

1           UNITED STATES OF AMERICA

2           NUCLEAR REGULATORY COMMISSION

3               + + + +

4           BRIEFING ON STATUS OF OCIO PROGRAMS,

5           PERFORMANCE, AND PLANS

6               + + + +

7           Nuclear Regulatory Commission

8           One White Flint North

9           Rockville, Maryland

10          Wednesday

11          January 14, 2004

12

13          The Commission met in open session, pursuant to notice,

14   Nils J. Diaz, Chairman of the Commission presiding.

15   COMMISSIONERS PRESENT:

16          NILS J. DIAZ, Chairman

17          EDWARD McGAFFIGAN, JR., Member of the Commission

18          JEFFREY MERRIFIELD, Member of the Commission

19   (This transcript produced from electronic caption media and audio  
and video media provided by the Nuclear Regulatory Commission.)

20

21

22

1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

2 STEPHEN BURNS, Deputy General Counsel

3 FRANCINE GOLDBERG, Director, Division of Information & Record

4 Services

5 MOE LEVIN, Director, Division of Infrastructure and Computer

6 Operations

7 ELLIS MERSCHOFF, Chief Information Officer

8 JAMES SCHAEFFER, Director, Division of Business Process

9 Improvements & Applications

10 JACKIE SILBER, Deputy CIO

11 CARL PAPERIELLO, Deputy EDO

12 CHARLOTTE TURNER, Director, Program Management, Policy

13 Development and Analysis Staff

14 ANNETTE VIETTI-COOK, Secretary of the Commission

15

16

17

18

19

20

21

22

## 1            P R O C E E D I N G S

2            CHAIRMAN DIAZ: Good morning. The Commission is  
3 meeting this morning to hear from the staff, especially, you  
4 know, on the issues that are always pressing with regard to the  
5 OCIO.

6            We are pleased to have Mr. Merschoff actually briefing  
7 the Commission for the first time. We understand you have been  
8 slightly busy since you have gotten here. We appreciate the work  
9 that is being done. We look forward to hearing about many things  
10 that I know are underway.

11          We, of course, have some trepidations always with  
12 little things like ADAMS, and things like that. But besides  
13 that, we believe that we have progressed.

14          We also want to congratulate you and your staff for  
15 getting an "A." Now, that's impressive to me as an old professor  
16 that never gave "A's." Anybody that gets an "A" --

17          COMMISSIONER McGAFFIGAN: No grade inflation at the University of  
18 Florida?

19          CHAIRMAN DIAZ: No. Not when I was there. -- on  
20 the federal security fiscal year 2003 award. We appreciate that.

21          Do my fellow Commissioners have a comment?

22          If not, I understand that Mr. Travers was suppose to be here today --

1 Carl, will you please take over the meeting, sir.

2 DR. PAPERIELLO: Thank you. Good morning, Mr. Chairman,

3 Commissioners. The purpose of this meeting is to provide an

4 opportunity for our new CIO and his executive management team to

5 brief the Commission on their recent accomplishments, initiatives

6 and challenges.

7 We have developed the presentation to ensure that ample

8 time will remain for a question and answer session. The agency

9 in general and the Chief Information Officer in particular have

10 many challenges ahead of them. And we appreciate this

11 opportunity to describe them.

12 I'm old enough to recall when IT was an electric

13 typewriter or slide rule and carbon paper. So we have come a

14 long way in 50 years.

15 If there are no questions, I would like to turn the

16 meeting over to Ellis to introduce his staff.

17 MR. MERSCHOFF: Thank you.

18 Good morning, Chairman Diaz, Commissioners McGaffigan

19 and Merrifield. Thank you for the opportunity to brief you on

20 the status of OCIO programs and for the kind introduction.

21 With me today is my senior management team. To Carl's

22 left is Jackie Silber, the Deputy Chief Information Officer. To

1 Jackie's left is Mr. Jim Schaeffer, Director of Business Process  
2 Improvement and Applications Division. And to Jim's left is Moe  
3 Levin, Director of the Infrastructure and Computer  
4 Operations Division.

5 To my right is Fran Goldberg, Director of the  
6 Information Record Services Division. And to her right,  
7 Charlotte Turner, Director of the Program Management Policy  
8 Development and Analysis Staff.

9 Each of these directors will briefly describe our  
10 accomplishments, our initiatives and our challenges within their  
11 area of responsibility.

12 As you know, we operate in a complex, interconnected  
13 information services environment that's evolving from a support  
14 service aimed at improving workplace efficiency to an integral  
15 part of the agency's most essential functions. Our 4,000  
16 interconnected computers exchange about 100,000 e-mails with each  
17 other and receive about another 40,000 e-mails via the Internet  
18 every day.

19 On a daily basis we intercept about 2,500 spam  
20 messages, see about 500 attempts at reconnaissance of our  
21 systems, strip out 300 suspicious e-mail attachments. See about  
22 100 attempts of denial of service attacks, and isolate about ten

1 viruses.

2 Our external web site consists of about 30,000 pages,  
3 visited an average 350,000 times per month by people in 175  
4 countries who view over 3 million pages per month. Each year we  
5 publish about 200 new regs, we edit about 15,000 pages, and we copy  
6 about 24 million pages for the staff. And we respond to  
7 thousands of requests for information in the library in the PDR.

8 We are proud of our successes.

9 This year the NRC was recognized by the Archivist of  
10 the United States for successfully implementing the first  
11 enterprise wide electronic record keeping system in federal  
12 government, and as you mentioned, Mr. Chairman, by the  
13 Congressional Subcommittee on Technology Information Policy and  
14 Intergovernmental Relations for being the first and only federal  
15 agency to ever achieve an "A" on their computer security report  
16 card.

17 And we are aware of our problems. Twice having  
18 interrupted land services to our users on a large scale and  
19 ultimately being unable to fully restore data in a timely way.  
20 We are changing into an organization that's more focused on the  
21 need of its customers and more aware of the agency's business and  
22 priorities.

1        In April of 2003, I sent a request for short-term and  
2 long-term changes or initiatives that my office, that OCIO should  
3 take on to every office director and regional administrator. We  
4 received about 118 suggestions from that letter. And we have  
5 committed to accomplishing and implementing over 90 percent of  
6 those suggestions.

7        We provide a semi-annual status on these initiatives.  
8 And as of December 31st, we have had a significant slippage in  
9 only one of these commitments.

10       I will turn now to my executives to provide details on  
11 our programs. While you will be hearing about a number of  
12 initiatives and challenges, all fall within our overarching  
13 challenges, which are improving OCIO leadership, adding rigor and  
14 accountability to the information services budget process,  
15 maintaining effective computer security, managing human capital,  
16 and improving customer service.

17       As Carl said, we have left ample time for questions.  
18 And I look forward to the opportunity to get into specifics with  
19 you at that time.

20       At this point I will turn to the briefing, unless there  
21 are questions, over to Mr. Levin.

22       MR. LEVIN: Thank you, Ellis.

1       First slide, please.

2       During the past year, in the area of infrastructure, we  
3       focused on reducing infrastructure-related costs, improving our  
4       security program, including disaster recovery capabilities and  
5       upgrading the quality and capacity of our local area networks and  
6       desk top computers.

7       Cost and budget reductions included decreased costs for  
8       running applications at the NIH computer center through better  
9       resource management, reduced budget for telecommunications  
10      services through better analysis of invoices and expenditures,  
11      and more efficient use of telecommunication support resources.

12       Also, our infrastructure services and support contract,  
13      which we refer to in shorthand as ISSC, is meeting its  
14      cost-savings goals. The ISSC is a performance-based contract  
15      that provides all of our infrastructure support services within  
16      predefined service levels in the three-year network and desk top  
17      refresh program, instead of the previous five to seven-year  
18      refresh rate.

19       During FY 2003, we responded to several security  
20      threats against our infrastructure. Increased surveillance by  
21      our network operations staff allowed us to quickly repel a number  
22      of worm and virus attacks while some other agencies and private

1 concerns were heavily impacted.

2 We addressed all of the areas of concern identified by

3 the FY 2003 Federal Information Securities Management Act, FISMA

4 assessments. We ensured that all of our infrastructure is

5 hardened against attack, established a program to continually

6 harden components as the need arises, and developed a security

7 accreditation process that all systems must follow before we will

8 allow them to be attached to our network.

9 We also made great progress in our ability to recover

10 from major disasters impacting our key systems. We successfully

11 tested our ability to provide off-site access to ADAMS and HRMS

12 should the need arise. And we implemented a network continuity

13 of operations plan, which provides Internet and e-mail access for

14 the regions through an alternate location if headquarters is ever

15 unavailable for a prolonged period of time.

16 In the area of infrastructure improvements, we

17 increased the capacity of our external web server to handle

18 millions of hits per day, completed the majority of the work to

19 upgrade the LAN with the new components to provide better

20 reliability and increase network speed. Refreshed approximately

21 3,600 of the agency's 3,900 desk top computers that were at least

22 three years ago. Implemented technology to block staff access to

1 prohibited Internet sites and implemented a degree of spam

2 filtering.

3 Next slide, please.

4 This year in addition to undertaking several

5 technological improvements, we will undertake several new

6 initiatives focused on improved service delivery. We are in the

7 first stages of a pilot of a high-speed remote LAN access, which

8 will give us an alternative to CITRIX-based dial-up remote

9 access.

10 If everything goes well, we will begin production

11 rollout of this before the end of the fiscal year. We will also

12 upgrade e-mail, calendaring and network software and hardware to

13 provide better stability, reliability and data recovery. And we

14 will establish the capability to continue to provide access to

15 our external web site in case something brings our headquarters

16 equipment down.

17 Other major initiatives include a closer integration of

18 OCIO support services with operations centers activities, an

19 infrastructure services streamlining study to benchmark our

20 services against other comparable organizations, and identify

21 areas for improvement, especially in the areas of data backup and

22 recovery, a study and pilot of technology for secured transfer

1 of sensitive data, and the migration of our desk top computer  
2 operating system to Windows XP.

3 Next slide, please.

4 In addition to the initiatives that we have already  
5 planned to undertake this year, we will face several areas of  
6 challenge over the next couple of years. The nature of security  
7 threats will change in ways that we can't predict. And the pace  
8 of attack will probably increase.

