

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON OFFICE OF NUCLEAR SECURITY AND INCIDENT  
RESPONSE (NSIR) PROGRAMS, PERFORMANCE AND PLANS

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TUESDAY

MARCH 23, 2004

The Commissioners met in the Commission Hearing Room  
at One White Flint, Rockville, Maryland, at 1:30  
p.m., Chairman Nils J. Diaz, presiding.

COMMISSIONERS PRESENT:

NILS J. DIAZ, CHAIRMAN.

EDWARD McGAFFIGAN, JR., Commissioner

JEFFREY S. MERRIFIELD, Commissioner

STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE

General Counsel

Secretary

DR. WILLIAM TRAVERS, EDO

WILLIAM KANE, DEDO

ROY ZIMMERMAN, Director, NSIR

DICK WESSMAN, Director, Div. of Incident Response Operations, NSIR

GLENN TRACY, Director, Division of Nuclear Security, NSIR

HUB MILLER, Regional Administrator, Region I

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

CHAIRMAN DIAZ: Good afternoon. How is everybody today? Doing okay? All right.

The Commission will be meeting this afternoon to hear from the staff on the status of NRC Nuclear Security and Incident Response Program. I don't know what anniversary are we, but we are approaching number two, huh? I see. We should have a couple candles in here. The right kind of candles.

We consider security not only to be an important component of our public health and safety mission, but has even now become a lot more important since 9-11. Like we all know, we have been concerned with how we go at protecting the nuclear facilities, the nuclear infrastructure and how we work together with the rest of the federal agencies.

In the past year, the NRC has undertaken many actions to make sure that we integrate security more strongly with our activities and that we address every one of the aspects that are important to the protection of public health and safety, the environment and the common defense and security.

The Commission is, of course, very interested in hearing the status of ongoing activities and the key

initiatives and accomplishments of the NSIR organization, especially now that we're approaching your second birthday.

The Commission looks forward to today's briefing. And before we get started, do my fellow commissioners have any comments?

COMMISSIONER MCGAFFIGAN: Mr. Chairman, I just might just make a comment about the fact that this meeting is going to continue upstairs after we deal with the limited number of items that we can deal with in an unclassified setting.

I hope that members of the public understand why we do have to classify much of the information related to security as either safeguards information or national security information. We're clearly not in the business of trying to aid terrorist.

And it is our judgment as a Commission and as a staff that much of the information or all of the information we are protecting would potentially aid terrorist. And it has to be protected.

So we're going to have some very general discussions this afternoon down here. The public should understand that we have much more detailed discussions routinely at a classified level with the

staff. And that indeed security has dominated our agenda since 9-11 in ways that I don't think we fully -- we had a very robust security program prior to 9-11, but I don't think we fully knew what was about to happen to us in terms of the amount of time we were going to have to devote to security since 9-11.

So this is a window. It's a window that may frustrate some members of the public. But I think it's an appropriate place to draw the line in terms of the discussion we are about to have.

CHAIRMAN DIAZ: Thank you, Commissioner McGaffigan.

And I think the counterpart of that is that as much as we can, the Commission is still committed to maintaining the public informed of all those aspects that we can keep them informed. In no way that takes away the fact that we are committed to the protection of public health and safety.

COMMISSIONER MERRIFIELD: Mr. Chairman, reflecting on comments of my fellow Commissioner, Commissioner McGaffigan, that I agree with, as well as the comments that you have made, I think personally I would add a reflection that probably among the more frustrating issues that have occurred

since that very difficult day in September of 2001 was a change in our agency.

And a singularly difficult change for us as an agency is the extent to which we had to move away from what had been a continuing and dedicated effort to have a greater degree of transparency.

It was a difficult change. It was one that none of us wanted. None of us desired. None of us sought out.

But one that, as Commissioner McGaffigan has spoken, was forced upon us due to the times in which we now live.

And the meeting today -- it could have been very easy for us simply not to have a meeting at all in public.

Obviously, one of the options that was available to us was to merely have a closed meeting with our staff.

But in light of the desire of this Commission to do what it could in a public forum, we felt it was an important signal that despite changes that have been forced upon us in the nature of the way in which we deal with security and secured information, that we did want to demonstrate to the public that to the extent that we can, we do want to engage in a public

way.

And so reflecting on the comments of Commissioner McGaffigan, I wholeheartedly agree that while this isn't the way we would necessarily liked to have done it, we did want to continue to have this meeting to demonstrate that we will not be deterred from attempting where we can to engage with the public and in a public way.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, I would just like to add, I agree with Commissioner Merrifield, that this is not the most efficient use of our time because we will probably go back over some of the grounds that we are about to cover when we go back upstairs at a classified level.

The most efficient use of our time would have been to simply have a single closed meeting. But as Commissioner Merrifield says, in a gesture to try to have as much we can in the public domain, we are going to conduct this meeting in two parts, whereas much as we discuss publicly, we will. And then the stuff that needs to be protected, we'll discuss in more detail with the staff upstairs.

COMMISSIONER DIAZ: Thank you, gentleman.

Now I'll turn the meeting over to

Dr. Travers.

DR. TRAVERS: Thank you, Chairman, and good afternoon.

I think the Commission has done a good job setting the table for this public session on our briefing on Nuclear Security and Incident Response. It is remarkable to think that two years have gone by. We look forward to providing the Commission with some sense of both accomplishments and challenges that remain in this public session.

Of course, joining me at the table are Bill Kane, my deputy; Roy Zimmerman, Director of NSIR; Glenn Tracy and Dick Wessman from NSIR. And joining us from Region I, of course, is Hub Miller to provide a perspective in the question and answer session from the regional prospective.

With that, let me turn it over to Roy and we will begin the briefing.

