier
15 sharing of resources and support between the divisional administrative staff.

16

17 Longer term, we're looking to expand our inspection and
18 licensing cross qualifications as well as qualifying across functional areas
19 such as medical personnel cross-qualifying in commercial industrial areas.
20 As an example, here we have inspection and licensing staff from our
21 Western branch working together on a review. Another focus area is on
22 addressing span of control issues resulting from the reorganization. We
23 recognize, going into the reorganization, that consolidating functions would
24 dramatically increase branch sizes by reducing the number of branches
25 within DFMP by half.

1 We decided to move forward with this structure given
2 anticipated process efficiencies and synergies within the inspection and
3 licensing programs. Consistent with the LEAD model, we continue to
4 evaluate the reorganization's impacts and will self-correct or pivot as
5 necessary. In fact, the division has already taken actions to alleviate some
6 of these pressures. For example, the division has increased the
7 independence and authority of our staff, particularly the senior health
8 physicists, by implementing best practices across branches.

9 In Inspection and Licensing Branch Central, previously
10 Region III, we've adopted practices from other branches by assigning senior
11 health physicists to lead various functional areas such as escalated
12 enforcement, allegations and event response, and routine inspections and
13 scheduling. Further, we plan to enable more decision-making at lower
14 levels through a pilot project that will empower senior health physicists to
15 sign out clear inspection reports.

16 Finally, we're looking to implement a singular national
17 inspection and licensing program. Prior to the reorganization, requests for
18 support needed to be coordinated between the different regional offices but
19 had been improving in efficiency. The reorganization has enabled us to
20 further enhance and streamline the process for sharing resources outside of
21 our assigned geographic areas. The reorganization has reduced the
22 barriers and hesitancy to request this support when needed.

23 We've seen many early successes in this area, as depicted
24 by our map on the slide, including Inspection and Licensing Branch West
25 supporting our Central Branch with event response for lost materials, Central

1 helping East with radiopharmacy inspection qualifications, and East helping
2 West with a Gamma Knife source exchange inspection. Next slide, please.

3 Looking ahead, we expect several significant changes
4 across the Federal Materials Program, and this reorganization will better
5 position us to manage those changes effectively. Several major
6 rulemakings, including parts 30, 35, and 37, are already underway. Our
7 regional staff have played an important role in supporting this work as well
8 as our broader implementation of the ADVANCE Act and executive orders.
9 These changes should drive greater efficiency, but they may require updated
10 guidance and training to ensure our staff are ready to implement them. One
11 such rulemaking is the new standard general licensing process. This
12 rulemaking is currently in the public comment resolution phase.

13 The proposed alternate licensing pathway would
14 streamline licensing and reduce the resources needed for lower-risk uses of
15 byproduct material. The standard general license would place key safety
16 and security requirements directly in regulations and allow eligible users,
17 such as the fixed gauge shown on this slide, to operate under a simple
18 registration rather than a full application. Similarly, we are expecting further
19 improvements in our licensing processes. We recently rolled out the ability
20 for licensees to submit their own applications directly through the web-based
21 licensing system, as seen here.

22 This new feature provides an efficient and secure method
23 for licensees to submit requests to the NRC. We have the potential to
24 further expand this flexibility in the future, in -- such as enabling reciprocity
25 request submittals. Finally, the reorganization create -- resulted in the

1 creation of a new inspection and enforcement support branch. Within this
2 new branch, an individual was recently selected for the role of developing
3 and revising NMU inspection guidance, while licensing guidance
4 development remains with NMSS's Division of Material Safety, Security, and
5 State Programs.

6 This new role will perform metric tracking to ensure
7 continued high performance and timely resolution of issues, serve as the
8 coordinator for knowledge management for CNMI, and play a key role in
9 helping to ensure the success of our response to the new rulemakings.
10 Overall, the reorganization has resulted in a more integrated, responsive
11 organization. We're tearing down barriers, improving consistency, and
12 focusing on efficiency improvements across our programs. We're
13 empowering our staff and focusing on the most risk-significant issues.

14 There's still significant work ahead of us, but the
15 reorganization will enable us to meet these challenges and enact meaningful
16 change. Thank you for your time. I will now turn the presentation over to
17 Dr. Lizette Roldan-Otero, who will discuss Agreement State support.

18 DR. ROLDAN-OTERO: Thank you, Jonathan, and good
19 morning, Chairman and Commissioners. I am truly excited to have this
20 opportunity to talk about the reorganization efficiencies and some examples
21 of Agreement State support that we have provided. Next slide, please.

22 During the reorganization, we brought to fruition a
23 conversation we've been having for decades but had never implemented,
24 consolidating the regional state agreement officers or state agreement
25 officers into one branch under NMSS. This decision aligned the SAO's

1 responsibility with the headquarters organization already managing most of
2 the Agreement State activities. In the top left picture is the new state
3 agreement and liaison branch, and the five SAOs are in that picture. This
4 single structure strengthens collaboration, bench strength and enables
5 equitable and flexible workload distribution. It also streamlines the
6 significant event reporting, leading to faster awareness, stronger
7 coordination, and consistent messaging across NRC leadership.

8 The branches all reporting to one director has started to
9 modify our thinking on how we approach non-routine, high-risk inspections
10 as well. Prior to the reorganization, the inspection branches worked well
11 together in covering routine inspections that fall outside of our geographical
12 area. At the beginning of the fiscal year, we sent everyone emails of where
13 we were, where we would have routine inspections outside of the area, and
14 they would cover it.

15 However, non-routine, high-risk activities often arise with
16 little notice and can be challenging to cover because they often require
17 adjustments to travel or deferral of planned inspections. Now we're starting
18 to take a broader approach to cover these non-routine inspections more
19 efficiently without necessarily disrupting planned inspections by using
20 resources available in the other branches. This happened post-reorg, as
21 Jonathan alluded or mentioned, when ILB East supported ILB West in a
22 non-routine inspection of a Gamma Knife source exchange, allowing ILB
23 West inspectors not to have to modify their scheduled inspection workload.

24 Ultimately, these changes weren't just organizational.
25 They were strategic. They enhanced our consistency, improved

1 communication, and streamlined decision-making. Last on the slide, the
2 picture to the right highlights another performance-based, non-routine
3 inspection at a temporary job site with one of my inspectors, Kyle Bischoff,
4 and observing a licensee explain how they properly mark a terrain before
5 they take a measurement. Next slide, please.

6 Another area where the NRC has made improvements with
7 our Agreement State Program is in the Integrated Materials Performance
8 Evaluation Program, or IMPEP. The pictures on this slide show two IMPEP
9 teams. On the top, you see the team that was comprised for the NRC
10 IMPEP, and on the bottom was the NRC IMPEP for Washington. Over the
11 past year, we've made meaningful, tangible improvements to the IMPEP
12 program. These efficiencies are expected to save half a full-time equivalent
13 and \$100,000 across NMU and NMU invitational travel. These
14 improvements already strengthen our ability to support the National
15 Materials Program and ensuring greater consistency across all licensing and
16 inspection activities.