9 We continue to devote more human resources and  
10 technology for infrastructure security every year. We don't see  
11 that trend changing. The bottom line is we have done an  
12 outstanding job of protecting agency assets so far. As we said,  
13 we were the only agency to get an "A." But it may take increased  
14 capital on intellectual investment to maintain that rate.

15 Something else that has and will continue to increase  
16 is the agency's reliance on infrastructure services to support  
17 key business functions. It quickly becomes apparent how  
18 dependent we have become on infrastructure services when we have  
19 to shut them down for maintenance or unplanned events like  
20 Hurricane Isabel.

21 Services that we considered nonessential only a few  
22 years ago now seem to be vitally important. These needs will be

1 magnified by requirements to support the high level waste  
2 hearings.

3 We are working with key staff throughout the agency to  
4 define the levels of service that are required and will develop  
5 proposals to address them during the upcoming budget cycle.

6 Another challenge we face is establishing a balance  
7 between the need to configure desk top workstations to meet  
8 unique localized business needs against the need for  
9 standardization and the need to provide effective and efficient  
10 infrastructure services.

11 We will also have to start addressing the transition of  
12 the existing FTS 2001 contract to its replacement called  
13 Networks. FTS 2001 is the government-wide vehicle for long  
14 distance voice and data communications. Transitions could start  
15 in the summer of 2005. When we transitioned from FTS 2000 to FTS  
16 2001, it took other a year, one FTE and \$1 million because  
17 of the delays in the government-wide program.

18 The details for Networks have not been finalized  
19 because the contract award won't be made until late spring of  
20 2005. However, we are beginning to make cost projections based  
21 upon industry trends and an analysis of overall government  
22 telecommunications costs. Projected expenditures would not be

1 incurred until the first quarter of FY 2006 under Networks.

2 We will address this during the upcoming FY budget  
3 formulation.

4 MR. MERSCHOFF: Thank you, Mr. Levin.

5 Mr. Schaeffer.

6 MR. SCHAEFFER: Thank you, Ellis.

7 There are a number of areas that I would like to cover  
8 today. The first area I would like to cover is the support the  
9 Office of the Chief Information Officer is providing for the  
10 agency's high level waste repository licensing activities.

11 We have been actively involved in supporting the  
12 information management and technology requirements for the high  
13 level waste proceeding. We continue to make good progress in the  
14 area through the collective efforts of the high level waste  
15 business and program integrator. And the high level waste  
16 business areas include NMSS, SECY, OGC, OCIO, and input from  
17 ASLBP as appropriate.

18 We have worked to form a cohesive high level waste team  
19 to address support requirements and coordination of activities.

20 We have also formed an integrated project team within OCIO and  
21 developed a project plan to effectively coordinate and manage all  
22 OCIO high level waste activities.

1        We have participated in technical exchange meetings at  
2 the Department of Energy and the LSN advisory review panel  
3 meetings. We have developed guidance for document submissions  
4 under Part 2, Subpart J, which includes guidance for submitting  
5 large complex documents.

6        Next slide, please.

7        In addition, we continue to support a number of  
8 initiatives which are planned or underway. These include a high  
9 level waste process and system review to identify and document  
10 any gaps in the work processes or automated systems needed to  
11 support the high level waste business activities.

12        Based on this review, we will identify and implement  
13 any business process system or production enhancements needed to  
14 address any gaps.

15        We will also implement a web-based access to the  
16 agency's document collection to facilitate access by staff,  
17 public and parties to the high level waste proceeding. We will  
18 continue to provide support for the agency LSN certification  
19 activities, which includes document retrofit and technical  
20 support.

21        We will also continue to provide support for the Part  
22 2, Subpart J proposed rule change to implement the guidance for

1 document submissions.

2 Next slide, please.

3 Some of the challenges we expect include the

4 integration of a number of complex systems and processes to

5 support the high level waste repository licensing activities, new

6 system requirements based on the high level waste process and system

7 reviews, demanding production service requirements once the high

8 level waste proceeding is underway, uncertainty of the volume

9 and complexity of documents that will be filed, and the need for

10 additional resources to support the agency's high level waste

11 proceeding activities.

12 MR. MERSCHOFF: Jim, if I can interrupt you at this

13 point.

14 High level waste is unique in many ways. One of which

15 is although the Commission is my customer in everything I do, you

16 are my customer much more directly in this product. The main

17 customers, SECY, ASLBP and OGC are, of course, Commission level

18 offices.

19 To the extent that our purpose here is to highlight

20 issues and things that may come forward in this area, there are

21 two that come to mind that I wanted to mention.

22 One, of course, is the LSN. That DOE's current plans

1 are not consistent with the original design assumptions of that  
2 system in terms of the amount of documents and the timing of the  
3 documents. As we work through that and get closer to June, that  
4 may become a real problem. And I know it is one that's actively  
5 being worked with the parties.

6       The other is the scope of the system. We are in the  
7 process now of what we call the metasystem. A metasystem is a  
8 system of systems. As you know, there is the Licensing Support  
9 Network and the Electronic Information Exchange, and the Digital  
10 Document Management System, and others. As we bring those  
11 together, we do it through service level agreements.

12       What does it have to do? Is it available 7 days a  
13 week, 24 hours a day? Will it be available if there's a major  
14 electrical outage on the east coast? Those sorts of things.

15       And as we come to final conclusions in terms of what it  
16 must do, what it needs to do, and we cost that out, we may or may  
17 not be able to afford what we really want and have to negotiate  
18 or reconsider what we need. And obviously, that's an area that  
19 you will want to remain aware of.

20       I just point those out to assure that you see what is  
21 coming down the road in this area.

22       I'm sorry.

1           MR. SCHAEFFER: No. Thank you, Ellis.

2           The next area that I would like to discuss is

3    electronic government, which is one of the President's management

4    agenda initiatives. Basically, the electronic government

5    initiative is intended to provide better service to the public,

6    the use of electronic government, ensure the effective use of IT

7    investment dollars through leveraging government-wide demand and

8    eliminating duplication of efforts, and provide a focus on

9    citizens' needs for IT investments.

10          E-government has a very broad focus, covers many IT

11   planning, management and program areas. The agency is making

12   good progress in meeting the requirements of e-government. And

13   basically these requirements fall into five broad areas:

14          Active involvement in the presidential priority

15   initiatives, maintain a secure IT environment, maintain an IT

16   modernization plan, developing IT investment business cases, and

17   meeting performance goals for IT initiatives.

18          The agency is currently involved in 14 of the 24

19   presidential priority initiatives with significant involvement in

20   the payroll, electronic rulemaking, records management,

21   acquisitions, security clearances, and transactional

22   authentication initiatives.

1        The agency has also made a successful transition of the  
2 agency payroll to the E payroll initiatives. We were the first  
3 agency to do so under the presidential priority initiatives  
4 programs.

5        NRC has been a leader in the area of cyber security.

6 We have also taken steps to effectively integrate the agency  
7 capital planning, systems development and security processes.

8        GAO recently reported on agency efforts to map agency  
9 business functions to IT investments and acknowledged the agency  
10 for the significant progress in developing an agency  
11 modernization plan.

12        We are also working closely with NSIR on a pilot to  
13 develop enterprise architecture and IT/IM modernization plans.

14        We have received very good marks on the agency's  
15 business cases with recent budget pass back. The Office of  
16 Management and Budget approved all of NRC's \$80 million requested  
17 IT budget for 2005 and OMB rated all of the NRC major IT investment  
18 business cases with an overall score of four or five in a scale  
19 of one to five.

20        In addition, all major systems are performing within 10  
21 percent of their established baseline.

22        Next slide, please.

- 1        Additional activities planned or underway include
- 2    further implementation of the requirements under the E-Government
- 3    Act, further implementation of the presidential priority
- 4    initiatives where required or where business value can be
- 5    established. This has been a major focus of OMB who frequently
- 6    provides guidance on specific actions agencies should take to
- 7    support migration to initiatives, make sure that agency
- 8    acquisitions do not duplicate E-government initiatives.
- 9        We also planned further development of the agency
- 10   enterprise architecture modernization plans to align agency
- 11   business needs with information technology initiatives.
- 12        Next slide, please.
- 13        Some of the challenges we expect to see are continued
- 14   directives from OMB to implement the E-Government Act, to employ
- 15   good project management, and provide a strong business case for
- 16   each IT investment.
- 17        Further migration to E-government initiatives as they
- 18   evolve and develop throughout the federal government. The
- 19   examples of that are E-travel, E-training and recruitment one
- 20   stop. And using government-wide solutions for work force
- 21   analysis.
- 22        NRC will also be expected to maintain compliance with

1 standards adopted for disaster management, wireless computing and  
2 to participate in the development of government-wide solutions  
3 for common human resources and financial systems.

4 And also expect to continue improvement in our  
5 information technology practice and focus on agency IT investment  
6 planning which will be supported by our enterprise architecture  
7 and modernization planning activities.

8 Next slide, please.

9 The last area that I would like to cover is service  
10 improvements we have implemented in the application development  
11 area.

12 The office has received useful feedback from the  
13 Commission, program offices and independent studies that we need  
14 to provide better leadership to the agency in the areas of  
15 business process improvement, project management, business  
16 systems planning and provide a single point of contact for IT  
17 development services.

18 To address these agency's needs, we have made a number  
19 of changes. We have restructured the application development  
20 organization to better support needs and to provide a single  
21 point of contact for IT development activities. We have expanded  
22 our services to provide business process improvement and project

1 management expertise in the agency. We have established a focus  
2 group for technology assessment to work with program offices and  
3 regions to identify opportunities where technologies can be used  
4 more effectively to support agency business needs and address  
5 business problems.

6 In addition, we have made improvement to our overall  
7 project management, which has led to a number of successful IT  
8 development activities. This includes the implementation of the  
9 ADAMS 4.0 release for the staff and public, limitation of the  
10 ADAMS full text search and access to ADAMS legacy collections,  
11 implementation of the agency's Electronic Hearing Docket,  
12 implementation of the agency high level document collection  
13 system, also support for the agency transition to E-payroll and  
14 implementation of the DDMS proof of concept.

15 Next slide, please.

16 Current and future initiatives we have planned include  
17 support for a number of IT development initiatives. This  
18 includes the Digital Data Management System with ASLBP, secure  
19 networking, classified ADAMS with NSIR, version 3.0 of Electronic  
20 Information Exchange with ASLBP and SECY, safe source license  
21 tracking systems with NMSS, and the agency fee management system  
22 with OCFO.