MR. ZIMMERMAN: Thank you, Bill.

Good afternoon, Chairman, Commissioners.

On behalf of the Office of Nuclear Security and Incident Response, we are pleased to have this opportunity to share with you today our key accomplishments, our ongoing initiatives and challenges that we currently face.



I will first address our incident response program followed by the nuclear security program, followed by our office infrastructure.

Next slide, please.

One more.

And one more.

Okay. With regard to incident response program, through Commission direction and leadership, the NRC staff has, across many offices, successfully responded to real events. Examples of that are the October 2003 blackout, Hurricane Isabel and the elevated threat condition when the nation went to orange at the end of the last calendar year.

We have maintained a consistently high level of readiness for events. We have 24/7 staffing in our operations center. We have a cadre of trained individuals from across the offices. We have over 350 staff across 19 offices, including the regions, that make up the complement of individuals that are trained to be able to respond in this agency to events. It's a number for us to take pride in as an agency.

The reliability of our equipment in our operations center has been high. And we have verified that our

continuity of operations plan remains capable.

Since last summer, the agency has participated in five full radiological emergency exercises, spanning all four regions. The regions, in addition, have witnessed other drills, other exercises on the part of licensees. They themselves have participated and observed four ingestion pathways that, again, cover the regions.

We are also participating this fiscal year in four interagency homeland security exercises with DHS, DOD, and other federal partners. These give us opportunities to coordinate with our federal partners and ensure that we have the appropriate processes in place, should an event occur.

In February, we participated in the first of those four this fiscal year. That was United Defense 04. And that response, again, gave us a good opportunity to be able to ensure our response coordination.

We have revised our NRC incident response program in light of the development of the initial National Response Plan that was developed by DHS. We issued our document in November so that it would conform to the initial National Response Plan. And our comments were appropriately received. And we were supportive

of that INRP document.

We are currently working closely with DHS as they take that initial National Response Plan and look at turning it into a National Response Plan in the summertime.

We have enhanced our federal partner's understanding of our roles and responsibilities as an agency with regard to the protection of the public health and safety through the materials that we license and the activities that we similarly allow to take place. So that there's a good understanding that exists, probably better than in the past, that 9-11 has, in fact, brought the federal government closer in that regard.

The PCC's, the policy coordinating committees that we attend, like the critical infrastructure protection, like the development of the initial National Response Plan and integrated response plan, give us that opportunity for us to do export to federal partners, what we do, what our statutory laws call on us to do, and to make sure that that's understood.

We have also made significant headway in improving our Operation Center hardware. The display and data systems that exist are going through a significant

upgrade that is well underway. We see the light at the end of the tunnel.

A very recent example is that we have been in the process of installing secure video conferencing in our Operation Center. And just this morning, we believe that it did very well during an accreditation test. And we expect to be getting a letter of accreditation that now give us secure video capability in the operations center.

Next slide, please.

Key initiatives as we look forward. We will continue to work very closely with the Department of Homeland Security and provide -- be very active, provide comments, work through the Commission and our comments going back on the final National Response Plan.

We are going to keep the Commission informed as, again, we ensure our federal partners understand the role that we see that we have with our licensees in an incident response situation. What we are going to do during April is we are going to table top a number of different types of scenarios with DHS to better understand how things would be expected to unfold with their establishment of an interagency incident

management group with regard to press conferences.

We want to get into a fair amount of detail with them

to really understand how that's going to work out.

And we will be doing that in April.

Following issuance of the National Response Plan, again, we will go back and make conforming changes to our incident response plan following the National Response Plan issuance.

Our exercises that we will be conducting, and those that we have conducted in the past with regard to interagency homeland security exercises does, in fact, improve our coordination and our ability to work with our federal partners. However, we also need to recognize and we do, that we have to place emphasis on ensuring that our participation in these exercises adds value for us and that our resource expenditures that are necessary to fulfill the objectives of the exercises are relevant and appropriate to the NRC.

We plan on staying abreast of enhancements in the IT world. We have designed the upgrades for the Operations Center to be very flexible. So as we see additional upgrades that can be made and the ability to tie communications techniques to other operations

centers -- whether it will be the licensees or federal government or state -- we are going to be looking at those types of upgrades as well.

We have reduced the backlog of our lessons learned associated with when there are real events or exercises and there are lessons learned for us, basically a corrective action program, if you will.

We have taken steps to enhance that process by reducing the backlog. We have been successful in it. And adding more rigor to the process and coming up with a database, bringing it up to the snuff so that it's basically been revamped to allow us as we move forward to have a more dynamic lessons learned program, and keep our backlog small. It will improve our overall efficiency and effectiveness.

Next slide, please.

As we know, following 9-11 -- and I'm going to talk a little bit of history for a minute. Although our last program review occurred last July, I'm going to go back and paint a picture a little bit earlier than that.

Following 9-11, we established the foundation for stable security requirements for power reactors with the issuance of a number of different orders. We

issued orders that put in new requirements, enhanced requirements for personnel access to power reactor sites to other sites. We revised the design basis threat. We set working hours for security officers. We required that there be enhanced training and qualification requirements for security officers as well.

Now with those orders in place, those now get folded into security plans that licensees need to submit to us by April 29th. Recognizing that there are a large number of plans coming in, three plans per facility, and the fact that we are looking to complete this by the end of October, what we have done is we have worked with the industry to develop templates to standardize the format and content of the upcoming plan submittals.

These templates are going to allow for a more effective and efficient review. It is going to allow the staff to focus on those areas of the submittal -- focus harder on the areas of the submittal that differ from the agreed upon template.