17 First, under the unified organizational structure, where all
18 license reviewers, inspectors, and SAOs now align within one office, this
19 change has opened the door to true resource pooling. It means IMPEP
20 teams can be built based on specific skills and experience needed for each
21 review without leaving gaps elsewhere in the program. Internally in the
22 branches, this will significantly improve our flexibility, our depth of expertise,
23 and our ability to respond to emerging issues or inspections across
24 geographical boundaries, as I've highlighted previously.

25 The reorganization also helps the NRC improve the

1 inspection and licensing work. These improvements translate into an
2 opportunity of much greater consistency across the branches in how we
3 perform license review and inspection reporting. Under the previous
4 structure, multiple division directors, each with their own expectations and
5 priorities, sometimes introduced unnecessary variation. By placing these
6 functions under a single division director, we've eliminated divergent
7 direction and strengthened alignment.

8 Everyone now can operate from one coherent strategy,
9 one set of priorities, and one clear message. Overall, these changes
10 collectively reinforce our commitment to consistent, high quality licensing
11 and inspection work nationwide. Next slide, please.

12 The last thing I will talk about, and where I was hoping to
13 spend most of my time, is the support we've provided to the Agreement
14 States. That's me with the OES board members in the lower left picture.
15 We have been constantly learning and looking for efficiencies on how to
16 improve our processes. Let's first talk about when a state becomes an
17 Agreement State.

18 We took lessons learned from the processing of the
19 Connecticut Agreement and applied those to the Indiana Agreement. The
20 Connecticut Agreement took one year. The processing of the Indiana
21 Agreement took eight months, based on improvements to our review
22 process. I'd like to highlight the training from Indiana license reviewers and
23 inspectors drew on expertise from across the agency, ensuring that Indiana
24 staff were exposed to training, trainers with diverse backgrounds,
25 experiences, and technical strengths. The top picture on the slide shows

1 the staff that were involved with the Indiana Agreement.

2 In addition to supporting newer Agreement States, NRC
3 support continues to be both targeted and strategic across the NMP. The
4 agency routinely leverages staff to help Agreement States experiencing
5 workload pressures or qualification gaps. This mirrors our broader
6 approach to allocating experienced resources where they can make the
7 greatest impact on licensing and inspection programs.

8 For example, when Maryland needed licensing training,
9 the support was provide -- provided from staff outside ILB East. When a
10 regional branch needs licensing or inspection support, the other branches
11 step up to assist. When trying to assess Washington's program, we drew
12 from expertise across the regions. Expanding on that last example, when
13 Washington's Agreement State program experienced a major loss of
14 experienced staff midway between IMPEP cycles, it created vulnerabilities
15 across its entire program.

16 This challenge was quickly communicated to the NRC
17 through the SAO, and the agency responded rapidly. The assessment was
18 performed by NRC staff. However, post-assessment support was
19 coordinated not only with NRC staff in -- across geographic locations but
20 also multiple Agreement States, including Texas, California, Arizona, and
21 Oregon. This broad partnership ensured Washington can maintain critical
22 licensing and inspection work during the staffing challenges. With this
23 sustained support, Washington restored its program, as confirmed by their
24 latest IMPEP evaluation, illustrating that the National Materials Program can
25 accomplish what -- what the Na -- the National Materials Program can

1 accomplish when we work collaboratively to address urgent challenges.
2 This is the model we continue to rely on, and one that has proven effective
3 time and time again.

4 Finally, the NRC staff remains deeply committed to
5 supporting the Technical Training Center and ensuring high quality,
6 nationally consistent training. We rely on instructors with varied levels of
7 experience, from recently qualified inspectors that bring real world
8 experience to senior technical specialists, to strengthen core qualification
9 pathways. Just as importantly, our Agreement State partners have become
10 integrated as TTC instructors as well, providing a blended learning
11 environment that reinforces national expectation and strengthens credibility
12 through real world state regulatory experience. The example I have
13 mentioned reflect a powerful truth. The National Materials Program is
14 strongest when its partners work together.

15 Through coordinated training, targeted assistance, early
16 communication, and shared expertise, we continue to uphold a consistent,
17 effective regulatory framework that supports every Agreement State, from
18 those newly joining the program to those rebuilding their capabilities. I will
19 now pass it back to Sabrina for closing remarks.

20 MS. ATACK: Thank you, Lizette, and thank you to all of
21 our panelists. I think they've presented wonderful characterizations of the
22 change that CNMI has undertaken and also the really important role of the
23 organization and just how much it touches the lives of Americans. And so,
24 very proud of the program, and thank you all for your efforts. We'll be happy
25 to field questions from the Commission.

1 COMMISSIONER WEAVER: Okay. Thank you for all
2 the panelists. Appreciate your preparation and presentations. I'm going to
3 just jump right into it.

4 So, on Agreement States, it was a -- a couple months ago
5 we had a Commission meeting with Agreement State representatives, and
6 there was a topic about support training on fusion machines, and you talked
7 a little bit about training. I'm just wondering, can you provide any updates or
8 insights as to what we're doing to help states be ready to regulate fusion
9 machines?

10 MS. ATACK: I can start. And then Lizette can correct
11 me. So I just returned from a fusion panel. So I was lucky enough to travel
12 with Ed Harvey, who's our, I think, fusion guru is how we would characterize
13 his role in the agency. So, two training courses have been developed for
14 fusion. And they're self-guided, so that allows the Agreement States to
15 participate, you know, remotely and allows, you know, the flexibility to fit it
16 into their existing schedule.

17 So, you know, we've identified basic fundamentals, I think,
18 as the priority for the current time being to help Agreement States come up
19 to speed and be ready to regulate fusion machines. You know, a lot of the
20 expertise for regulating fusion machines is in the Agreement States right
21 now, actually, because that's where we've seen a lot of the licensing take
22 place. But it's our responsibility and honor, really, to have the program and
23 help deliver training.

24 So, we have two self-guided training courses available.
25 We're looking at what the needs are moving forward. But, also, there's a

1 standing committee that's been formed among Agreement States, and with
2 NRC participation, to share lessons learned in fusion regulation and help
3 identify the progress of the fusion industry and then needs moving forward
4 for training, benchmarking, licensing expertise. So, if there's a state who's
5 reviewing an application and needs support, you know, looking at other
6 states' support or NRC support, to make sure they can close any gaps that
7 are existing in the program.

8 So I'll let the other panelists chime in and add some more
9 details.

10 COMMISSIONER WEAVER: Yep, I'm good. Thank you.
11 I want to try to get a few more questions in.

12 So, Jamie, you mentioned, on Slide 33, I think it was,
13 about the connection between licensing and inspection. And, you know,
14 really, I think you're discussing an opportunity for improvement there. I --
15 having had the pleasure to work for a licensee for NMSS, this was always
16 one that I -- an opportunity that I think needs to be latched onto, both in
17 terms of having the inspection group help with licensing, because I think
18 sometimes we issue way too many license conditions, and the region's like,
19 what the heck? And also sometimes in oversight, you know, it's almost like
20 it, in the past, it's been like dealing with two different agencies, the region
21 and headquarters.

22 Could you just speak a little bit about maybe some of the
23 details of what you're doing there? And how are -- and when there's
24 differences of opinion, how do they get resolved?