1        In addition, we have taken steps to improve the  
2 agency's IT governance to include an IT focus group to identify  
3 areas where technology can be better used to solve business  
4 problems, an IT business council to provide input on new IT  
5 investments, and an IT advisory council to provide strategic  
6 direction on major initiatives, and to help prioritize agency IT  
7 investments, and further integration of IT development, capital  
8 planning and security processes.

9        Next slide, please.

10       Some of the challenges we anticipate include continued  
11 development and implementation of more effective ways of managing  
12 IT investment and development activities, continue to improve  
13 those, communicating process and procedure change as they evolve,  
14 so we can bring the agency along for some of our proposed  
15 changes, and managing the change associated with the new  
16 procedures and processes for both the staff and the customers.

17       This concludes my presentation.

18       MR. MERSCHOFF: Thank you, Mr. Schaeffer.

19       Ms. Goldberg?

20       MS. GOLDBERG: Thank you, Ellis.

21       I will be covering the accomplishments, new  
22 initiatives, and challenges for OCIO's information management

1 program.

2 First, our accomplishments. In FY-03, we were

3 successful in meeting our two major externally reported IM goals:

4 Our timeliness goal for FOIA responses, and our goal for

5 customer satisfaction with NRC's public web site.

6 We also submitted our FOIA annual report and

7 information collection budget on time. We made progress on

8 several web initiatives. We completed phase one of our internal

9 site redesign on schedule. And the usability tests we conducted

10 before and after the redesign showed a major improvement.

11 Continuing our work on the public site, we added the

12 facility information finder, made NRC forms fillable when

13 previously they could only be printed as blank forms, and made it

14 easy for the staff to create links to public ADAMS documents from

15 other web pages.

16 Significant accomplishments in the area of document and

17 records management included providing the public with the ability

18 to perform web-based searches of the ADAMS public library,

19 correcting problems with ADAMS full text search, and providing

20 access to ADAMS legacy collections to both the staff and the

21 public.

22 We also developed a records management web site to help

1 the staff better understand records concepts. And we received  
2 the archivist achievement award from the National Archives in  
3 records administration for deployment of the first enterprise  
4 wide electronic record keeping system, as Ellis mentioned  
5 previously.

6 We responded to a large volume of requests from the  
7 public, including over 430 FOIA requests, nearly 750 e-mail  
8 requests received via our web site, and close to 9,000  
9 requests received in the Public Document Room.

10 In response to staff needs, we worked with NMSS to  
11 identify and backfit high level waste documents into ADAMS from  
12 the legacy library and from the Center for Nuclear Waste  
13 Repository Analyses to support certification of high level waste  
14 documents in the LSN.

15 We retrieved the technical specifications for all the  
16 nuclear plants to assist NRR with an assessment of the license  
17 authority of files and responded to thousands of individual staff  
18 requests for IM services, such as editing, graphics, copying,  
19 printing, distribution, library services, file center services,  
20 and ADAMS support.

21 We also achieved several significant IM efficiencies.  
22 We retired over 5,000 cubic feet of records, freeing up over

1 4,000 square feet in the file center for office space. And we  
2 replaced 31 aging analog copiers with more economical and higher  
3 functioning digital machines.

4 In the policy area, we published the E-Rule and the  
5 associated guidance document which gives licensees and other  
6 stakeholders the option of submitting documents to the agency  
7 electronically.

8 We also completed work to update IM policies governing  
9 our public web site, public meetings, and the Privacy Act.

10 Next slide, please.

11 Next I will cover some of the major new initiatives we  
12 have planned this year.

13 With Phase II of our Intranet redesign, we plan to  
14 improve the phone directory, add new features to the agency's  
15 announcement pages, and improve Intranet search capabilities.

16 We are also working collaboratively with office  
17 sponsors to include the training page, policy and procedures page  
18 and other second level pages. Our Intranet steering committee  
19 with reps from OEDO, ADM, HR, CFO and NRR is helping us set the  
20 agenda for these improvements.

21 As Jim mentioned, we plan to expand the ADAMS web  
22 search which is currently limited to documents on the public site

1 to the ADAMS main library, providing staff with an easy and powerful  
2 search alternative. To ensure smooth implementation of the  
3 E-Rule, we are executing a communications plan and working with  
4 the offices to help them transition to the new electronic  
5 processes for receipt of documents.

6 We are continuing to place a major focus on high level  
7 waste support activities in preparations for the hearing by  
8 completing certification support activities, identifying and  
9 addressing any gaps in the high level waste document receipt and  
10 publishing process, thoroughly testing new processes, and setting  
11 service levels to ensure appropriate service during the hearing.

12 Planned process improvements for this year include  
13 completing the business case for our web content management tool  
14 that will make it easier to manage and update web content,  
15 deployment of a new public meeting notice system that will help  
16 the public find meetings of interest, and implementation of an  
17 improved internal announcement process that will reduce e-mails  
18 and provide capability to search announcements by category.

19 Last but not least, in the policy area, we plan to  
20 update and consolidate numerous IM management directives as well  
21 as the FOIA rule.

22 Next slide, please.

1        We see several challenges ahead, including evolving  
2    E-government requirements for federal web sites. As these  
3    requirements become clearer, they may require changes to our  
4    public site. Acquisition of a content management tool should  
5    position us to meet these future requirements in the most  
6    efficient and effective way.

7        Implementation of the E-Rule will present some  
8    challenges but also opportunities as we work with the offices to  
9    evolve our business processes to maximize the benefits of  
10   electronic submittals.

11       Ensuring that our document and records management  
12   systems processes and staff are ready for the high level waste  
13   hearing process is undoubtedly our biggest challenge. As Jim  
14   mentioned in his presentation, the high level waste process  
15   review and risk assessment now underway may well uncover new  
16   document management requirements and resource needs.

17       We already know that the hearing will entail demanding  
18   production service requirements, and we will need to continue  
19   periodic system upgrades during the hearing.

20       To prepare for these upgrades, we will need to plan for  
21   a very robust test process and a high level of support from our  
22   key software vendors.

1       That concludes my presentation.

2       MR. MERSCHOFF: Thank you.

3       Ms. Turner?

4       MS. TURNER: Good morning. I'm going to share with you  
5       the major accomplishments, current initiatives and challenges for  
6       program management and security.

7       Once again, we are extremely proud of the "A" the NRC  
8       achieved on the federal computer security report card. This was  
9       a huge accomplishment for the NRC. Again, we were the first and  
10      only government agency to receive an "A." We brought this grade  
11      up from a "C" last year. And we want to thank all of the offices  
12      for their hard work in their computer security areas that enabled  
13      the NRC to earn this grade.

14       Another achievement in the area of security is our  
15      highly successful computer security day and the on-line security  
16      training course. In 2003, 99 percent of all NRC employees and  
17      contractors completed this course.

18       Now, for my sales pitch: Since last November 35  
19      percent have completed the 2004 on-line computer security  
20      training. I encourage the Commission, all employees and  
21      contractors to take this course soon. We have a little inner  
22      office competition going on with OSTP and ADM in the lead. Our

1 goal is to reach at least 99 percent again this year.

2 Another security accomplishment was the major update to

3 Management Directive 12.5, automated information security

4 program. We included all of the responsibilities, security,

5 processes and procedures required by FISMA.

6 In the area of budget formulation and execution, we

7 committed and obligated virtually 100 percent of our 2003 funds,

8 despite not receiving our full allowance until mid March. We

9 implemented quarterly program and budget reviews to closely

10 monitor progress and status of our programs and activities. And

11 for the second year in a row, OCIO did not request any mid-year

12 funds. Through quarterly program reviews, and reprogramming, we

13 were able to cover all of our critical needs.

14 We had several major accomplishments in human capital.

15 We reorganized the office of the CIO. This was a huge effort,

16 including establishing my division, which is similar to the one

17 that the program offices have. We hired fifteen new staff and

18 managers and promoted eight staff and managers in 2003. We

19 initiated recruitment trips to improve our entry level hiring.

20 We have begun advancements in our educational outreach

21 program. In 2003 we looked at the strategic work force planning

22 results and performed a gap analysis that revealed that we needed

1 additional training for our information technology program  
2 managers. We brought several sessions of principles of project  
3 management for project managers and a one-day course for senior  
4 management in house. Some offices also participated in this  
5 training.

6 Next slide, please.

7 Our major initiatives for 2004 include continuing to  
8 emphasize computer security. Our goal is to keep an "A" on the  
9 federal computer report card. We are going to ensure security is  
10 integrated in the IT system development processes and  
11 procedures.

12 We are also committed to using a disciplined planning  
13 and budget process. We have set goals for our process. And we  
14 will measure our results.

15 One of our goals is the team approach. We are working  
16 closely within the OCIO and with the program offices and program  
17 planning assumptions, IT/IM planning guidance, and common  
18 prioritization. Our budget this year will include a clearly  
19 defined program budget with a usable prioritization methodology  
20 and an add-sched process.

21 COMMISSIONER MERRIFIELD: Mr. Chairman, I have a  
22 clarifying question for Ms. Turner.

1       The aforementioned "A" that you mentioned, what was the  
2 numerical score that we received?

3       **MR. MERSCHOFF:** 93.

4       **COMMISSIONER MERRIFIELD:** It was a 93?

5       **MR. MERSCHOFF:** Yes, sir, there's room for improvement.

6       **COMMISSIONER MERRIFIELD:** There's room for improvement.

7 I just wanted to make that comment for the record.

8       **MR. MERSCHOFF:** And the standards change. The  
9 performance at the 2003 level unchanged would probably earn less  
10 than a 93 in 2004.

11       **MS. TURNER:** Also we are meeting with OMB this  
12 afternoon to discuss our FISMA work and see where they are  
13 heading for the future make sure that we are in alignment so that  
14 we could keep that "A."

15       **MR. MERSCHOFF:** And the Office of the Inspector General  
16 is accompanying us as well. OMB wanted to speak with both the  
17 program side and the IG side relative to FISMA.

18       **COMMISSIONER MERRIFIELD:** It might be not a matter of  
19 keeping the "A," but improving our numerical score.

20       **MS. TURNER:** We will try for 100 percent.