If there is an alternative approach that a licensee is providing, staff may find that acceptable. But being that it's different than what is laid out in

the template and what the industry has agreed upon up front, we will take a fresh look at it. Then that will take the additional resources.

But if a licensee follows the agreed upon approach that we have set out with the industry, we should have faster reviews and allow us to complete this review of about 200 plans by the end of October. That's our expectation.

This is a major licensing action for the agency. And the participants in this go well beyond NSIR.

In addition to NSIR, the regions are key and will make up part of the team. It will not impact their ability to do baseline inspections but we'll have the regions involved. NRR will be involved. OGC, CIO, and ADM have already been actively involved in getting us the space, getting us the equipment for us to be able to do this significant review. And we appreciate the help of the other offices.

Moving to force on force. Last March we initiated a pilot program for force-on-force exercises aimed primarily at increasing the realism of those exercises.

We have expanded the adversary capabilities of the mock terrorist, reflecting the increased post 9-11



threat that exists. We have made a number of enhancements to improve the realism. I just want to mention a few of those.

We now start the exercises in the owner-controlled area as compared to how we used to do it when we started inside the protected area. There's the use of equipment that we use the term MILES gear to address. It's basically laser-sighted guns and the defenders. The participants wear vests with laser targets on it.

The MILES stands for Multiple Integrated Laser Engagement System. But the use of MILES gear is a significant upgrade for realism and to get closer to actual combat situations than what we have had in the past. We are also including emergency preparedness and operation staff when we run these exercises, so that we get a more overall assessment of the licensee performance and have found that very valuable. NRR has accompanied us through their emergency preparedness organization on these. That's been a real significant enhancement to the force-on-force exercises.

We have seen a bell curve of performance on the part of the licensees' adversary force and their

controller force. And there has been enhanced training given as a result of that, primarily during calendar year '03 to try to get a more consistent adversary and exercise capability. Again, all aimed at enhancing realism. Since we restarted this program back in March, we have completed 16 exercises at power reactors.

Let me talk about the revised security baseline inspection program. This program was revised to reflect the post 9-11 enhanced security requirements. It was issued on February 19th and the inspections are now being conducted under the new program.

We worked extensively with the regions and NRR, getting good comments to put into the original revision of the inspection program.

The inspectors received their training in January, and as I mentioned, are carrying out the inspections now.

We are working on a proposed revision to the significant determination process. A vision that shortly we should be able to provide that through the staff to the Commission to share with you our recommendations for enhancements and improvements to

the significant determination process for the physical protection area. Next slide, please.

Following 9-11, staff from NSIR, Research, NMSS and NRR undertook a variety of vulnerability assessments to consider the potential impact from a broad range of threats across the spectrum of licensed facilities and activities.

In addition to NRC staff, these efforts included experts from the national labs, the Army Corps of Engineers, and the Defense Threat Reduction Agency. These reviews have continued to affirm the robustness of the structures, the effectiveness of redundancy systems and defense in-depth design principles, as well as the value of effective program for operator training and emergency preparedness. Nonetheless, where strategies to mitigate potential vulnerabilities have been identified, we have worked closely with licensees and federal partners as appropriate.

Let me turn to the areas in materials security. Additional security measures were required of material licensees with high-risk sources. Orders were issued to irradiator licensees and manufacturers and distributors of high-risk sources in June '03 and

January '04, respectively.

A procedure for carrying out the irradiator security inspections was issued in February, following the results of a pilot that was done by Region I in November. The learning that came from that pilot helped enhance our existing instruction.

The NRC is supporting Agreement States that which desire in lieu of the NRC to verify licensee compliance with the security requirements. Training was provided to both NRC and state inspectors in the February time frame in preparation for the upcoming inspections.

We have also begun to work with the states on developing additional security measures for licensees with moderate risk sources as appropriate. We have also coordinated with the Department of Transportation, DHS and DOE regarding transportation of large quantities of radioactive materials known as LQ RAM.

Back in 2002, we issued an additional security requirements for shipments of spent fuel. Now we recently completed visits to various carriers and shippers of LQ RAM to understand the actions that they have taken to meet DOT security plan requirements that

were recently issued.

Turning to threat information. As increases and decreases in threat condition levels have occurred, we have maintained good coordination with DHS, the intelligence and law enforcement agencies. Also the regions have verified licensee responses to the increases in threat levels.

We also provided the first ever classified briefing to cleared members of the industry. There are 162 cleared individuals now in the industry and another 314 that are pending their secret clearance. This clearly enables us to be able to have improved vertical communication and we are able to share this type of information.

It provides the additional background on the rationale behind the increases and decreases of threat condition. There continue to be a number of information assessment team reviews that are conducted when threat information is received by this agency. This requires a rapid coordination and assessment.

The team members are available 24 hours a day, 7 days a week. They do a great job for the agency. I'll talk a little bit about significant

enhancements to our security communication capabilities. We did receive, during this time frame, accreditation of the Skif in the second building. As I mentioned, the secured video teleconferencing is moving along well in our Operations Center. Key managers have been provided secured cell phones. The regions and the regional inspector offices have secure telephone and fax capability. And we also have secure e-mail availability with federal partners. Next slide, please.

With regard to key initiatives, we are continuing to perform two force-on-force exercises each month as we transition to the full implementation in November. This will put us on a scale of performing at least one exercise every three years as compared to once every eight years prior to 9-11. We are also overseeing the development of a dedicated industry mock adversary team which will result in improved adversary tactical skills and physical fitness standards. This team, which will be in place by the summer, will travel from exercise to exercise to ensure our consistently strong adversary team is in place. Our contractors will be working

with this dedicated adversary team. They actually start practicing in May.

Staff from several offices is supporting the Homeland Security Council and Department of Homeland Security in developing an integrated response plan to complement the licensee security forces should a specific threat or terrorist attack occur at a power reactor site.