25 MS. PELTON: Sure. Thank you for that question, sir.

1 So, that connection between inspection and licensing is one of the biggest
2 benefits of the reorganization, and we are laying the groundwork for that now
3 and are going to continue to build -- to build on what we're doing now.

4 So, as I had mentioned, one of the things that we identified
5 early was the need to better integrate things through, you know, licensing
6 reviews, pre-application engagements, audits, to ensure that our inspection
7 staff and our licensing staff are engaged. We've seen great benefit from
8 this and, you know, continue to build on that with, like, fuel facility inspection
9 and licensing, especially with new entrants coming in to apply for licenses at
10 the NRC. Our staff in DFIT are closely engaged with the division -- the
11 division of fuel cycle to make sure that they have an understanding of what's
12 coming, provide their perspectives, and ensure that what's licensed is
13 inspectable. We're also working to streamline our inspection programs to
14 provide the right level of oversight to the facilities for their risk profiles.

15 COMMISSIONER WEAVER: Thank you. Staffing. It
16 looks like maybe you're 10 percent or so under the authorized allotment for
17 this -- I guess it's already fiscal year '27. Do you have any challenges
18 reaching -- sorry about that -- authorized limit, or do you need any other
19 support?

20 MS. PELTON: No. Staffing is a focus across NMSS,
21 and, you know, one of the challenges that we've seen is workload on the
22 staff, mostly as a result of staffing. As an office, in the last two days -- well,
23 since the reorg, but especially in the last two days, we're working on
24 prioritizing those vacancies, you know, working with OEDO on the
25 streamlined process for hiring, and thinking about what creative solutions we

1 can have for recruiting folks in and hiring externally.

2 You know, even as a very recent example, the Office of
3 Research reached out and said that they were attending -- they're going to
4 be attending a NUPOC event for recruiting folks from the nuclear Navy, and
5 asked how they can support there. So we've got cross-office collaboration
6 and within the office are thinking about what we can do to creatively bring
7 people in. That is definitely a focus area of ours.

8 COMMISSIONER WEAVER: Thank you. Jared,
9 obviously, you have a very diverse set of licensees in your area,
10 geographically as well as functionally. Have you gotten any feedback from
11 licensees in your area about the changes that we've made and are making?

12 MR. HECK: The feedback I hear from licensees typically
13 has to do with our licensing work, and it's positive. I would say that, from
14 my point of view, in the NMU licensing arena, we have been operating with
15 the concept of enabling technology for quite some time. A recent example
16 was: I got a wonderful email from a director at NASA thanking me for the
17 work an ILB West reviewer here in Region IV did to enable some rapid
18 licensing of technology they needed to support the Apollo -- I'm sorry, not the
19 Apollo; the Artemis mission. So it's generally been positive and around our
20 ability to quickly turn around and service the licensing needs.

21 COMMISSIONER WEAVER: Great. I have one last
22 question. So, Jared had spoken at some length about how risk in -- they're
23 using risk informing. I didn't hear so much on outside of the materials.
24 What are you doing in NMSS for, I guess, DFIT to be more risk-informed?

25 MS. PELTON: Yeah, absolutely. Thank you for the

1 question. So, recently, so, DFIT has been working to streamline our
2 Smarter Inspection Program for fuel cycle facilities. We held a public
3 meeting back in August to present it to the industry and get additional
4 feedback. We're working towards implementation streamlining inspection
5 procedures, reducing redundancies and -- or eliminating redundancies, and
6 focusing on the areas of most safety significance. So we are going through
7 a program update, and I believe we'll imminently be communicating via CA
8 note some of those updates that we are making to that program.

9 COMMISSIONER WEAVER: So what's sort of the
10 timeline for completion of that effort?

11 MS. PELTON: So, the implementation of that effort, the
12 exact implementation date I need to get back to you on, but it's coming soon.

13 COMMISSIONER WEAVER: All right. Thank you. I
14 don't have any further questions. Thank you, Chairman.

15 MR. NIEH: Thank you, Commissioner Weaver. Okay.
16 Great presentation. I really enjoyed the material, and I think you all gave
17 me a very clear picture of how the LEAD Framework is moving through the
18 CNMI organization. So thank you very much for doing that.

19 One thing that stood out to me that was pretty interesting
20 was that, in your presentation -- I think it was in Jonathan's -- you talked
21 about the rulemakings and things that are happening in materials licensing
22 and medical uses and things like that, and the impacts into the program.
23 And I'll just be honest, when I talk to other regional inspectors, particularly in
24 the reactor programs, I rarely hear anybody talk about some of the
25 rulemaking changes that are happening, so I'm kind of wondering what that

1 is. And, Sabrina, I'd ask you and Mike to kind of reflect on that.

2 It just could be the difference in the nature of the business,
3 but, if we zoom out, we're making huge changes to our regulatory
4 frameworks, all the way around the entire nuclear fuel cycle, front end to
5 back end. Tell me about how we're going to get our regional teammates
6 here up to speed on what's happening. I was out at the TTC not too long
7 ago, and I offered a -- maybe a little bit of a challenge or thought there that
8 maybe they could have a role in teaching our inspectors, but tell me your
9 thoughts. Tell me about that.

10 MS. ATTACK: Yeah, thanks for the question and -- and the
11 challenge, if you will. I will say that when I was here a few months ago for
12 the regional counterpart meeting, I did hear a curiosity from both the reactor
13 and materials staff to better understand what's happening in the rulemaking
14 space and how it will, you know, have future impacts to their oversight
15 responsibilities. So I think the interest is there. There's certainly an
16 opportunity for us to look at how well we're communicating the impact of the
17 rule changes and then what that will look like in the oversight program.

18 But, in that regard, there's a concerted effort, and Andrea,
19 the office director for NMSS, has been engaging with Research to identify a
20 strategy to help prepare for the training that will be needed once the rules
21 become final, so that we -- you know, once we know what the changes look
22 like, so that we can arm our inspectors with an understanding of what this
23 means for them, their familiarity with the changes to the program, and then
24 what that will mean in inspections space. So, you know, both from a
25 general familiarity of, you know, what's changing in ALARA LNT, for

1 example, and how that might, you know, impact inspectors to materials
2 licensing and oversight. So there's a plan to engage research, see how
3 they can help. We recognize that it will be very important to have training to
4 help our inspectors understand what this looks like for them, and then also
5 to, you know, update our inspection procedures as necessary to be
6 conforming with the changes.

7 CHAIRMAN NIEH: Did you want to say something,
8 Jamie, or --

9 MS. PELTON: She covered it.

10 CHAIRMAN NIEH: Okay, great, great. Yeah, I think
11 about this a lot, you know, similar to, you know, what Commissioner Crowell
12 mentioned in the previous panel. I really am looking ahead to execution,
13 right? It's one thing to make all these changes to our programs and our
14 rules that we're developing right now, but the success of what we're doing in
15 this reform is not just the publishing new rules in the Federal Register or
16 publishing new processes and procedures. It's the decisions and outcomes
17 that we achieve through how we execute.