21       **MR. MERSCHOFF:** Only if it makes sense.

22       **COMMISSIONER MERRIFIELD:** I would like that clarified.

1       MR. MERSCHOFF: Ms. Turner talked about our budget  
2 process. That's very important to us, to make sure that the last  
3 dollar we spend on IT is not less important than the last dollar  
4 in the safety arena or the security arena, to have a  
5 prioritization scheme that assures that we are not gilding the  
6 lily, that we are spending money that needs to be spent.

7       COMMISSIONER MERRIFIELD: I like that.

8       MS. TURNER: Continuing on. We have established an  
9 agency IT governance framework that Jim mentioned, that includes  
10 multiple levels of oversight of IT projects and systems.

11       Our human capital initiatives include a strong emphasis  
12 on leadership. The IG culture survey revealed a major problem in  
13 our leadership and we are working hard to change that. We are  
14 increasing our educational outreach efforts with an emphasis on  
15 educating the NRC work force in IT/IM, both the offices and within  
16 OCIO.

17       We are realigning our space to increase productivity  
18 and efficiency of operations. We have numerous vacancies to fill  
19 in the new organization. So we will be making additional  
20 recruitment trips and you will see many job posting.

21       We are streamlining the office policies and procedures.  
22 This was one of the initiatives that came in where the offices

1 made comments that we needed to define our policies and  
2 procedures and make them accessible to all. We will be  
3 evaluating our procedures and policies, revising what is needed,  
4 developing missing guidance, and organizing it for easy access on  
5 our new web site.

6 Next slide, please.

7 We have two major challenges that I would like to share  
8 with you today. The first is in the area of security. With the  
9 increased use and dependency on the Internet to transact  
10 business, any corruption of the network disrupts the conduct of  
11 business at the NRC.

12 Openness is a double-edged sword. The more open and  
13 accessible we make our systems and applications, such as the high  
14 level waste metasystem, the more we will require additional  
15 security controls to provide confidentiality, integrity, and availability.

16 Home computers present growing challenges and possible  
17 serious weaknesses in our security and that by using broadband  
18 connectivity, always on connections are open invitations for  
19 trouble.

20 Continued cyber attacks are real. Worms and viruses  
21 continue to get more malicious and sophisticated.  
22 Our other major challenge is in the area of human

1 capital. Hiring the right staff takes much time. It also takes  
2 time to build our IT project management skills and to see results  
3 of the training.

4 We are hiring new project managers. We are training  
5 the ones that we have. But it will take time to see results.

6 Lastly, difficulty and delays in adjusting space, this  
7 is the restack of the Two White Flint building, is creating  
8 critical challenges in finding a place to seat our new staff.

9 Thank you.

10 MR. MERSCHOFF: Thank you.

11 Ms. Silber?

12 MS. SILBER: Thank you.

13 We have talked about many of OCIO activities. I would  
14 like to move now from what we do to how we approach our  
15 responsibilities as an organization.

16 We have seen many data points which make clear to us  
17 that we need to strengthen leadership in OCIO. These include the  
18 Office of Inspector General's culture survey's customer feedback  
19 and our own town hall meetings with OCIO staff.

20 What we heard was that we need to adhere to a clearly  
21 defined set of values that our decision-making needs to be  
22 transparent, and that managers and staff should have the right

1 skills and competencies. Common themes were the need for strong  
2 leadership and improved communication.

3 In the area of communication, we established a  
4 communications working group in 1999 and followed that with a  
5 values focus group in 2002. Ellis meets on a regular basis with  
6 each of our divisions. We hold all-hands meetings quarterly, and  
7 a virtual all-hands meeting on a monthly basis.

8 We have created a suggestion box, a low tack but very  
9 successful solution through which we have responded to many  
10 excellent issues that the staff has brought to our attention.

11 We have made changes to the CIO organization. We have  
12 put appropriate functions together. More and more we see  
13 information technology and information management merging. Our  
14 new organization reflects this evolution.

15 Our new organization also puts greater emphasis on the  
16 need to plan and on the OCIO role of establishing sound  
17 information policy for the agency.

18 We have also made very clear to the management team  
19 that we believe in the agency values. We expect managers and  
20 staff to behave consistent with these values. And we have  
21 already put actions in place and are continuing to work on  
22 changes and improvements to further align OCIO with these values.

1 Next slide.

2 Some of the initiatives we have underway. We are --

3 and Charlotte had made reference to this -- we are

4 continuing to develop policy, procedures and expectations that

5 clearly articulate roles and responsibilities for both managers

6 and staff in OCIO. We want each member of OCIO to have the tools

7 and support they need so that they can meet expectations and so

8 that they can be accountable for their roles and

9 responsibilities.

10 The job of senior management in OCIO is to ensure that

11 there are the right resources, people, skills, funding, and

12 recognition for accomplishments. All to ensure that we are

13 successful in contributing to the agency's goals.

14 We continue to work on communications everyday. Our

15 real goal is that open communications is not a special activity

16 in OCIO but rather it becomes part of how we conduct ourselves.

17 Next slide.

18 Looking at some of the challenges we face in the

19 organization and leadership area. We understand that the culture

20 of CIO must continue to change and improve. We are making our

21 expectations for leadership clear. But changing a culture takes

22 time.

1        We expect our senior managers to lead the organization.  
2    This means setting direction for others, fostering an environment  
3    where people can excel, and seeing the big picture both in short  
4    and long-term.

5        We expect all of our managers to accomplish goals  
6    through subordinates, coach, plan and execute against agency and  
7    office goals. We will continue to make our expectations clear  
8    and hold ourselves accountable to meet those expectations.

9        In the area of financial discipline -- and Ellis talked  
10   about our approach to budgeting. Financial discipline requires a  
11   clear and well executed planning process. It also requires  
12   understanding business needs of our customers and a commitment to  
13   the most effective solutions. Our challenge is to ensure that  
14   the budget reflects the most cost effective solutions and that  
15   the execution of the solutions remain cost effective.

16        For fiscal year 2006 planning and budget, we will be  
17   working closely with our stakeholders, as we have over the last  
18   two years, in the planning process. Through our governance  
19   framework, we will establish agency-wide priorities for IT. And  
20   we will be a partner in the process of bringing IT and IM plans  
21   to successful implementation.

22        Finally, human capital. Charlotte talked a little bit

1 about the efforts that we have made but it is an ongoing  
2 challenge. We have been working to identify critical needs and  
3 gaps. The agency's strategic work force process has enabled us  
4 to zero in on many of those gaps.

5 Our work force strategy for closing the gaps has three  
6 key areas: Staff development, recruitment, and succession  
7 planning. We continue to invest the leadership time and focus to  
8 ensuring that existing staff is trained and developed so that  
9 they can carry out their responsibilities and also so that they  
10 can be ready as opportunities present themselves for advancement.

11 We will also continue to recruit new staff to further  
12 enhance our ability to address skill gaps that we identify.

13 Thank you.

14 MR. MERSCHOFF: Thank you.

15 Mr. Chairman that completes our prepared remarks. We  
16 would be happy to answer any questions.

17 DR. PAPERIELLO: That concludes staff's presentation,  
18 Mr. Chairman.

19 CHAIRMAN DIAZ: Thank you so very much. Certainly  
20 appreciate the brief but pointed and focused presentation. I  
21 also appreciate the backup material that actually gave us the  
22 right amount of background so that we could ask intelligent

1 questions. Occasionally we want to do that.

2 Let me just start with the issue that I am sure has

3 been in everybody's mind. Is ADAMS done? Is it 98 percent? Is

4 it now not a discussion in elevators about ADAMS? Is it --

5 you know, do you feel that ADAMS right now is capable of

6 executing what we envision it to be?

7 MR. MERSCHOFF: ADAMS was an ugly baby. Some of us

8 were ugly babies and we turned out pretty well. I think ADAMS

9 has turned out pretty well. It is tough to be on the cutting

10 edge and a leader. And we learned that in spades, in terms of

11 rolling out this first of its kind system for the federal

12 government.

13 The main complaints that the staff have with ADAMS

14 other than change -- and change is always hard -- are that it is

15 hard to get things into it, it is time consuming to scan. And we

16 have taken care of that largely through the committed services to

17 enter the bulk of the documents into ADAMS.

18 The second is it is tough to find things in ADAMS. The

19 rollout to the web-based search engine for public ADAMS was a

20 great success. If you can use a Google-type search engine, than

21 you can find things on public ADAMS.

22 We expect to roll that same capability out for the main

1 library in March. That's tougher. In the public library  
2 everything that's there can be seen by everybody. In the main  
3 library, where we have viewing rights, we wanted to make sure  
4 before we roll out this powerful tool, that we maintain the  
5 integrity of the viewing rights such that we don't lose control  
6 over that part. We are comfortable that we have enough testing.  
7 And certainly by March or close to March, we will have that  
8 second capability.

9 I believe that ADAMS has reached the point of maturity  
10 that it is no longer that ugly baby. And those that criticize it  
11 heavily or continue to, I think, are not really in touch with the  
12 tool and what it can do.

13 CHAIRMAN DIAZ: All right. You know, I'm really a  
14 forward looking person by nature. I mean, what we did, we did.  
15 We won't throw it. I think the important thing is, is it capable  
16 of performing its intended functions? Those words should be very  
17 familiar to you.

18 MR. MERSCHOFF: Yes, sir. It is capable of performing  
19 its intended functions.

20 Can it be better and more efficient? Absolutely. Will  
21 it continue to grow through time? Absolutely.

22 ADAMS 5.0 will be a major change to make it a web-based

1 system. That's an '07 time frame that will be carefully  
2 orchestrated with high level waste proceedings. But like all of  
3 our applications, they will continue to grow and become different  
4 and more useful.

5 CHAIRMAN DIAZ: Do you believe you still have a  
6 selling job to do with the staff regarding using ADAMS? Or have  
7 you progressed enough that people are daring to, you know, use it  
8 and actually realize what its capabilities are and then, you  
9 know, wait for the next upgrade?

10 MR. MERSCHOFF: If you were born after 1980, I don't  
11 think I have too much of a selling job.

12 COMMISSIONER MERRIFIELD: Mr. Chairman, I'm young but  
13 I'm not that young.

14 MR. MERSCHOFF: For those of us born before 1980,  
15 there's a mixed bag in acceptance of those systems. And yes, I  
16 have a challenge and will continue to have a challenge.