A series of table top exercises have begun at power plants to identify opportunities for improvement and coordination of off-site responders with local law enforcement, the state, and the federal government. We also have established event communication protocols with NORAD to ensure timely notification to ourselves and to licensees of suspicious aircraft activity.

Regarding materials security, the staff is planning workshops this spring with irradiator and manufacturer and distributor licensees with high-risk sources to give them an opportunity to interact with us, ask their questions associated with the additional security measures.

Inspection verification of the additional security measures, as I mentioned before, is going to

be conducted by both NRC and state inspectors at irradiator manufacturer, distributors, licensees.

We also plan to recommend to the Commission if any additional security measures are considered appropriate for moderate risk sources and for transportation of LQ RAM.

We are also performing a review of our material control and accountability program with the assistance of a national lab. The review is scheduled to be completed in September and will likely result in recommended changes to current regulations and guidance documents. And we have been working closely with the Inspector General on their report as well as we perform this program review. At the completion of the review, our plan would be to submit a paper to the Commission containing recommendations on how we would propose to improve the program.

Moving to safeguards information control. There has been a very significant increase in the amount of safeguards and classified information. The volume of material and the number of users of the material is much higher, obviously, than it was, pre 9-11. It's important that we take



the steps to make sure it is properly protected.

What we are doing is we are enhancing the training for headquarters and regions and for the states to make sure that we are giving the commensurate level of training with the new additional -- the additional individuals involved in handling the information.

Next slide, please.

I will talk a little bit about our infrastructure accomplishments. Two years ago when NSIR was created, we had a permanent staff of about 80 individuals. We currently have over 140 individuals on board. A very significant and challenging recruitment and hiring effort. Since our last program review last July, we have filled positions with eleven external hires and we have five additional external hires that we are currently in the process of making offers to. The total number of individuals brought into NSIR since our last program review was twenty-two. Eleven of those were external hires.

We developed and implemented a detailed process for monitoring and measuring the impacts of emergent work. We sent our process to the Commission at the Commission's request, last December. And this

process allows us to make major strides in promptly being able to identify what emergent work is resulting and in terms of other work that is getting displaced. We have made major strides in improving our operating plan. It serves as a very viable tool for us for measuring our performance against the strategic goal and the performance plan goals, as well as our day-to-day tasks, and being able to see roll up from our day-to-day tasks up to those goals. It is a considerably different document than when I sat before you a year ago. And I'm very proud of the strides of the office in enhancing our operating plan.

We recognize the importance of good communication within our office. We use a variety of written and verbal communications to maintain prompt awareness of issues amongst our staff. And we recognize the importance of two-way communication. We need to be hearing from our staff. And we have taken efforts to make sure that we are very much in touch with our staff. We use relatively customary approaches. We have staff meetings, all-hands meetings, and Q & A sessions after each. We have brown bag lunches which are informal, where

we will sit down with a particular section or a topic of interest. And whatever is on their mind, we are there to listen or to respond to. Not there being outdone by "D" notes, we have NSIR-mation e-mails -- it starts with an "N" -- that we send to the staff to make our staff aware of substantive issues that are ongoing with the agency or within our office.

We have an office newsletter that we issue periodically. We have issued it once. We are trying to figure out what the next periodically will be.

We have a physical suggestion box that we tell people is another tool for them to use. To put a note in the suggestion box, name anonymous, either way. We want their suggestions on how we can do better.

And we have an open door policy.

Last June we contracted for a self-assessment that was very, very useful, very worthwhile. It confirmed many of our impressions last June of what we thought our strengths were and what we thought our challenges were. And it also added a few new ones to the plate for us. Let me go to slide nine, please.

So as we look at our key initiatives moving forward in infrastructure, we need to maintain focus on our current recruitment and hiring efforts. We are

currently under our FTE utilization goals. We need to stay very aggressive in bringing quality individuals into our office. We have lost four individuals to promotions to outside federal agencies. There is a high demand for security expertise. And that's just something that we are up against that we have to realize is that while we are filling from the top, there are some opportunities for other individuals in this current environment. For our external hires -- and we have an intern program currently with three individuals. We will be bringing three more on. We recognize for all of these individuals that they need considerable training, they need mentoring. And we are investing the time to make sure that these individuals are successful in the agency.

As for emergent work, we have got the process now. What we have to do is we have to use it better. We need to be able to more promptly be able to identify that this piece of emergent work came down to us this week. And I need to be able to turn that around in Bill Kane's office and be able to tell him what the impact is from the new work that came down. So we have the first piece built, but to this

point, haven't done justice the way I expect to in being able to translate that to Bill Kane in a prompt manner.

Regarding infrastructure. One of the things that we have learned that we were a lean organization at birth. That applied to our administrative staff as well as our technical staff. In order for us to have the kind of tracking systems we need, in order for us to be able to maintain the procedures and keep them current and finish them -- we did well this year. We issued 15 new procedures since last July. But in order to maintain a steady capability, we are looking at in our hiring processes of bringing in both administrative staff and technical staff. And with regard to the office effectiveness review, we are doing a follow up review now. We brought the same contractor back. They are taking a snapshot for us through interviews and focus groups to be able to give us, again, a good sense within management whether we are in touch with our employees or not, to understand what their issues are. So I expect this to be very useful.

Now, let me turn the presentation over to Hub Miller who will share the Regions' thoughts in related

perspectives on the topics we just discussed.

MR. MILLER: Thank you, Roy. Chairman, Commissioners.

I want to talk about regional activities and also about the partnership between regions and NSIR. It's a strong partnership.