18 So I'm really focused on execution in the long run here,
19 and I really think it's important that we kind of bake that in because the
20 things that you're doing now are just awesome; like, between this panel and
21 the last panel, I am so impressed with what you all have done and how hard
22 the regions have worked to really drive these efficiencies, to learn from the
23 experiences we've had with decades of implementing the oversight
24 programs. That's great for the nuclear energy system that exists today.
25 But we really need to think about the next era of nuclear safety regulation,

1 with new technologies and especially these new rules and things that we're
2 going to have to inspect against. So, please think about that.

3 Hey, Jared, you mentioned, you know, getting the regions
4 together, best practices, and you know, I think if you have four different ways
5 of doing things, by definition, one of them is the best. So can you give me
6 an example of how you've gotten everybody together, looked at all the
7 different ways, and how you've basically selected, hey, this is the best way
8 we're going to do this as an agency? And, you know, were you able to get
9 a consistent new direction consistent across all four regions, or did you face
10 some challenges and struggles?

11 MR. HECK: Thanks for that question. Yeah, there are
12 many different ways, and many different good ways, to attack any problem.
13 So it is -- in the first 100 days, a lot of it is identifying the differences and
14 trying to encourage and create the culture that says drive to a best solution.
15 You asked me for an example. Jonathan mentioned one where we're
16 assigning senior inspectors functional areas of responsibility. So that is
17 something that had happened here in Region IV. We hadn't adopted it in
18 Region III. We have now, and it makes work easier. It makes the branch
19 chief's life easier, for example.

20 Another is in the enforcement arenas. We had some
21 different practices occurring regarding, well, what I'll say are the interfaces
22 between several teams that are now participating and driving us to
23 decision-making. I heard feedback again from staff here in Region IV, and I
24 addressed that. I just engaged, called the right people, and said, here's
25 what I expect. That is then pushed through the teams, through counterpart

1 calls and discussions, and we're able to get some alignment and fix that.

2 CHAIRMAN NIEH: Yeah, you know, my feeling and
3 thought for you, LaDonna, and Jamie, you know, I really love the
4 CNRI/CNMI model. Like, I'm thinking corporate functional area, right? You
5 are the CFAMs for these programs and, by definition, you ought to have 51
6 percent of the vote. So I really encourage you to continue to get the best
7 practices out of the regions, but make the decisions on what's best for
8 implementation and create the expectation for, you know, that performance
9 across the regions.

10 Hey, real quick. High span of control and the branch size,
11 both you and John mentioned that. Give me a number. How big are these
12 branches?

13 MR. HECK: Well, we have one branch that's got 17 staff
14 to one supervisor at the moment.

15 CHAIRMAN NIEH: Oh, that's big.

16 MR. HECK: Another, I think, is 15:1 and 14:1, if I'm not
17 mistaken, off the top of my head.

18 CHAIRMAN NIEH: Okay, thank you.

19 MR. HECK: And we're-- so we're meeting to discuss
20 those things and what needs to happen.

21 CHAIRMAN NIEH: Okay. Materials inspection program.
22 I know the previous panel touched on some of the things that were
23 happening in enforcement and allegations. So, you don't have an ROP-like
24 system with a significance determination process. You're driving
25 significance categorization largely by enforcement manual, right? Am I

1 correct on that?

2 MR. HECK: Correct.

3 CHAIRMAN NIEH: What are you guys thinking about in
4 terms of any tweaks to the enforcement manual and how you make that
5 more risk-informed? Can you give us -- give the Commission some insights
6 on that?

7 MR. HECK: Well, I -- yes. I believe we have a lot of
8 room for improvement and change in our enforcement policy. When I look
9 at how the CNRI functions, how the NRC has functioned in the reactor
10 oversight role for many years, and compare that to how the materials
11 program has functioned through traditional enforcement, it's evident there's a
12 big difference. And one of them is we don't have as much flexibility to
13 change what the risk thresholds and standards, et cetera, are in an
14 enforcement policy, which is a Commission policy statement that requires
15 Commission approval.

16 In the ROP world, that authority and flexibility has been
17 given to the staff to say, here's how we're going to assess significance, and
18 we modernize and update that more routinely. So I think there's a
19 possibility there for consideration.

20 CHAIRMAN NIEH: Okay, well, I think the EDO and EDO
21 staff ought to think about whether Commission engagement's needed. I
22 think you have a Commission here that's demonstrated through its actions
23 that we are acting timely and thoughtfully on proposals that you all develop
24 to make our programs better, to make them more risk-informed. So, again,
25 I'm not saying go write a Commission paper, but if you need to, do it, right?

1 Okay.

2 Agreement states, right? One of the most important
3 partnerships the NRC has with the vast majority of licensees that, you know,
4 are in the United States here, and it's important that it continues to remain a
5 coherent national program with the right, you know, level of compatibility to
6 function as such.

7 Can you tell me about, with the changes we're making
8 here in our oversight programs -- and I know there's a lot of feedback we're
9 getting from Agreement States in the rules -- what does the Commission
10 really need to be thinking about here when we go into execution in terms of
11 any unintended consequences of the coherency with the National Materials
12 Program? Like, what's on your mind, what are you worried about, and
13 where does the Commission need to be alerted about these potential issues,
14 and how can we help?

15 DR. ROLDAN-OTERO: So, thank you for that question.
16 When I was at the Organization of Agreement States meeting I did a lot of
17 trying to get feedback from the Agreement States on had they had any
18 effects on the reorganization from the SAOs. That was positively received.
19 I think one of the concerns that they do have is for the EO 14300 changes
20 that are coming and what that means for the compatibility state reviews that
21 they will have to adopt and then submit to us, and then the workload that
22 we'll get in ensuring that those are compatible. But, outside of that, I think
23 the biggest thing was the 14300 changes, is what I heard.

24 CHAIRMAN NIEH: Okay, so you're not seeing anything
25 now with the changes you're making with our inspection program that has

1 any spillover into any issues there?

2 DR. ROLDAN-OTERO: No.

3 CHAIRMAN NIEH: Okay. All right. Very good. Thank
4 you. Commissioner Wright?

5 COMMISSIONER WRIGHT: Thank you. Thank you for
6 your contributions today on this panel. This is -- materials is huge. It's a
7 big area, right? And so, thank you for what you've done.

8 And, Lizette, I can't help but smile. I remember, right
9 post-COVID, I came down here for the Region IV picnic, their summer picnic.
10 You remember? You joined me on my ragtag group of ballplayers and we
11 took on Scott Morris' behemoths and we won the wiffle ball world
12 championship.

13 DR. ROLDAN-OTERO: Yeah. We joined the right team.

14 COMMISSIONER WRIGHT: Yes, we did. That's right. I
15 still have my trophy. Yeah, so, anyway, I'm -- I'm remembering that as I sit
16 here, because a number of you in the room here, you all played that day,
17 too. That was a lot of fun. Good bonding opportunity.

18 So, Lizette, I'm going to start with you and kind of pick up a
19 little bit on the Chair on the Agreement State program. That's huge, right?
20 But I think there's a nexus with the program that ties directly to the TTC as
21 well and training, because the more Agreement States we get, the less we
22 do from an inspection program in certain areas because we turn it over to
23 them, but we're still responsible for training.