17 CHAIRMAN DIAZ: Then the question is, now that the  
18 system is capable and every day more capable of performing its  
19 intended function, is there any issue regarding communicating  
20 this to the staff or adding some training that people will see it  
21 as easy to do, easy to follow, so that people become comfortable  
22 with ADAMS, so they no longer, ADAMS is the ugly baby but it is

1 something better?

2 MR. MERSCHOFF: Yes, sir. And that is in our plan.

3 And we hope that with each major change of it, it becomes easier

4 and more intuitive.

5 CHAIRMAN DIAZ: I think that it is an important

6 part of it. I think that, you know, we all realize how much

7 better it is. But I still think there needs to be a selling job and

8 an effort to train those who are reluctant to change. Those like

9 Commissioner Merrifield who was born before 1980.

10 MR. MERSCHOFF: Let me ask my staff, Jim and Fran, if I

11 oversold any of that.

12 MR. SCHAEFFER: No. I think that's a pretty accurate

13 representation. The only thing that I would add in terms of the

14 web-based ADAMS for the main library, we are actually in the

15 process now of starting to introduce a pilot in NMSS, to help them

16 with some of their activities in terms of document

17 certifications.

18 So we are moving ahead with it and I think we have had

19 a lot of positive feedback on the public ADAMS.

20 MS. SILBER: Some of the things that we have done over

21 the last few months, staff particularly from Fran's division are

22 working one-on-one with offices, attending division meetings,

1 branch meetings and, in fact, spending time with people at their  
2 desk top. We are finding that right now telling people through  
3 written means or in an e-mail ADAMS is here, use it, has one  
4 level of impact.

5 But we are really getting out there and talking with  
6 people. We have had some very good success, as I said, at the  
7 desk top where we then hear back from a member of the staff who  
8 says I didn't know that I could do this and I have now show ten  
9 people on my staff how to do it. And that is a way of reaching  
10 them.

11 CHAIRMAN DIAZ: I am going to give you an  
12 opportunity to prove that directly with me.

13 MS. SILBER: Yes, I know. We are about to do that.

14 CHAIRMAN DIAZ: Your are ready to come. Good. That will be a test.

15 MS. GOLDBERG: I would like to just put in a pitch for  
16 our ADAMS support help desk which is now located on the fifth  
17 floor. They are there to help the staff. And if anyone  
18 listening to this feels they need some help, we can visit you.

19 You can visit us. You can call us, you can e-mail us. We are  
20 willing to help you in any way that we can. And please take  
21 advantage of that service.

22 CHAIRMAN DIAZ: Thank you.

1        Let's go to one of my pet peeves. Flex work, CITRIX.  
2    And of course, I saw Mr. Levin smiling when he was looking at me.  
3        The elevators are wonderful communications in this  
4 place. I get in the elevators and occasionally I ask -- some  
5 people, I have heard, had a problem with CITRIX and say I can't  
6 get through with it. You know, I tried to use the web and it is  
7 slow. I understand that you have, at the end of this year, a  
8 better tool that will provide this.

9        But in the meantime, I keep getting concerned with  
10 those people that really need access, and, in fact, CITRIX seems  
11 to be particular about how you access it.

12        I think my case might be very typical. Two and a half  
13 years ago I was using CITRIX for four years with no problem. And  
14 then we made it better and then it never worked again.

15        This is why when somebody comes to touch my computer I  
16 say don't touch it. Don't get close to it. But it is not a  
17 personal issue. It is an issue that I hear over and over again.

18        I want to express to you that I believe that the  
19 capability to have access to the agency is important. And it  
20 will become more and more important. I know that we have made  
21 commitments regarding flex work arrangements. Whether that grows  
22 or not, that's not the issue. The capability needs to be there.

1 And I know that you are thinking about a year from now. But in  
2 between there are also needs. And it seems like Commissioner  
3 Merrifield --

4 COMMISSIONER MERRIFIELD: I would like to jump on top  
5 of that. Not to help clarify, but we are under a legal  
6 obligation to enhance a number of employees who are  
7 telecommunicating. And IT availability is an absolute key to  
8 making that a success in meeting that legal obligation.

9 So I can't underscore more my agreement with the  
10 importance of this particular tool for us meeting that  
11 legislatively imposed requirement.

12 MR. MERSCHOFF: Was that rhetorical? I hear what you  
13 said. And you are not alone. The office director and regional  
14 administrators in their response to what needs to change and  
15 improve, that was a common chorus in terms of CITRIX. It is a  
16 challenge.

17 CHAIRMAN DIAZ: But you are very good at meeting  
18 challenges.

19 MR. MERSCHOFF: It is a challenge. CITRIX tends to  
20 work okay if you are in a major metropolitan area with really  
21 good telephone communications systems. If you get on the edges  
22 it is not so good. That's why it was so hard with the resident inspector

1 sites and resident inspectors to bring them into the LAN with framed  
2 relays and other technology.

3 You may be thinking more is coming than really is.

4 There's two levels of solution to this. There's a quicker level  
5 of solution with web-based access to e-mail only. And that's in  
6 the nearer future.

7 The longer term is web-based access through infuse  
8 other than CITRIX directly to the LAN. Now, I wake up at night  
9 sometimes worried about that and the security implications of  
10 that. Many folks have wireless networks in their own home and  
11 opening up a broadband access directly to my LAN or in an  
12 environment that's not fully protected is troublesome.

13 COMMISSIONER MERRIFIELD: I absolutely share the  
14 concerns of the CIO. I will say, however, that there are other  
15 federal agencies out there that have dealt with this very same  
16 issue. And there are technologies out there that we can put in  
17 the hands of our employees that will provide a secure ability to  
18 get on the web and get that access without endangering your LAN.

19 Inside the Beltway we have a lot of other members of  
20 federal family who have bridged this gap in other ways. And I  
21 really do think -- it is out there. Now, there's the issue of  
22 cost. I understand cost benefit and all of that. We are going

1 to have to talk about that. But this is not an unsolvable  
2 problem. And it is the very same problem that major corporations  
3 have been grappling with, some of them very successfully,  
4 entities that have to worry about very highly secured  
5 information, such as health care providers and others.

6 I am glad to see you are focused on the challenge.

7 MR. MERSCHOFF: Depending on what you want to invest.  
8 When Region IV went to permanent work at homes. We went to their  
9 homes. We put in ISD lines and made them part of the LAN such  
10 that there were not security issues. It was government equipment in  
11 there. And it works very well.

12 But if you scale that up to much larger rollout, it  
13 gets very expensive.

14 CHAIRMAN DIAZ: Well, I do understand that there  
15 are some sensitivities with the phone lines. Some issues that  
16 have to be dealt with. But I do believe that that's why the  
17 technology that is presently available should be applied to solve  
18 this issue. And I think this is an issue that we need to solve  
19 and we need to solve it sooner rather than later.

20 MR. MERSCHOFF: We are not meeting your expectations,  
21 nor are we meeting our own expectations on that. So we hear you.  
22 CHAIRMAN DIAZ: Very good.

1        Let me go to one, I think, broad question because I'm  
2    sure that my fellow Commissioners will be able to take apart -- I  
3    mean, be able to actually work with you on the other issues.

4        You now have been, you know, looking at the CIO  
5    outputs, when you were our Regional Administrator. Now you are  
6    looking at it from the other place. And it is always, you know,  
7    a question that is so vital to the agency. But, you know, as a  
8    broad issue and because it involves so many things, what I'm  
9    hearing -- but I want to hear you answer it directly -- is that  
10   you believe that the OCIO is ready to respond to the needs of  
11   this agency within a fiscal conservative framework. Because you  
12   now realize that there are not infinite resources to solve every  
13   issue.

14       That means choices have to be made. The choices have  
15   to be real. They have to be right in phase with what the agency  
16   needs. And that's a major, major issue. And I wonder if you can  
17   give us your opinion of where we stand as far as I achieving  
18   those.

19       MR. MERSCHOFF: We have an outstanding staff. And I am  
20   pleased to lead that group. When I came, the view from outside  
21   is a lot different than the view from inside.

22       I mentioned the first step I took was to ask my peers

1 and colleagues what do you want to see change. One hundred and  
2 eighteen suggestions and recommendations came up.

3       When we started to look at that closely, at least half  
4 of them were already underway within OCIO. This was an  
5 organization that understood better than I thought what its  
6 problems are and has good internal capability.

7       Do we have the level of fiscal discipline that we  
8 should have? No. Will we bring that to bear in this budget  
9 cycle, '06? Yes, sir.

10       CHAIRMAN DIAZ: Very good. Thank you so much. I  
11 am sure you realize that I am going to ask the same question of  
12 all of our senior managers in the very near term. And I hope  
13 that the answers all match. And that's your job, to make sure  
14 that you all converge to the same point.

15       MR. MERSCHOFF: In fact, we are working hard to impose  
16 that discipline in a form and method that's familiar to the program offices  
17 so that they can participate with us, use the same vocabulary and  
18 the same form, and really be able to align to assure that that  
19 last IT dollar is just as important as that last reactor safety  
20 dollar.

21       CHAIRMAN DIAZ: Thank you so very much.  
22       Commissioner McGaffigan?

1           COMMISSIONER McGAFFIGAN: Thank you, Mr. Chairman. I  
2 am fighting off a bit of a cold so bear with me. I also have to  
3 admit that I am part of that generation that was born before 1980  
4 -- barely, a little bit.

5           I think -- compared to previous years, I think that you  
6 guys are on a good track at this point. I don't have lots of  
7 problems with you. I do have to admit that aside from public  
8 ADAMS, I have yet to use ADAMS. So maybe I should go to the  
9 fifth floor. But I haven't had a need. And my staff knows how  
10 to use it. So it is probably good enough. And when it is web  
11 based, I will love it.

12           In terms of working -- you know, CITRIX, I don't use  
13 CITRIX. When I am at home, I use my MSN mail connection. I use  
14 my home e-mail address. I can work and I have an old ancient  
15 Microsoft office setup at home. But my Word documents can be  
16 read by WordPerfect when I get here, and vice versa. I can read  
17 WordPerfect documents if they are sent to me. And that's all I  
18 really need. So I am easy there.