There are several aspects. Obviously, incident response is a -- always has been and will be a central function of regions. In the interest of time, while we will be actively engaged with NSIR as the program is evolved and as we move to the National Response Plan, let me focus on security, because that's where, I think, much of the activity and change is occurring.

First of all, the regions have continued to provide, we believe, a great deal of support to NSIR as programs are developed. This past year Roy talked about the baseline inspection program that has been revamped. We have gone from, I think, four procedures to, I think, ten in place now and more on the way. Of course, the bulk of that work is done by NSIR. But the regions each have provided senior staff both remotely from the region and, in fact, through periods here at headquarters have helped develop

those inspection procedures.

Glenn Tracy, Berry Westreich and others have not only requested it, but they have allowed, really, that kind of input which, I think, the security inspectors really appreciate to bring their experience to bear in that process.

We helped in the SDP development, the SDP's for the baseline program and the force-on-force. We are proud of what was done, as another example, in the pilot program on the irradiator ICM that was -- and the inspections that will be done there. Also, especially over the next several months as we lead up to the implementation and the full effectiveness of the power reactor orders, the reviews that will be done of the security plans, again, there will be significant detailing of staff, senior staff, to be part of that review. And we think we will make a difference in that effort.

Much of our activity, of course, has been aimed at inspection and oversight of the programs. In the past year, in September we completed the TI's, the inspections that were done of the interim compensatory measures were put in place as a result of the February of '02 order. But also we have begun

the baseline inspections for those orders, those facets of the program, access authorization, access control, fitness for duty that have already taken effect.

We are getting those done on a schedule that will permit resources to swing over at the end of the year to the oversight of the program changes and physical modifications that made as a part of the order that takes effect in October.

We have, again this year, been focused a lot on dealing with emergent issues and events. This past year we have not had events of the sort that we talked about last year where we staffed our Incident Response Center in response to what turned out to be a false alarm at Seabrook. We had not had events of that sort.

We have had what I will call minor events, things that really result from two things. One is the interpretation. As interpretations are made by licensees in the implementation of these programs, as well as the occasional lapses that occur, the sleeping guard, the weapon not carried, the situations where configuration, control issues in the plant, switches out of position are encountered. And



in those instances, for example, we will be on site to assure that licensees are taking an appropriately conservative approach towards the use of their tampering procedures.

We have not found any real situations. But those are cases where the region, both resident inspectors, in most instances, but most often our security inspectors are involved in following up and dealing with those emergent issues.

I think also communications continues to be a significant role for us to play. And this is both in the transmission of information to licensees through threat assessments, as well as reflecting back the issues that arise as licensees contend with or they implement these various threat advisories and orders and the like.

All of the regions have now in resident offices the equipment to receive information on a secure basis. And I think that's an important function.

I think also this past year we have become very efficient, every efficient at transmission of threat advisories. Much of that goes directly from NSIR to our resident offices. That coupled with

things like the continuation of calls between the regional administrators and the top level licensee officials as we communicate those has, I think, put us in a -- has had us continue in a strong role of communication both ways as these programs are implemented.

I will just say that one other thing that is a bit different this year from last year -- I don't have numbers to give you -- but the number of allegations which in the past seemed to, at times, be a big part of our security program efforts, has diminished. And I think partly this is from the steps that the Commission has taken with respect to orders on fatigue.

And while the training order is yet to take full effect, I think we are seeing the positive results of that as licensees work to phase that in. And I think that if you will recall, many of the allegations that we had received in the past related to, in fact, work hours, fatigue, and training.

So the good news is that we have been freed up some of the efforts that those demand to focus more on the planning and the support to NSIR going forward. And, I guess, just lastly -- and this is,

of course, a very high-level overview, but we will continue to focus on recruitment and hiring. It's a bit of a mixed picture as you look across the regions. But there has been an increase overall in staffing, appropriately so, in the regions as well as in NSIR. That is a significant effort.

No one does inspections on behalf of the NRC short of a certified qualification program. And completing that program typically takes a year to 15 months to complete that. So that's an on-going effort.

And then lastly at this time as we take account of what the baseline program will require and work budgets, we will continue to be focused on and help NSIR draw bead on what resources will be necessary going forward to implement that baseline program. That's an item yet to focus on. We will continue to work with NSIR on that. So that's just in a very, very quick fashion the major activities and the nature of our partnership. It's a strong partnership.

MR. ZIMMERMAN: I will turn us to the next slide. And I'll be brief.

We are only going to talk about just two items on this. We already addressed many of these.

But the ones I want to pick out are the fourth bullet, enhance effectiveness and efficiency.

And I want the Commission to be aware that NSIR is very much a continuing improvement office. We are learned and we are learning. And we will continue to have areas that we will challenge ourselves on. We think we have a few successes to date. But we have more to do. And we are committed to doing that in the future.

The other one that I would mention is under major program deliverables. My intent is not to list them for you because you know them. But to tell you that I firmly believe that we have the management team in place in NSIR to be able to deal with this. We have the staff expertise to deal with this. And we can get this work done on time and in a high quality manner commensurate with bringing the additional necessary staff on board into our organization in a timely way. With that, that concludes my presentation.

DR. TRAVERS: I will just close this portion of the meeting by thanking Roy and Hub and turning it back to the Commission. Thank you, Chairman.

CHAIRMAN DIAZ: Thank you, Dr. Travers, and thank you all for your work and for keeping us informed. We do appreciate all the things that you do.

Before I turn the mic to Commissioner McGaffigan, let me just make a couple of points. The force-on-force exercises will be conducted once every three years per site, not -- we are not going to do one exercise every three years?

MR. ZIMMERMAN: That's correct. Thank you for that clarification.

CHAIRMAN DIAZ: I'm sorry. But it didn't come out like that. I'm sure that --

MR. ZIMMERMAN: Once every three years per site, at least.