24 DR. ROLDAN-OTERO: Correct.

25 COMMISSIONER WRIGHT: Right? And so that part's

1 huge. But then you add on what's coming from the rules, you know,
2 changes that are coming down the pipe that they are going to have to be
3 involved in, I would think, you know? And I heard yesterday, in the
4 meetings here, that there is some concern about the TTC, but it's not
5 concern that they can't do it or that we can't get it done. It's more -- I was
6 feeling that they feel that there's an opportunity for us to turn that TTC into
7 something that can be really, really strong, you know, and can be a shining
8 star for the agency in a number of areas, and I think we've talked about
9 those things here.

10 Chair, I don't know exactly how to go from here on that and
11 who to talk to, but I'll start with Mike King at some point, you know, to see
12 what we can do to help beef that up. I know that it's been a little bit of a weak
13 spot because we lost some people, but heard Region IV shifted somebody,
14 brought him out of retirement and sent him down there. Those kind of things
15 right now are needed, you know? So that's thinking outside the box. It's
16 being intentional. I think those are great things. However, I, as a
17 Commissioner, and I believe I speak for my colleagues, we're willing to lean
18 in on this, too. It's very important.

19 So, from the perspective of the Agreement States, what
20 feedback have you received about their future training needs specifically?
21 You know, are there other initiatives or adjustments that staff has discussed
22 or could discuss to better serve their needs, meet their needs, right?

23 DR. ROLDAN-OTERO: Yeah. I want to touch to
24 something that you said earlier before I answer that question, though, in that,
25 you know, one of the things that we appreciate is the Agreement State

1 program and how many Agreement States that are coming onboard. So we
2 have incorporated them not only into the TTC classes, but also in the IMPEP
3 teams as team leaders. We're starting to train them up in that, too, to bring
4 them in so that they can also help with those resources.

5 And then to respond -- now I lost my train of thought of
6 what I was going to respond to yours. What was the question again? I'm
7 sorry, Chairman, because I wanted to get that other piece.

8 COMMISSIONER WRIGHT: About their needs, the
9 training.

10 DR. ROLDAN-OTERO: Oh, their needs. Actually, we get
11 overwhelmingly positive reviews of our training center and the training and
12 what we provide in training. And the Agreement States know and are
13 comfortable coming to the NRC when they have training needs that are
14 outside of what we provide in TTC. And we've actually gone to an
15 Agreement State and provided training there. We've held classes outside of
16 the TTC to help them. And, in addition, one of the things that we do
17 routinely in the inspection program in the materials side of the house that's in
18 IMC 2800, for example, is when we go out to an Agreement State, we let
19 them know we're coming, and that's another opportunity for training for them.

20 And a lot of the times, we have inspectors from Agreement States, whether
21 they're getting newly qualified or whether they've already been qualified,
22 joining our inspectors and gaining that experience and seeing how things are
23 done a little bit differently when we go out and inspect.

24 COMMISSIONER WRIGHT: Right. And, Chair, if I
25 might, I want to add something, kind of piggyback on something, and offer a

1 concern that I have in your question earlier. I want to be sure that --
2 because the Agreement States are concerned about this -- we don't
3 need -- we spent a lot of time taking walls down so that we could become
4 more of a partnership with them, right? And I don't want anything to happen
5 that puts walls back up or partitions them off and the -- or cuts them off from
6 something, because it's important that it helps us build that cohesive
7 inspection, you know, dynamic that we need. And these states, if we adopt
8 a rule or we do something that is not something their state is going to look at
9 favorably, then we might be looking at causing a problem unnecessarily.
10 That would be an unintended consequence, I think. And they're trying to let
11 us know. They're trying to be a part of that process. So I do appreciate
12 your -- your at least being aware of that and your concern about it.

13 Jamie. Thank you for yesterday, by the way. That was a
14 good meeting. In the briefing book, and we talked a little bit about this
15 yesterday, talk about this add/shed. You know, there was some concern
16 about this expressed yesterday, so the whole add/shed deal and the
17 delegation of signature authority procedure. Can you update us on the
18 status of the documents and including whether NMSS's instruction has been
19 issued for it yet?

20 MS. PELTON: Yes, we have just recently issued the
21 instruction for add/shed, and that's something that we are emphasizing with
22 our staff and training our staff to really take a step back and say, what are
23 the things that we are doing that we either need to defer or shed, and really
24 encouraging staff to take that action. We're trying to reduce barriers to
25 making those decisions and moving on with the work that is the most

1 important and trying to address the workload challenges that we have. For
2 our delegations of signature authority, the issuance of that is imminent.

3 COMMISSIONER WRIGHT: So when you're looking at
4 these changes in improving efficiency or clarifying decision-making, all those
5 things that go to try to help staff, where are the bottlenecks? Are there
6 going to be bottlenecks? Have you identified anything yet?

7 MS. PELTON: I mean, so, some of the things it's -- when
8 we think about the workload challenges, it's making the determination of
9 what we can actually shed. So, yesterday, I had an opportunity to have
10 one-on-ones with a number of the inspectors here. And there is so far that
11 we can defer inspections to make sure that they're still within our program
12 requirements. We obviously are not going to shed inspections. There are
13 -- you know, so we go through tiers. We have to train new folks. That
14 takes staff time. And it's getting to that decision point of what can we
15 actually shed or defer and what is still critical for the program.

16 So, in some areas, we are at the point where maybe some
17 of the program development is going to be put on the back burner because
18 we have to focus on training staff.

19 COMMISSIONER WRIGHT: Right. Thank you.

20 MS. PELTON: Thank you.

21 COMMISSIONER WRIGHT: Jonathan, how are you?
22 So, I believe in cross-training, right? It's something that we're known for,
23 and I think it works. But especially for our resident inspectors. Now our
24 inspectors are -- and our inspectors overall, right? So, as you noted, a
25 long-term goal for the organization is to expand the inspection licensing

1 cross-qualification, you know, kind of across all functional areas.

2 Talk to me about maybe any barriers that you foresee to
3 making that happen and what, if any, additional tools or training or
4 leadership support or resources that you think would be most helpful, right,
5 to help facilitate that cross-training?

6 MR. PFINGSTEN: Sure. So, the biggest barrier, really,
7 just is, you know, the time, resource capacity, of our various staff. You
8 know, we've lost a number of our more senior staff members over the last
9 couple of years. So, just having that extra bandwidth to take additional
10 people out, that's one of the biggest barriers we have. Also, just with the
11 significant workload -- you know, I'm in inspection and licensing branch
12 central. So, obviously, for the last several months, we've been
13 hyper-focused on the Indiana Agreement State transition, right?

14 COMMISSIONER WRIGHT: Right.

15 MR. PFINGSTEN: And in order to support that, we had to
16 pull a lot of stuff up. So -- and we were focused on helping to train up the
17 Indiana staff members. You know, now that some of those have passed,
18 we have a little bit more capacity to do that. And, as an example, you know,
19 going into next year, one of the things we're already discussing is we have a
20 couple of large broad-scope inspections for which, you know, broad scopes
21 can prove their own users -- uses, areas. So it helps having a licensed
22 reviewer there to help review what the licensees are doing. And if we're
23 going to have licensed reviewers look at that, we might as well have them
24 come with us on the rest of the inspection.