19           And CITRIX I just found horrible -- I mean, if you are trying to  
20 access this huge thing through a straw, it is a 32 kilobits per  
21 second. It just doesn't work. I don't know how you are going to  
22 make it work. I am not going to go get Comcast broadband and

1 bring all those security issues to you. Although, my children keep  
2 lobbying for it. Whatever. You know, it cost more money. I am  
3 cheap.

4       The issue that I think -- I mean, I think Yucca  
5 Mountain, you are correct to have the focus on the Yucca Mountain  
6 proceeding. I think it is going to be an enormously difficult  
7 time for you all. It is going to bring -- you have already  
8 recognized it. The people who sell you these programs build in  
9 obsolescence. And that means that during the Yucca Mountain  
10 proceeding you are going to have to be upgrading. With the  
11 built-in obsolescence that Microsoft and friends brings us, you  
12 are going to then have to adjust to it. It is going to --  
13 minimizing the disruptions is all that we can pray for.

14       But you are ahead of that and I think it is important  
15 you are ahead of it. It is just going to be an enormously  
16 difficult time for you and it is going to be an enormous boundary  
17 condition, I think, on how you do things during that period. But  
18 you are on top of that.

19       An interest of mine has been touched on. And I think  
20 that we need to have as soon as possible -- and I don't want to  
21 go into a lot in the public session, but I think we need a  
22 secure Intranet capability sooner rather than later. And I know

1 there are references to piloting various things. But I think

2 that's a very important area.

3 Since 9-11 we have dealt with secure -- the number of

4 safeguards documents that have come to my office and the national

5 security information documents is orders of magnitude higher than

6 prior to 9-11. We need an effective tool for communicating. I

7 honestly think that at times we -- because we don't have an

8 effective tool for communicating, we move right up to the edge

9 of, you know, sharing information in ways that we shouldn't.

10 Hopefully we don't get over the edge. But people try

11 to declassify things and put them in an e-mail which, if we had a

12 secure thing, people could just put down, you know, what they

13 know and we would be able to work within that system.

14 So I think it doesn't have to be everybody. It doesn't

15 have to be 4,000 people or whatever the number is in the agency.

16 But there are probably a couple hundred people, you know,

17 including the Commission itself, that needs to have a better

18 capability than it has today.

19 And I know that's hard and it is expensive and we have

20 to work our way through it. I am not sure you need all the bells

21 and whistles of ADAMS in the security. I think someone

22 mentioned, I think Ellis mentioned it being ADAMS like, the

1 secure Intranet. I am not sure of that. I think you need  
2 e-mail and a few things. But do you need group ability to work  
3 on documents and all of that? I mean, maybe you do. I don't  
4 know.

5 I mean, the archivist wants us to be able to archive  
6 classified documents as unclassified. So I leave it to you all  
7 to work on it. But it is important and I think we need to get on to  
8 that.

9 MR. MERSCHOFF: I can comment just a minute on that. I  
10 agree with you. It is important I am personally involved. Mike  
11 Webber and I met with the team last week, I think it was.

12 And you are right on target, Commissioner. This is an  
13 instance where excellence is the enemy of good. And if we let it  
14 become too big a system, too many bells and whistles, too much,  
15 too high a level of classification, too many people involved, we  
16 are not going to be able to deliver this in the time frame that  
17 we really need it. And we are working with a small pilot to see  
18 what we can do fast that gets us 60 or 70 percent of what we want  
19 and then grow it from there.

20 COMMISSIONER McGAFFIGAN: I think that's a good  
21 approach almost always. I don't want you guys to be out like we  
22 were in ADAMS and we get the archivist award at some pain. We

1 now have Cindy Crawford or Brad Pitt, depending on the sex of the  
2 system, totally grown up. But it was an ugly child.

3 MR. MERSCHOFF: That might mean that it doesn't meet  
4 your expectations. That you may not have a terminal in your  
5 office. Maybe there's one terminal in a secure area on the 18th  
6 floor that's shared by your staff.

7 COMMISSIONER McGAFFIGAN: That may be okay.

8 MR. MERSCHOFF: As long as there is an open mind in  
9 terms of this minimal system rollout that can later be grown, I  
10 think we will make progress on it.

11 COMMISSIONER McGAFFIGAN: People have solved this  
12 problem elsewhere in government, as Commissioner Merrifield  
13 talked in a different context earlier. And we just hopefully  
14 can --

15 MR. MERSCHOFF: We have those kind of people working  
16 shoulder to shoulder with us on this.

17 COMMISSIONER McGAFFIGAN: The last one, which is also  
18 mentioned in your future initiative areas and it is in NMSS, is  
19 your customer. But I urge you to take the same approach it to.

20 We are currently doing an inventory of all high risk  
21 sources using Oak Ridge as the contractor. Our vision is that we  
22 will be able to track all high risk sources in both NRC and

1 Agreement Sate licensees. And it isn't meant to be a distant  
2 vision. It is meant to be a relatively near-term vision.  
3       And I hope that we can keep it simple and  
4 straightforward but there's a lot of other folks, other agencies  
5 that want to play. And this thing could grow and become  
6 complicated. And I urge you to try to keep it simple. The  
7 fundamental requirement is, can we track the sources from cradle  
8 to grave and what does that mean? Does that mean that we have a  
9 monthly, we know where they all are or whatever? What's the  
10 frequency? How often is this updated?  
11       I mean, there's a lot of details. But I think if the  
12 thing -- you could easily say, well, this could be integrated  
13 with this and it could be integrated with that. We could have  
14 the systems of systems, the metasystem you talked -- Yucca  
15 Mountain, we need a metasystem. Here, I think, we may not need  
16 it. At least I would strive for simplicity and try to keep the  
17 requirements down lest they become a burden.  
18       I think about the general license tracking system as a  
19 case where we talked last year and it clearly had pains  
20 associated with it. And it cost a lot of money. So if we could  
21 keep it reasonably simple, have it meet the requirements, the  
22 fundamental requirements, I think that would be a good thing.

1           MR. MERSCHOFF: We have embarked on a major training  
2 program in terms of project management to assure that we don't  
3 run into problems in IT system development like we have in the  
4 past. That's one part of that.

5           The other part is I agree in terms of simplicity but  
6 there's a tough balance here. You have a good staff that can see  
7 the future, often more clearly than I can in IT. And they  
8 recognize with just a little bit more we are going to have a  
9 system that you will be happy with for a decade. And it is  
10 tempting to do that.

11           And to balance, to sort out what really is worth the  
12 extra effort because it is important and not a minimal system,  
13 and what's a bell and whistle that will complicate it is hard.  
14 And we are working with the program offices, with the business  
15 customers to do that.

16           COMMISSIONER McGAFFIGAN: This one I see being more  
17 complicated than others. In that you have got states, you have  
18 got DOE, you have got a bunch of folks who are going to affect  
19 the requirements.

20           And the more that you can use something that is  
21 relatively simple, that is widely available, you know -- when we  
22 did the general license tracking system, I remember asking, why

1 can't we use just one of the elements of Microsoft Office,  
2 whatever the database system is. I forget what it is called --  
3 Access -- and hire some teenager, some of those people born after  
4 1980, and do it quick.

5 And the answer was, oh, no, no, no, that couldn't  
6 possibly be. And there are other things that have to go into it.

7 But if you can keep it simple, then all of those other  
8 entities can more easily buy into it and play into it. As soon  
9 as you do customized stuff -- and you have to customize in 33  
10 states plus NRC, and then DOE wants to customize further for  
11 whatever purposes it has because it is going to also be tracking  
12 its own sources, then by God, you know, I can see the  
13 requirements creep becoming an avalanche. So watch out.

14 MR. MERSCHOFF: I would probably have my CIO  
15 credentials revoked if I didn't use the words federal enterprise  
16 architecture at some point during a briefing like this.

17 COMMISSIONER McGAFFIGAN: Well, we wouldn't want you to  
18 get your credentials revoked.

19 MR. MERSCHOFF: It may come to mind in that discussion.  
20 It is a battle we often have where somebody that's good at  
21 writing a little bit of code sees an easy way to do it. But  
22 there is benefit for the discipline of an enterprise architecture

1 in a controlled construction process. Because the unintended  
2 consequences of real quick and easy IT solutions can be very  
3 painful in as complicated a system as we have.

4 Let me ask my staff again -- I made them promise to  
5 keep me honest during this briefing. Have I strayed too far?  
6 Okay.

7 CHAIRMAN DIAZ: Commissioner Merrifield.

8 COMMISSIONER MERRIFIELD: Thank you, Mr. Chairman.

9 I was thinking last night about preparing for this  
10 presentation this morning. And as the CIO for the Merrifield  
11 household, I was up until about 11:30 during our 2004 computer  
12 refresh.

13 MR. MERSCHOFF: How did it go?

14 COMMISSIONER MERRIFIELD: I had an episode with the  
15 help desk that was probably less satisfying than hopefully, I'm certain, than  
16 the one in our office. So everything works, so we are happy. Hope my nine-year-  
17 old computer technician isn't listening.

18 I want to go to slide six. We had some discussion  
19 about LSN certification activities and the involvement of the CIO  
20 in that effort.

21 Clearly, you have talked a little bit today about the  
22 volume of material that we will be receiving from DOE, our staff,

1 filings, a lot of expectations about the usability and  
2 functionality of that system. Are there any concerns within the  
3 office of the CIO about the support that we have got in terms of  
4 the sufficient resources, expertise, and any other things that  
5 would be useful for the Commission to know about?

6       **MR. MERSCHOFF:** Within the narrow frame of the  
7 Licensing Support Network, probably not. I mean, that's under  
8 control in terms of what it needs to do as long as we clarify the  
9 expectations relative to DOE in terms of when the system can go  
10 through its characterization function.

11       But if I step back for the broader question, the  
12 metasystem and the integration of the Licensing Support Network  
13 with EIE, with the Electronic Hearing Docket, with DDMS, likely we  
14 will need more as we work through this current step, the service  
15 level agreements and really carve out the requirements for these  
16 systems to work together and the production requirements that  
17 Fran talked about. If we decide as part of this service level  
18 agreement that it is really important that anything filed to the  
19 court has to be processed and available in an electronic hearing  
20 docket by business the next morning, regardless of the volume,  
21 well, that speaks about a staffing level and around the clock  
22 production level that could be expensive.