CHAIRMAN DIAZ: The other thing -- and this is something that Commissioner Merrifield has been driving this agency -- is that LQ RAM means large quantities of radioactive materials, according to DOT transportation, just for clarification. See, I'm trying to do my homework.

And now, Commissioner McGaffigan.

COMMISSIONER MCGAFFIGAN: Thank you, Mr. Chairman.

I join the Chairman in thanking the staff for an enormous volume of work over the last couple of years. And I am just going to, I think, make a statement more than ask questions. But there may be a question buried in there somewhere.

I think that this agency and this staff has been leading the nation and leading the world in responding to the terrorist threat. I think of areas -- and we fix things. We find problems and we fix them. We can't talk about all of those in public but I will give an example. Force-on-force exercises, Roy has already talked about it. But we decided that we would have them at each site at least once every three years. And since we have about 64 reactor sites, that's about 21 or 22 per year, which gets you to the two a month with Christmas and Thanksgiving, a few times like that, appropriately, off. Not that our people take any time off. We are firmly prepared for terrorist 365 days a year, 24 hours a day.

But we have found problems with the adversary, the quality of the adversary forces in some of the exercises that we have conducted. The Commission made a decision the staff asked us to make, which is that we will have a dedicated

industry, adversary force, that will be highly trained that will go from site to site.

Roy talked about that today. Talked about it at the Reg Info Conference, I believe, as well.

We have industry's commitment now. They will be training that for us starting in May. And a lot of those problems are going to go away. We are using MILES gear, as Roy outlined, this laser gear which is an enormous step forward. Is it perfect?

No. These exercises are never going to absolutely mimic reality. They are as close as we can make them safely. And using the technology that's available.

We are enormously improving the training of controllers. And we expect to see that reflected in the exercises that we conduct after the first of November. We expect to see it sooner but fully reflected by the time the force-on-force exercise program becomes a regulatory requirement, one related to the new Design Basis Threat.

So we find problems. We fix them. Something Roy hasn't mentioned today but he mentioned at the Reg Info Conference, we are looking

at replacing the table top component of these exercises as a pilot, not something that's been decided, with the technology that comes over from the Department of Defense that allows computer simulations of terrorist attacks. And I think this will prove much more efficient both for us and for licensees seeking to improve their security plans.

When I say we have been leading the nation, that's an example. We also lead the nation in terms of, we are almost unique in having a regulatory focus. We pursue a regulatory model.

As a result of the actions that we have taken, licensees tell us that the security forces at these 64 sites have increased from 5,000 people to 7,000 people, a 40 percent increase in the last couple of years.

We have been told that they have spent over a half a billion dollars in improvements. And there's probably another half a billion dollars coming. And I think that's unique among American industry in terms of an enormous expenditure. And I think we are getting our money's worth. I think the American people are getting their money's worth as a result of those expenditures.



When I say we have been leading internationally -- I talked about this a little bit at the Regulatory Information Conference -- but in terms of renegotiating the Code of Conduct on the safety and security of sources, this Commission, I think, helped enormously in formulating the U.S. Government position, vis-a-vis that renegotiation.

Commissioners met and provided guidance to the staff even in the course of that negotiation as it was going on. We were very comfortable with the document that emerged in which the IAEA General Conference, when Chairman Meserve and Commissioner Merrifield were there last September, endorsed. And we have made a commitment, a national commitment to implementing that.

And the U.S. Government, I believe, through the group of eight, both last year and this year when we are hosting it, will continue to try to move forward to have the most rapid implementation of the code of conduct that is feasible.

One thing Roy didn't mention because it's another office, but it shows how integrated we are, we do have an initial inventory now of all the high-risk sources in this nation. Office of Nuclear Materials

Safety and Safeguards is the office that has the lead on that. But Roy's office works hand-in-glove with them there.

We have that inventory. I think we are unique in the world, perhaps, in having that inventory today. And it will, as Marty Virgilio said last week, it will inform our decisions and NMSS's decision about where inspections should occur and what further actions need to be taken.

So just across the board, I think you all have shown enormous leadership. I think it's recognized by other agencies. You know, we are the first agency -- I don't think there's any other agency that's focused on civilian infrastructure that has a program whereby it can exchange classified information with licensees that has gotten members of that industry -- we are aiming for 500 but we are about a third of way there -- people with secret security clearances, people across the board in the operations and the engineering and the management parts of these licensees, limited numbers. But numbers that will make us an effective organization, both in terms of doing our daily work and in terms of doing emergent work in a crisis.

I think other agencies recognize our leadership. I remember -- Roy didn't mention this and we could go all day about the unclassified accomplishments of this agency. But we worked last summer to put on a safeguards level joint conference with state officials that the Department of Homeland Security and we jointly sponsored. And the Department of Homeland Security gave us great credit for that effort.

I mean, we have been trying to reach out to state officials since the beginning. Chairman Meserve got great credit for his initial letters to governors, classified letters to governors that he sent out in the summer of 2002.

So we have been, I think, innovating in terms of trying to talk with state and local officials about security matters in safeguard settings in ways that I think lead almost every other agency of government.

And as I say, I think we have been appropriately complemented by the Department of Homeland Security and the homeland Security Council for the sort of innovations that we have brought about.

So there really is not a question there. It's just to give the public, through this open forum, some sense of the dedication of this staff of what I believe is their leadership in a broad range of issues. Leadership that, unfortunately, gets recognized in closed meetings, more often than open meetings. And appropriately in closed meetings because the staff is dealing with very serious issues that need to be pursued in closed meetings, for the most part.