25 So having the management support to, you know, take

1 some of these licensed reviewers, have them on the road with us as
2 inspectors, is paramount. You know, I grew up in the Region I model where
3 it was inspection and licensing within a given functional area. I know they're
4 focused on giving a more broad exposure to their staff, including the ones
5 already going through training as well.

6 So it's really just having that capacity and that
7 management support to allow trainees, and even qualified people who want
8 to just expand and broaden their horizons, giving them that opportunity to get
9 out on the road. And, you know, in reverse, licensing, you know, as an
10 inspector getting that opportunity to tear into the actual licensing process,
11 reviewing applications, what are we actually considering -- you know, what
12 are they focused on, and why are the, you know, conditions crafted the way
13 they are -- that helps to broaden your perspective as an inspector as well.

14 COMMISSIONER WRIGHT: Thank you very much. And,
15 Jared, I don't have a question for you. Just appreciate your thoughtfulness
16 and the way you've explained everything and that you recognize that there
17 are changes that can be made, and thank you for that.

18 Thank you.

19 CHAIRMAN NIEH: Commissioner Crowell.

20 COMMISSIONER CROWELL: Thank you, Mr. Chair. And,
21 Jared, don't worry. I got you covered here.

22 First of all, thank you all for your presentations. This is
23 helpful. I just want to emphasize that, you know, this Commission meeting
24 is helpful for the Commissioners themselves to, one, better understand the
25 reorg that we, you know, helped design and approve and how it's working. I

1 don't think anybody that's up here think that you ever design the perfect thing
2 the first thing out of the gate. So we appreciate, you know, the insights and
3 changes that you're going to make along the way.

4 And from a very big picture perspective, when we were,
5 you know, developing the reorg and voting on it, you know, and bringing all
6 of our thoughts together, one thing I always want to keep in mind was, you
7 know, the big org chart, does it make sense? Does it logically flow? Does
8 it make clear lines of communication? Could an average person look at our
9 agency, you know, high-level org chart and understand what the NRC does
10 and who does what within that? I think we have some room for
11 improvement there, but I'll probably suss that out here a little bit in my
12 questioning.

13 I really like the fact that one outcome of the reorg was that
14 we have a CNRI and a CNMI, but there's an awkwardness as well because
15 the CNRI is a division head. And, Jamie, you've got a lot of titles. But so,
16 you know, like, how does the -- you know, given your different boxes, levels,
17 on the org chart, how does the CNRI and the CNMI interface with each
18 other, which you would assume they would?

19 MS. PELTON: Yeah, we absolutely interface with each
20 other. Jeremy, his deputies and I meet --

21 COMMISSIONER CROWELL: He's back there, if you
22 can't see him.

23 MS. PELTON: Yes, I kind of -- I can't see Greg, but I can
24 see Jeremy. Jeremy, Phil. and I meet regularly. As issues emerge, as
25 things come up, as we're considering changes or we hear about things that

1 CNRI is doing, we'll pick up the phone and call each other. Jeremy and I
2 have worked together for a long time and have that -- we have those regular
3 touch points to make sure that we're not operating in silos and that we work
4 closely together.

5 Enforcement is one of those areas that Shelbie
6 highlighted. Shelbie and Gerond George, our IESB branch chief, meet at
7 least once a week to make sure that we're aligned in where we're going in
8 enforcement. You know, as we heard yesterday, there might be additional
9 opportunities for closer engagement as well, but we're being very intentional
10 about ensuring that CNRI and CNMI are moving forward in the same
11 direction.

12 COMMISSIONER CROWELL: So there's no
13 awkwardness in terms of like when -- you know, if I'm the head of NMSS,
14 and, you know, that's parallel in the org chart with the CNRI, but you will fill
15 that spot as the CNMI instead of the head of the NMSS?

16 MS. PELTON: So, in terms of delegations of authority, we
17 are --

18 COMMISSIONER CROWELL: Let me put it this way.
19 When, Sabrina, you have the largest -- you have a huge portfolio as a DDO,
20 huge span. In your role as DDO, when you want to talk to the CNRI and
21 CNMI, do you bring Jeremy and Jamie in, or should Andrea be there?

22 MS. ATACK: Thank you. So, it really depends on the
23 issue, right? So, it depends on the level of detail we need to get into, right?
24 So, if we're talking about enforcement matters and we want to understand if
25 we're being consistent across CNRI and CNMI, we would bring in Jeremy

1 and Jamie. We'd bring in Andrea Kock as well, right? Because --

2 COMMISSIONER CROWELL: But Jamie doesn't have
3 the same authority to make decisions as Jeremy would because they're at
4 different levels on the leadership chart.

5 MS. ATTACK: I think their decision-making authority would
6 be pretty comparable, right? Because the roles and responsibilities that
7 they own as the CNRI or the CNMI are comparable, right? So, perhaps the
8 span of control in terms of the size of the program or the number of staff may
9 not be the same, but the responsibilities they hold as the CNRI or the CNMI
10 would be comparable, right?

11 COMMISSIONER CROWELL: So, Jamie, do you -- can
12 you sit in a meeting with Sabrina and agree to something, or do you need to
13 go back to Andrea before you can do it? Because Jeremy could agree to
14 something because he's the head of the -- that category. But how does it
15 work for you guys in practical implementation? Like --

16 MS. PELTON: So, I mean, in practical implementation,
17 Andrea and I work very closely together. We are aligned in
18 decision-making. And whether I'm in the room or not, I trust that Andrea
19 and I have aligned and are consistent in our approach going forward.

20 COMMISSIONER CROWELL: Okay. On paper, it looks
21 awkward. In practice, it may work, so we'll just keep talking. I'd like to talk
22 a little bit about the Federal Materials Program and the National Materials
23 Program, which, if you're an average person, you'd be like, what? And what
24 is the difference in scope or jurisdiction between the Federal Materials
25 Program and the National Materials Program? Is it just the same scope, but

1 one is led by the Agreement States and the other's led by the agency?

2 MR. HECK: So, I'll take the first crack at that, and that's
3 the -- when we say National Materials Program, historically, that's a concept
4 that encompassed the NRC's regulatory authority plus the Agreement
5 States' regulatory authority; that we should all be thinking, acting, operating
6 from some shared set of principles across this national program. The
7 Division of Federal Materials Programs, the name was chosen after some
8 considered debate, but the intent mainly is to convey that that's the NRC's
9 piece: the federal jurisdiction, the federal licensees.

10 COMMISSIONER CROWELL: So it's --

11 MR. HECK: The NRC, as the federal agency, has
12 materials licensees that include that -- that are federal.

13 COMMISSIONER CROWELL: But they're -- but beyond
14 that, too, not just federal. I mean, is it only federal agencies that --

15 MR. HECK: No, it's not only federal agencies. Private
16 companies and federal agencies, all the entities that we regulate as a federal
17 agency are in the Division of Federal Materials Programs. So your --

18 COMMISSIONER CROWELL: And how is that different
19 from what the Agreement States -- I mean, I guess they wouldn't have the
20 federal entities. They, as the Agreement States, wouldn't regulate a federal
21 entity in their state necessarily. Is that what you're saying?