1        So as we work through this service level agreement and  
2 make trade-offs in cost versus performance, at that point the  
3 Commission clearly needs to understand what we did. My worst  
4 fear is June comes around or '07 comes around and the Commission  
5 is surprised at some limitations of the system that we rolled out  
6 when we had it in front of us right now. So this is going to be  
7 an expensive proposition and probably we will be asking for more.

8        COMMISSIONER MERRIFIELD: As far as an editorial  
9 comment is concerned, it is very clear that there is a legal  
10 requirement that we have to be timely in our review, irrespective  
11 of whatever the decision the Commission makes. We certainly need to  
12 manage that in a way that will meet our legal obligations as well  
13 as the expectation of the variety of stakeholders who worry about  
14 this.

15        So to the extent that there are those underlying  
16 concerns, the sooner you all in concert with other internal  
17 stakeholders in the agency, can define what those concerns are  
18 and the resource implications, the sooner, I think, the  
19 Commission is going to need to consider addressing those. We  
20 need to be making those decisions today, not next week, not next  
21 month. In order to meet those legal obligation, given where we  
22 are today.

1           MR. MERSCHOFF: We are on track. The offices have been  
2 extremely supportive in working out the service level agreements.  
3 We have them now. We are in the process of costing them out to  
4 see, to start the negotiations and the iterations.

5           But another example that's in front of us, is this a  
6 system that can occasionally break, fail, and you fix it? Or  
7 must it be available 100 percent of the time? If the answer  
8 is the latter, then it needs to be redundant and fault tolerant.  
9 If occasional break/fix philosophy is acceptable, then it is  
10 much less expensive.

11           Those are the kinds of decisions that are in front of  
12 us. And we ought to be able to get them to you in the not too  
13 distant future.

14           CHAIRMAN DIAZ: Can I ask our legal counsel to make  
15 a comment on this issue that keeps coming up regarding when do we  
16 have to really put this thing in place? Because I know you guys  
17 have been working on it.

18           And I think that people who are looking at this might  
19 not realize some of the implications in the area.

20           MR. BURNS: Obviously, as we get closer, as  
21 Commissioner Merrifield says, it becomes more critical. I mean,  
22 we have given the Commission some options very recently,

1 particularly with respect to the loading of documents into the  
2 system, which, again, the way that we have defined, we as an  
3 agency have defined certain triggering dates and then how it  
4 paces out from there. So we have given you some options from  
5 that.

6 I recall again that LSN, the concept of the LSN -- I  
7 was born before 1980 and I was here in the mid '80's. When it  
8 was created, obviously, it was an idea and a vision that  
9 technology overtook in a way in terms of its original concept and  
10 its original design.

11 I remember going with Chairman Carr over to the FDA and  
12 the type of thing, it is just been blown away by technological  
13 developments. But it is a creation of this agency, not a  
14 creation of statute. And I say that because the Commission, I  
15 think, has the flexibility, and is doing some things in addition  
16 to some of the issues in terms of the loading.

17 We have looked at some improvements which are underway  
18 to the Subpart J procedures, to identify and tweak more recent  
19 changes to Subpart J so that the LSN meets its objective to  
20 support the hearing requirement, the requirements of conducting  
21 the hearing.

22 Ultimately, the idea was, the original vision of then

1 the LSS and now the LSN, is to meet the objective of the three to  
2 four-year period for hearing. And, you know, that's the primary  
3 thing.

4 But within that, we have flexibility to do what we  
5 think we need to do to conduct a, you know, an objective and fair  
6 adjudicatory hearing on the high level waste project.

7 COMMISSIONER McGAFFIGAN: Could I just ask, does the  
8 Office of the General Counsel have an opinion for LSN, for the DDMS,  
9 for the Electronic Hearing Docket, the issue that Ellis just  
10 raised? There are probably different answers for the different  
11 elements of it.

12 Is this a system that can go down and be brought back  
13 up within a period of time? Is this a system that's going to  
14 have to function with redundancy? These are different systems.

15 But presumably, the whole metasystem doesn't have to  
16 perform perfectly because people -- LSN may be at the bottom tier  
17 of it, sort of thinking intuitively, whereas the DDMS, if it is  
18 going to be used in the trial itself, then you would be  
19 disrupting the middle of the trial if it goes down. But I am  
20 prejudicing your answer.

21 Have you thought about the answer to Ellis' question  
22 for these elements from an OGC perspective?

1       MR. BURNS: Again, to the extent that there are  
2 performance requirements -- and I am rusty and vague as to what  
3 they are within Subpart J, they go to the LSN.

4       MS. VIETTI-COOK: And EHD.

5       If the EHD is out for more than four hours, you delay  
6 by one day kind of a thing. So those are the kinds of things  
7 that we are working into our service level agreements with the CIO.

8       MR. MERSCHOFF: And if I can interrupt, OGC and SECY  
9 and ASLBP have been working very closely. And they have given us  
10 those service level agreements with that level of detail. Now  
11 the ball is in my court to put it together and say, whoa, this is  
12 expensive.

13       COMMISSIONER McGAFFIGAN: The Chairman just grabbed his  
14 wallet.

15       MR. MERSCHOFF: Then we will go back and work it out to  
16 what do we really, really need that we think we need and then we  
17 are going to have to come to you to make sure that you are  
18 comfortable with that. Or we write bigger checks.

19       MR. BURNS: That's why I say, again, when we recall  
20 it -- this has been -- it is an objective or it is a tool that  
21 the Commission has tried to develop to move forward to meet that  
22 three to four-year objective in the 1982 Waste Policy Act. But

1 it is not -- these type of service and availability levels are

2 something that are not, they are not in the statute.

3 CHAIRMAN DIAZ: That's precisely what my

4 point is.

5 MR. BURNS: Good. I am glad I interpreted the question

6 correctly.

7 COMMISSIONER MERRIFIELD: One also has to deal with the

8 very real reality of expectation. And sometimes expectation and

9 reality don't always align themselves.

10 CHAIRMAN DIAZ: In Washington you cannot

11 distinguish them.

12 COMMISSIONER MERRIFIELD: You can distinguish them.

13 You just have to do so with great care.

14 COMMISSIONER McGAFFIGAN: Sorry for intruding on your

15 time, Commissioner Merrifield, but has there been discussion on

16 this LSN about these sorts of issues? We are talking about

17 internal expectations of OGC, SECY, ASLBP, et cetera.

18 Do we have any idea what the expectations of outside

19 parties are, DOE, the State of Nevada, et cetera, with regard to

20 the availability of these tools once the hearing is underway?

21 MR. MERSCHOFF: Yes. We have frequent meetings in Las

22 Vegas. We have internal meetings here --

1        COMMISSIONER McGAFFIGAN: Are their expectations  
2 similar to the expectations of internal stakeholders? Are they  
3 higher or lower?

4        MR. MERSCHOFF: That's hard to say. The expectations I  
5 am a little more concerned about are the metasystem operational.  
6 LSN is ultimately going to work. It is going to be a database.  
7 It is going to be searchable. It will satisfy needs.

8        COMMISSIONER McGAFFIGAN: I agree.

9        MR. MERSCHOFF: It is the metasystem that is the  
10 question mark.

11        COMMISSIONER MERRIFIELD: Turning to page 10. In terms  
12 of the discussion about a migration to E-government -- and I  
13 would say as a footnote I think the agency has done a good job of  
14 meeting its obligation in that regard. But I am wondering -- a  
15 lot of that has been focused towards sort of a receipt mode. We  
16 are in the point now where we are accepting electronic documents.

17        And I am wondering to the extent of where we are in  
18 migrating to an environment where we can transition to more  
19 export of electronic documents in our process to reduce the paper  
20 load that we find ourselves under sometimes. Where are you on  
21 that?

22        MR. MERSCHOFF: There's two answers to that question.

1 One is, structurally, we are really positioned well to do that  
2 compared with the other federal agencies because of ADAMS. A  
3 vast amount, over half a million documents are well -- for public  
4 -- about a quarter million documents are available in public  
5 ADAMS and can be pulled out electronically by our stakeholders.

6 So in terms of citizen to government and business to  
7 government issues for receiving information, that's a real plus.  
8 Our web site, 30,000 pages, 3 million viewed per month. We do a  
9 pretty good job in terms of providing an electronic portal to our  
10 customers.

11 We recently added the capability to make it easy for  
12 offices to put an electronic link on the web site to an ADAMS  
13 document. So if you have something of high interest, you can  
14 just click on it on the web and go directly rather than directing  
15 your customers through ADAMS to pick it up.

16 So from that sense I think we are very well postured to  
17 provide information electronically.

18 More to the heart of your question, though, I believe  
19 is the E-Rule. We are receiving information electronically.  
20 There's the capability to grow to answer electronically. We are  
21 using that as an engine of change within the agency, or an  
22 opportunity for a change. We are working individually with each

1 office to look at the E-Rule. And now that licensees have the  
2 ability to submit only one document in electronic form to us, how  
3 can we be more efficient in our work processes? And part of that  
4 is the back hand, in terms of responding electronically.

5 So I think we are well positioned. But it is a major  
6 area of business process improvement that's opened up for us.

7 COMMISSIONER MERRIFIELD: On a different issue on this  
8 slide, I know we are in the process of migrating from a Windows  
9 NT to a Windows XP environment. I get conversations in the  
10 elevator, too. One of the significant concerns that has been  
11 raised to me by staff is the fact that we are still dependent on  
12 a very old version of WordPerfect. And in interchanges with many  
13 other government agencies, when we export documents or import  
14 documents from them in MS Word, there's a translation problem.  
15 It has become quite cumbersome, given that dated nature of that  
16 underlying program.

17 It strikes me in these discussions that we are at a  
18 point of where a basic service provided is inefficient to the  
19 extent that it is impacting on the efficiency and effectiveness  
20 of our work force.

21 And I am wondering, on that particular one, what's your  
22 time line in terms of making that more user friendly and moving

1 us forward?

2 MR. MERSCHOFF: I am not ready to sign up to that  
3 postulation yet. We look periodically at whether it makes sense  
4 to transition from WordPerfect to Word to a full Microsoft office  
5 suite.

6 COMMISSIONER MERRIFIELD: Okay. I'm sorry. I didn't  
7 clarify that appropriately. It is not the function of  
8 WordPerfect versus MS Word. I am not quibbling on that. That  
9 doesn't matter to me. It is just a matter of our version of  
10 WordPerfect, because we are on an NT environment, is so old that  
11 the ability to talk to more modern versions in an XP environment  
12 is not where it needs to be and that is what is hindering the  
13 effectiveness and efficiency.