But they are recognized as leaders. They have done enormously good work. And we look forward, unfortunately, to lots more good work from them. It is an office that gets more than its full share of workload.

Thank you, Mr. Chairman.

CHAIRMAN DIAZ: Thank you, Commissioner McGaffigan.

And, of course, I personally agree that the amount of work and the depth and what has been gained is of tremendous significance to the common defense and security of the nation.

And with that, Commissioner Merrifield.

COMMISSIONER MERRIFIELD: Thank you,

Mr. Chairman.

I will associate myself with the remarks of Mr. McGaffigan. That will make part of it easier. Both he and the Chairman have waxed quite well about what a good job our staff is doing on the security side. I would say here, here.

To counterbalance that, however, I would want to say that it is NSIR's security and incident response. Looking a little bit at Dick Wessman, I would certainly want to also reflect that one of the steadfast and foundational parts of this office is the work that we had done well before 9-11 and the individuals who staffed that office and staff our Incident Response Center 24 hours a day and who are also there on the phone, whether it's a Commissioner calling or a licensee calling with a problem.

And I think, despite all the good work and the effort that Roy and his team have made to try to beef us up on the security side, I would certainly want to counterbalance that with the fact that we have done very, very well and continue to do very, very well in the area of incident response. As Commissioner McGaffigan has noted the fact that we are a leader of federal agencies in the area of security.

Many of the visits that I have made since 9-11 to other facilities similar to our incident response office, to our center, continue to bolster my own opinion that we are also among the leaders in terms of our ability to respond on the incident side as well. So we talked a lot about that in a meeting we had a few weeks ago related to the anniversary of Three Mile Island. But I would certainly want to replicate that very same sentiment here.

On that score, Roy, you talked a little bit about the hardware that we have been working on in the Operations Center and how we of been updating that. And, you know, I think we mentioned that, as a post TMI effort, we put a lot of effort and time as an agency into enhancing our emergency response center so we would be able to respond much more appropriately, given the events of Three Mile Island. I think, having engaged quite a bit with you and your staff over the last couple of years on improvements, I think I would like to have you sort of bring out, for those who have not perhaps seen that equipment, talk about some of the capabilities that that brings to us. Because I think more than new LED screens and all kinds of fancy equipment, what really is

important about the changes there are enhancements to our capabilities to respond.

So I would like to have you just briefly talk to that issue.

MR. ZIMMERMAN: Sure. It would be my pleasure. And see if Dick Wessman wants to fill in any gaps of anything I might leave out.

One of the more exciting aspects is called the geospatial capabilities that we have of being able to take a particular site and have the information readily available that tells us where the nearest hospitals are, where hospitals that have the necessary decontamination facilities are located, being able to overlay, basically to a street map form, where the evacuations routes are, overlay over that where the plume is. And bring it all together so that you able to see at one time where the plume is, what it means in terms of the facilities that the plume is in the pathway of.

We have information with the latest census information that tells us where the individuals that -- if it's a bad event can find themselves being requested to shelter or to evacuate the area. It's a very significant and powerful tool that allows us

to interact with state government when we are asked for our view on these matters. And bringing that technology to bear assists us significantly.

We also have what is called smart board capability that we did not have previously, which allows us to be able to basically come of age, to keep our own notes, to be able to store this information and basically allow us to put down the pencil, type the information in, and do it in a very state-of-the-art manner. And similarly be able to bring a lot of what I just talked about not only to the video screen, but can take it to the smart board and be able to work it on the smart board.

So a lot of the -- what I talked about before about the database, there's a wealth of information that is at our fingertips now with a push of a button. Where in the past, the response might have been, just give me a couple of minutes, we have got the book, it's right around the corner, but let me walk over here and get the book. Now it's a quick push on the smart screen or a quick click on the keyboard and there it is. And it has got considerable information. So we are very, very proud.



Truth in advertising. There were good suggestions as this worked through that came from the Commission to help us with some of the insights from some of the places our Commission had visited as well as individuals from other offices make up our executive team. So all of that talent has led to a significant upgrade.

What did I leave out, Mr. Wessman?

MR. WESSMAN: Let me supplement, if we can.

Because I think as we think of the equipment, I also want to think of people and some of the things that we have done besides work with the equipment.

Coming back to the equipment, I mentioned only a couple of other things. We have improved the telephone communication system in the course of the last year. You've heard this buzz word called "blast dial."

We have a capability if we need to reach a whole group of nuclear power plant control rooms at one time, we can do it with a push of a button and we can get rather quick communication to all of them. Of course, we have a classified capability and procedures are in place to deal with a terrorist event or an aircraft.

If we think of other capabilities we are looking for, we are working all time as a learning organization. For example, a couple weeks ago when we met with representatives of the Federal Energy Regulatory Commission. They have a tool for getting information on the status of the grid. We are looking at seeing either how we import it from them or get it for ourselves.

Similarly, Commissioner Merrifield, we visited TSA, The Security Agency center. They do have an impressive facility there. And yet we saw some of the ability of mapping and mixing information. And we are going to reach towards them to try to do that. But let me mention the people as well. Roy touched on about 350 people across the agency that are trained and qualified response folks.

Notwithstanding that, we see in most any exercise that we run that we may have 15 or 20 percent new people that come. So we are always adding to the knowledge base of the agency. And I think that's very important. We need to keep the depth and keep it growing.

We have done some outreach training activities on the response technical manual and the

response coordination manual. And these are technical tools that we have reached, not only to our own staff but we have done some of these for state individuals as well.

And this is an area of challenge for us, because as we add to our staff, we want to increase this outreach activity. And we will do it along with the new organization in NRR, reactor regulation, so that this communication outward, building skills with states and our stakeholders will continue to grow. I will stop at that point, sir.