22 MR. HECK: That is correct. They would not.

23 COMMISSIONER CROWELL: Okay. Lizette, do you
24 want to jump in here? I can see you kind of as -- yeah, go for it. Yeah.

25 DR. ROLDAN-OTERO: Did you see me?

1 COMMISSIONER CROWELL: Yes.

2 DR. ROLDAN-OTERO: Yeah, I think -- so, DFMP is, you
3 know, obviously, the non-Agreement States that we have. And we do have
4 jurisdiction in certain states where we have either a military base or
5 something where we go in. I think what the distinction we were trying to
6 make there is that these are federally under the NRC licensees facilities that
7 we -- that we oversee along with the broader National Materials Program.
8 The National Materials Program has been around for a long time, and it does
9 include our Agreement State partners. So I think that's the distinction that
10 we were trying to make. In ILB West, because I know those off the top of
11 my head, you know, Idaho, Wyoming, Montana, we go all the way to Guam.
12 All of those, you know, would be federal. And then --

13 COMMISSIONER CROWELL: Yeah. So, I mean, I've
14 got to say, I know probably us in this room that do this all the time, it may be
15 understandable, but it's kind of clear as mud if you take, like, a average
16 person perspective. And you hit on the next point, it's just, you know, what
17 was the thinking behind organizing into Central, East, and West, which we
18 don't really have that formulation anywhere else? We've got four regions.
19 How do you define Central, East, and West? And how does it match up
20 with the regions? And why did we intentionally create some confusion there
21 in terms of regional purview?

22 MR. HECK: Well, again, I can answer that. And I'll take
23 your feedback and consider it. The short answer is, in the -- you know, in
24 the immediate days running up to the reorganization, choices were being
25 made about nomenclature, and there were some surveys and

1 questionnaires, et cetera, some feedback provided on options. Ultimately,
2 Central, East, and West reflect or align with Central being Region III, which
3 has Midwestern states historically; East being Region I, which has handled
4 states, geographically, historically on the Eastern Seaboard; and West being
5 Region IV, historically handled states in the West.

6 COMMISSIONER CROWELL: Go ahead, Liz.

7 DR. ROLDAN-OTERO: And if I could add, there's a
8 special nuance in how we've traditionally handled the materials program,
9 right? So, Region I would traditionally take the sites in Region I and Region
10 II for the materials program, because Region II is a center of expertise, or
11 has traditionally been the center of expertise, for fuel facilities. So I think
12 that leads into the nomenclature shift, so it's not as focused on regions --

13 COMMISSIONER CROWELL: But we created that
14 nuance historically, which -- and there may have been wisdom at the time.
15 It's an awkward nuance now because it -- you know, just looking at how
16 things fit together and flow, it doesn't follow very well unless you know these
17 things. And then, from the titles of certain things, you can't distinguish a
18 difference. I mean, even if you leave it as National Materials Program and
19 Federal Materials Program, I'd put nuclear in front of it at the very least, so
20 you know what we're talking about as a average person looking at the org
21 chart.

22 I just -- you know, we're going to have turnover in our
23 stakeholders at all levels of government, particularly in Congress, and new
24 players in the game, and there's a lot of people coming to nuclear for the first
25 time that are trying to understand all this, and I want to make sure we're

1 communicating what the NRC does, how we do it, and why we do it. And I
2 think as we continue to reflect on our org chart and our reorganization, we
3 could bring things together in a little more succinct, understandable way.

4 So I appreciate that. That's all I have.

5 CHAIRMAN NIEH: Commissioner Marzano.

6 COMMISSIONER MARZANO: Thank you, Mr. Chairman.
7 Let me start my clock.

8 So, I think I want to, again, step back and talk about the
9 higher level goals of the reorganization itself. We kind of talked about that
10 at the top or in the previous panel. But I want to kind of maybe turn to some
11 of the between-the-lines things here, and one of those key elements for me
12 is an organizational structure that can, if I can use a nuclear reactor term
13 here, shrink and swell along with the work that is coming.

14 And so there are a number of dynamics in the materials.
15 So it's clear that this is a question that could apply on the reactor side with
16 the growth and licensing and then the subsequent growth and oversight that
17 will follow. But in the materials program, it's a little bit more of a challenge
18 because you have potentially more Agreement States coming on, and then
19 how that affects the current footprint of the federal materials program. And
20 so there's, like, a number of dynamics. And we currently have, you know,
21 it's -- the number of examples of how across the regions are working to kind
22 of be flexible and fill in where needs are. How are you thinking, again, into
23 the future and into implementation? Does the organizational structure now
24 kind of support some of those elements? And anybody can kind of chime in
25 as in their thoughts here.

1 MS. PELTON: Okay. I'll start and then turn it over to
2 others to add on. You know, it's very important for us to look strategically
3 into the future, you know, see where we are at now. And, you know, you've
4 heard about some of the challenges with branch size and workload and span
5 of control that we're currently dealing with. So, as a continually learning
6 organization, we're working to see how can we alleviate the challenges now,
7 and we also need to think about -- think strategically, what is the program
8 going to look like five years from now, 10 years from now, and how would we
9 flex and adjust to address that? So that's absolutely -- do we know exactly
10 what that structure is going to be now? No, but that is on the back of our
11 minds, for sure.

12 COMMISSIONER MARZANO: Okay. And maybe, you
13 know, pressing on something that you mentioned there, as the materials, I
14 guess, program kind of changes, and -- sorry, I've lost my train of thought.
15 I'm trying to come back to it. But maybe I'll kind of make a pivot right now.

16 Reorganization. Jared, you had a quote in here that
17 reorganization makes benchmarking and collaboration across business lines
18 or -- fulfills that promise, essentially. And so I'm kind of curious, you know,
19 we've covered some examples of how that works. But what is it about the
20 organizational structure itself and the -- and differentiating that from the
21 actions of the individuals implementing that structure that have broken down
22 those barriers?

23 Because, again, I think Commissioner Crowell hit it on the
24 head, and Jeremy definitely kind of showcased this for us as well, that
25 communication's extremely important here. And that includes, you know,

1 the sharing, exchange, cross-pollination of inspection teams, those kinds of
2 things. So, please, if you'd offer a little bit more insight.

3 MR. HECK: Yes, and I couldn't agree more. There's two
4 aspects. There's a processor structure aspect, and then there's behaviors.
5 And they're both very important. If you're asking me how's the structure
6 better, I'll give you a couple of examples. So, the Office of Enforcement
7 was taken and broken up into several components that were spread across
8 these two offices. Of necessity, we have shared roles and responsibilities
9 in reaching decisions in how we process the casework, et cetera. So we're,
10 of necessity, coordinating there and, therefore, learning about differences or
11 best practices or advantages in these different business lines.

12 And then the second example I'd give you would be -- well,
13 we saw it at our counterpart meeting. So, under CNMI we have multiple
14 business lines, not just NMU. We also have spent fuel storage and
15 transportation. We have fuel cycle facilities. And all of those people are
16 together. And in breakout sessions and on the margins, they start talking to
17 one another and, lo and behold, learn, oh, you're working on a licensing
18 action involving some pilot demonstration of a uranium hexafluoride facility?
19 How can I help you with that? I inspect those facilities. That would not
20 have, normally, naturally happened pre-reorg.