14 MR. MERSCHOFF: The XP rollout will have the newer  
15 version of WordPerfect. My laptop has XP on it, the NRC laptop.  
16 And the newer version of WordPerfect is much nicer.

17 Moe, is that correct?

18 MR. LEVIN: We are packaging the rollout of the later  
19 version of WordPerfect, the whole Corel Office Suite with XP.

20 COMMISSIONER MERRIFIELD: And the time that our staff  
21 will receive that?

22 MR. LEVIN: We will start the rollout the latter part

1 of this year and complete by the end of December.

2 MR. MERSCHOFF: By Christmas Day the every last NRC

3 person will have it.

4 Right, Mr. Levin?

5 MR. LEVIN: We will try, yes.

6 COMMISSIONER McGAFFIGAN: And if you are stuck in

7 Microsoft Office 97, this is not a problem.

8 MR. MERSCHOFF: Having said that, your point is

9 excellent. When we have to deal with other federal agencies, for

10 example, we can put and have put Word, for example, on machines

11 of any employee who needs it for those business-related --

12 oftentimes we find other federal agencies want to converse in XML

13 and other languages and approaches as well. And we support that.

14 All we need to know is who it is and what do they need and we can

15 get Word on those machines in the interim. But XP has been hard

16 to transition to.

17 And some time in the middle of the high level waste

18 hearing, the progeny of XP, I think it is called long horn, will

19 come out and we will have to manage that transition. We will

20 have to manage a transition to ADAMS 5.0. It is a difficult

21 process.

22 COMMISSIONER MERRIFIELD: We are just well behind the

1 curve on NT.

2 MR. MERSCHOFF: Yes, sir, we are.

3 COMMISSIONER MERRIFIELD: So I think that hopefully we

4 can -- you get it there.

5 What -- on slide eleven, going to the issues of

6 organizational leadership, the OIG safety culture and climate

7 survey was a challenge for the office of the CIO. And I was

8 wondering if you could give a little bit more detail in terms of

9 where you are in engaging with your staff and understanding where

10 they have been, where they are going, and where you perceive they

11 are relative to that earlier snapshot of their feelings?

12 MR. MERSCHOFF: We are at a different place than we

13 were a year ago. A lot of good work was done before I came in

14 June in terms of values working group and communications working

15 group. I think a lot more has been done since then.

16 Focus one is the management team, to make sure that

17 managers understand leadership and expectations. To that end,

18 tomorrow is the next of our continuing series of management team

19 off sites. We devote one day each quarter to looking at what

20 Steven Covey would call quadrant two planning, important, not

21 urgent issues.

22 Part of that is coaching and counseling and to make

1 sure that the management team is of one mind with me in terms of  
2 how this organization should be led.

3 Fundamental in that change is communications. We have  
4 a really good staff that is working hard that have not been well  
5 led in the past. And by opening up communications both ways so  
6 that we are talking to them and explaining to them why we do the  
7 things we do and we are listening and thinking about whether or  
8 not we should continue to do the things we do, that's what  
9 improves it.

10 We have an all-hands meeting once a quarter in the  
11 auditorium to do that. The virtual all-hands was discussed. But  
12 each month I will sit down with one of the divisions just to  
13 answer their questions.

14 Moving my office over to the major OCIO office space  
15 was an enormous step forward. I know, by name at least half of  
16 the employees in OCIO. They talk to me and I talk to them.

17 These initiatives are bearing fruit. I think that if  
18 you talk to some of my staff and other people, you will find that  
19 attitudes are changing, morale is changing, and enthusiasm is  
20 changing. If you take just simple marks, Combine Federal  
21 Campaign, the donation level this year from OCIO was higher than  
22 it has ever been. Participation in the holiday party, record

1 levels. These are small things. And you might say, not good  
2 indicators. But woven together is a tapestry of an organization  
3 that is changing, that is fun to work in, and the place that  
4 people in this agency, any information management or any  
5 information technology person in the agency is going to want to  
6 work in another year or so.

7           COMMISSIONER MERRIFIELD: Last question I would have, I  
8 have asked in past years -- and I have had dialogue with a  
9 number of our regional administrators and their staff as well as  
10 in other offices about the use of mobile computing devices in  
11 order to enhance our effectiveness and efficiency.

12           Most notably, I think this is important for our  
13 inspectors, be they based in the regions or headquarters based,  
14 their ability to go out and have the CFR at their hands, whether  
15 it is on a PDA, pen tablet, or on another mobile computer device. Each of the  
16 regions is in a little bit of a different place in terms of the  
17 rollout of these types of devices. The CIO, I know, has had  
18 efforts in the past of its own to try to bring a team together  
19 and harvest some of this.

20           I am wondering -- maybe this falls in Ms. Turner's  
21 office -- but where are we in terms of keeping that ball moving  
22 forward in order to use those kind of devices to further enhance

1 our effectiveness and efficiency of the inspectors that we have?

2 MR. MERSCHOFF: Let me try to answer that. And then I

3 will give Moe and Jim an opportunity.

4 We formed the IT focus group, which is the primary tool

5 to satisfy this. It brings together quarterly representatives

6 from all the regions, representatives from all the program

7 offices to talk at the working level, what's available out there,

8 what do we want to share good ideas laterally. Good ideas can

9 then percolate or matriculate out of that into our CEPIC process

10 and actually go into major development.

11 But to satisfy the horizontal consistency to keep

12 regions together, we concluded that mandating a one size fits

13 all, everyone is going to have one type of PDA and it is going to

14 do this, just doesn't work. Some regions are better with some

15 applications than others.

16 So the approach we are taking is a catalog approach,

17 where we have -- as we hear the ideas and learn what's needed,

18 you put in a pre-approved catalog, those particular devices that

19 work well within our architecture. Then you allow the offices

20 and the regions to customize from this pre-approved group what

21 works best for them.

22 So, yep, the regions are going to be a little

1 different. But with the focus group coming together, we learn  
2 those that are working real well and they get converts that come  
3 with them. And I think that allows us to progress.

4 MR. SCHAEFFER: The only thing that I would like to add  
5 is with the focus groups, I think we initially started these  
6 several years ago. It was tough getting people from the regions  
7 in. We would have to call them out and make sure they attended.

8 Now we have upwards 30 to 40 people. Very active  
9 participation from the regions. I think that facilitates kind of  
10 sharing of ideas, also identifying opportunities that could be  
11 crosscutting spread across the regions. Some of them being some of the  
12 PDA work we have done on licensing, some of the pen tablets, also  
13 the introduction of digital cameras in terms of helping to relay  
14 information back, pen scanner.

15 So I think we have come a long way. I think it has  
16 been very successful, at least the feedback I get from the  
17 regions. They are very satisfied, and they are very actively  
18 engaged with it. But we want to continue to grow that and  
19 continue to make that more effective.

20 MR. MERSCHOFF: That 30 to 40 is total, not from the  
21 regions? I don't want four regional administrators --

22 COMMISSIONER MERRIFIELD: I do think this is important.

1 I give credit to the regions and to you folks for trying to push  
2 this forward. It is clear that if we can continue to develop  
3 this it will not only enhance the ability from an efficiency  
4 standpoint, to get more bang for the buck from the inspectors  
5 that we have, but in terms of the effectiveness and value of the  
6 time that they are spending on site, having the inspection  
7 documents, having the CFR, having those tools in their hands at  
8 the time that they are dialoguing with the licensee, I think, is  
9 quite important.

10           MR. MERSCHOFF: I recently learned an important lesson  
11 from that focus group. I attend the meetings. I address them  
12 each time.

13           And on the first one, I used as an example the scanner  
14 pen that had rolled out as an idea that just didn't seem to have  
15 much application in the field to me. And I am a regional  
16 administrator. I know what works in the field.

17           Well, that group rose as one to re-educate me. And it  
18 was a little humbling to realize, wait a minute, maybe I don't  
19 know as much about the field and what is useful. You need to  
20 listen to the folks that are out there trying to do it.

21           COMMISSIONER MERRIFIELD: I take some personal credit  
22 in doing some re-education of the CIO in terms of the use of

1 PDA's as well, so. We will get you there.

2 Mr. Chairman, the last thing I would just want to say.

3 We have had a significant discussion today about a lot of the IT

4 issues that fall within the office of the CIO. As I look out in

5 the audience, I see folks from duplication services and graphics

6 and others. And I think it is worthy of noting that all of this

7 talk about computer services, it is the folks who work in the

8 basement or P-1 in White Flint and elsewhere who provide us a lot

9 of the bread and butter items that really make this place work.

10 So in all of this talk about high-tech stuff, I certainly would

11 not want to leave off the important work that those folks do as

12 well.

13 CHAIRMAN DIAZ: Thank you, Commissioner Merrifield.

14 I think that's very appropriate. And we know that even the most

15 sophisticated operation needs right people in all the right

16 places so that they will function.

17 I think that we have had an excellent meeting. I would

18 like to thank you for your presentations but also for the work

19 that the presentations entailed, which is obvious.

20 Liability, responsiveness and security of our

21 technology infrastructure and communications systems are

22 definitely vital to the services that the agency provides, both

1 externally and internally. I think that it is obvious that your  
2 achievements over the last year have been significant and are  
3 important in terms of supporting the agency in achieving its  
4 mission in an effective and efficient manner.

5 You have viewed and we have viewed the challenges that  
6 are ahead and these are not going to end. This is, as you  
7 probably know much better than we do, a very dynamic field.  
8 However, that creates the need to make choices, appropriate  
9 choices, so that the proper investments are made and the proper  
10 fiscal responsibilities are entered into those things.

11 This is a major challenge that faces you because there  
12 are so many attractive gadgets out there. So we need to make  
13 sure that those are put to the proper use when they are needed  
14 and when we have the funds to do it.

15 We do appreciate the efforts of you and your staff to  
16 address these challenges. I think that you have a reasonably  
17 full plate. If you need more, come and ask and we will be happy  
18 to oblige you.

19 Do any of my fellow Commissioners have any other  
20 comments? If not, meeting is adjourned.

21 (Whereupon, at 11:15 a.m., the meeting was adjourned.)

22