21 COMMISSIONER MARZANO: So it is some element of
22 bringing these groups together that has helped in that, but it still relies on
23 kind of the initiative of individuals. And so maybe that, you know, as part of
24 the LEAD Framework, you know, encouraging or creating those
25 opportunities and making sure that we have kind of a more systematic

1 exchange that's just built-in to folks every day.

2 Jamie, I did remember what I was going to say, but I'm
3 going to pivot, a little bit along the kind of growth piece, to Lizette. You
4 know, currently state agreement officers serving are 42 now, I believe.

5 DR. ROLDAN-OTERO: 41.

6 COMMISSIONER MARZANO: 41? Okay. Well, who's
7 going to be the next one? Somebody step up.

8 Do you think that we have any challenges in terms of their
9 capacity to support Agreement States, especially if maybe more states come
10 on, you know, as jurisdictions may shift between states, et cetera?

11 DR. ROLDAN-OTERO: Can you repeat that? I'm sorry.

12 COMMISSIONER MARZANO: Growth in the state
13 agreement officer program itself.

14 DR. ROLDAN-OTERO: Oh, yes.

15 COMMISSIONER MARZANO: Do we need more capacity
16 there? What are some of the challenges, or what are some of the potential
17 areas that would kind of think of -- go into thinking about expanding their --

18 DR. ROLDAN-OTERO: Yeah. So I know there's been
19 already conversations about expanding that group because of all of the
20 Agreement States that we're currently -- that we currently have at 41. And
21 there is another one that's probably into the group, which is West Virginia,
22 probably. So that would add another, 42. But there has been those
23 conversations.

24 I think one of the things that consolidating them into this
25 group did, though, was increase that pool. One of the things I heard in the

1 Organization of Agreement States meeting was, you know, first, they weren't
2 affected, but they were also -- they also noticed that, you know, when one of
3 them was out of the office, they had actually several -- the other SAOs that
4 they can reach out to. In the past, it was, you know, in previous Regions I
5 and IV, they had two, so they backed each other up. And now everyone is
6 backing each other up. But there are conversations about increasing that
7 pool.

8 COMMISSIONER MARZANO: So, now I'll come back.
9 You know, in the reorg, I fully understood and supported the goals of
10 flattening the organization, of building consistency in terms of
11 supervisor-to-staff ratios, and things like that. But, clearly, we're already
12 getting a little bit of a sense that we may need to make some adjustments.
13 You know, one of the things, especially for the deputies, is just the capacity
14 of the division directors themselves, and then how the deputy's role -- or the
15 deputy being removed, in certain cases, may add burden to branch chiefs.
16 And so I think that this is an ongoing thing. I understand that we still need to
17 develop and get down the road on some of these changes.

18 But, specific to when we would make a pivot, what kind of
19 metrics, what kind of measurements, what are you looking for to make an
20 ultimate decision to say, we're going to make a change and here's why?

21 MS. PELTON: Yeah. So, I'll give a couple of different
22 answers. I'll start within CNMI. You know, from the beginning of the reorg,
23 I heard concerns about branch size and span of control within DFMP, and
24 we wanted to give it a little bit of runtime to get a little more data and
25 understand where things were before we made a change too soon. You

1 know, a question came up during our counterpart meeting. As Sabrina had
2 noted, you know, at one year as an agency, we are going to look broadly at
3 the reorg. And the question came up, you know, do we have to wait for a
4 year? And our answer was a resounding no.

5 And, you know, so we're 100 days in. We are actively
6 working on looking at the DFMP organization and seeing how we can
7 alleviate those challenges in span of control. So, we are in the process of
8 that. Continual learning doesn't happen on a timeline. It happens as
9 things come up.

10 More broadly, as NMSS, we're having those active
11 discussions with our leadership team now on, you know, we have leaders
12 that are working on EO 14300 that are working without deputies. And we're
13 looking at what are the things that we can do. You know, part of it is
14 pushing decision-making downward. Part of it is seeing where can we add
15 additional support. But this is an ongoing process, and you know,
16 we're -- we will use data to see -- you know, data and immediate feedback to
17 see where we need to check and adjust.

18 COMMISSIONER MARZANO: And I think another
19 component there is just the leadership development opportunities of having
20 that -- those positions around. So that's another challenge, I think, that we'll
21 have to go.

22 I'm going to end with my questions, but, you know, in terms
23 of the reorg, now that we have the leaders in the room, you know, one of the
24 things that I'm focused on as well is mission support and the relationship
25 between mission offices and mission support. So I encourage the same

1 kind of conversation about when to make a pivot or what we need to do to
2 kind of improve that service model. Please be looking out for opportunities
3 to make improvements. I think that was -- again, one of the primary goals of
4 this reorganization was to improve that level of service and coordination
5 between mission support and mission. And so I'll end there.

6 Thank you very much, Mr. Chairman. Appreciate it.

7 CHAIRMAN NIEH: Okay, well, that concludes our Q&A
8 here and the second panel. Before I adjourn the meeting, would any of the
9 members of the Commission like to make any closing remarks?

10 COMMISSIONER WRIGHT: Real quick, I just want to
11 thank you all, thank Region IV again, for everything that you've done to
12 prepare for us. Your hospitality has been wonderful, and look forward to
13 coming back.

14 CHAIRMAN NIEH: Great. Yeah, and I add my thanks to
15 Region IV and the entire team for making this meeting possible here. Look,
16 what I saw today was excellence in our leadership and our staff in executing
17 a major reorganization. I didn't hear anything that suggests we have fatal
18 flaws with this reorganization, but I recognize it's not perfect, right? I think
19 you heard it here at the table. We have to check and adjust, right? That's
20 what strong organizations do. They learn, they adapt, they develop their
21 people, they continually challenge themselves to be excellence, right?

22 And what's happening here is there's a major culture
23 change happening at our agency. And it's starting with our leaders.
24 Leaders establish the culture. This LEAD Framework here is the tool that's
25 going to help leaders and managers sustain our performance in this period

1 of reform well after all of us in this room have moved on to other
2 assignments, right? Managers do things right. Leaders figure out what the
3 right things to do are, right? You just got to remember that distinction. This
4 is the tool that we're going to use to really help leaders make decisions, have
5 high standards in what we do, create ownership for results, and also
6 discipline in our execution.

7 It's so important. The vision I see for this thing in our
8 agency as we move forward is that when people come and work with the
9 NRC, or we have new employees come to the agency, they not only see,
10 hear, and feel the words that are in here and how we communicate, but they
11 see it in our actions and behavior.

12 So, to all of you in the room, thank you for embracing this.
13 Mike, I appreciate your work as the EDO for driving this, as well as your
14 senior leadership team in making this possible. And to all employees at the
15 NRC, please embrace the LEAD model. This is what the country needs and
16 how we sustain our performance to welcome in this new era of nuclear.

17 And, with that, we're adjourned. End of meeting.

18 (Whereupon, the above-entitled matter went off the record
19 at 12:17 p.m.)