MR. MILLER: I will just add one thing. I mentioned the regions, of course, have always had incident response at the top of the list of priorities.

And we too, with a lot of support from NSIR, have upgraded our equipment where that's important. Some of the screens, just in my region, the screens that are used for having information displayed that permits prompt decision-making and assessment, under the trying times and the pressures of events, have been very helpful.

Regions have also had a strong focus on availability of personnel. This includes, very

importantly, people at the sites having first responders identified during those periods of increased risk. We have always had during those periods people who can very promptly -- they are always available, but particularly during those periods, we have had a roster of first responders that assures that we can very quickly be on site with people to have that kind of firsthand information passed back, in addition to what we get from the licensees through the red phone and the like.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, I might just mention one thing on this point. And try to make an additional point in doing so.

We take our emergency preparedness responsibilities very seriously, as Commissioner Merrifield said. Indeed, we have exercises routinely that involve the Commissioners themselves. And we try to figure out how to make use of all of this new capability that we have, the ability to talk on a secured video teleconference or open teleconference, depending on what it is, with the senior officials with the Department of Homeland Security, with the White House situation room, with the FBI, with NORAD, with whoever we need to talk to.

But one of the lessons learned from an exercise I participated in last week is the danger for all of us on the executive team is to be overwhelmed with information. And we are going to have to develop protocols that the technology may be exceeding the human capacity to absorb information and which information needs to come into the room, which information needs to be handled, perhaps, over in the Skif in a separate video teleconference capability, which stays in the back room.

But what the public should know is we are practicing this stuff at the Commissioner level, at the senior staff level. We are learning and we don't, hopefully, make the same mistake twice. So in terms of trying to build some confidence in this agency -- again, I think it's fairly unique in the U.S. government in having Commissioners, Chairman of the agency devote a half day of their time to running a realistic exercise and to understand how we would function in that realistic exercise and to engage as many agencies of government as we possibly can with us in that learning process.

COMMISSIONER MERRIFIELD: I agree with that sentiment. I think the events both before and after

September 11th demonstrated not only our willingness but our capability to respond in those ways. We talk about being a learning and learned organization. I think this is clearly an example where we do use each and every one of those exercises.

As you have mentioned, each one of the Commissioners participates once a year. Senior members of the staff participate in multiple of those exercises. And each one provides an opportunity to further enhance our capabilities.

In the five and a half years that I have been here, I have probably done in total -- well, we have fewer Commissioners. So there were a lot more exercises recently. Probably closer to ten at this point.

Each and every time I have learned new things. And each and every time our staff has demonstrated an additional capability or willingness to gain a greater capability, which I think is very positive.

COMMISSIONER MCGAFFIGAN: Commissioner, you might want to reprise something that you talked at the Reg Info Conference about. We have also real exercises, like August 14th, which engage

Commissioners or Acting Chairman. And the staff has performed exceedingly well in those real events like the August 14th blackout.

COMMISSIONER MERRIFIELD: Well, if the Chairman will bear with me, I think it is worth mentioning.

CHAIRMAN DIAZ: I love to delegate.

COMMISSIONER MERRIFIELD: Typically I think -- a lot of times, the staff doesn't want to toot its own horn, but I will toot it for them. Typically, what we prepare for is an event where we have one plant having challenges. As we have set up our Incident Response Center, it is set up in such a way so that we have defense-in-depth for ourselves. So if we have one event going on, we have the capability and the flexibility to respond to a second one. The regions provide additional opportunities for that to be channeled as well when there were even more events.

In the case of the events of August 14th, with the blackout, we were challenged with having nine units off at that point, as well as engaging with our Canadian counterparts who had lost a significant percentage of their generation as well.

I think the staff did an absolutely fabulous job in a very quick way, responding to that, being prepared to do notices of enforcement discretion, if we had challenges with electricity demand and safety concerns arising from that. We had a level of communications that, frankly, went beyond what we had done in exercises.

I know personally, I have been on the phone with Pat Wood and Bob Card, the FERC chairman undersecretary of DOE. We had a White House situation room phone call at about 6:30 that evening. It was about 4:30 that Bill Travers had walked into my room -- 4:15, I guess -- to talk about what was going on.

So, in a very quick way it transpired that we had a significant amount of contact. We were able to transmit very clearly very accurate information to the extent that we had it. Our staff responded in a very disciplined way.

All of which would not have happened but for the fact of consistent training and learning and making sure that we refine our skills the way they should be. So I did in my speech at the RIC and I would again today use that as a real example of the



spirit of excellence that we have in this office in our ability to respond to what are the most important issues on a day-to-day basis for us.

So thank you for letting me wax about that one more time.

I don't know if I have any remaining time but I would like to ask two quick questions.

I gauge from your presentation that the concerns -- you know, we have wanted to enhance capabilities of utilities in the area of force-on-force. So that they had adversary forces that were more realistic.

Your materials seem to leave me with the impression that the utilities have engaged in this manner and are preparing to have a vibrant force that would be able to be deployed utility wide, I guess, under the auspices of NEI.

Is that the right message that I'm getting?

MR. ZIMMERMAN: That is exactly right. They are supposed to start in the May time frame getting their training. And by the end of the summer they should be -- in the August time frame -- they should be going out in the field. And with full implementation of the force-on-force program planned for November, they should be participating in three

or four exercises before we leave the pilot program.

COMMISSIONER MERRIFIELD: So right now, so far so good?

MR. ZIMMERMAN: That's the message.

COMMISSIONER MERRIFIELD: The last thing I want to ask -- and I don't want you to spend too much time on this because you could spend a lot of time on it. But unlike many of the other offices, it would seem to me that NSIR clearly has the most significant level of interaction with other federal agencies, whether it's Department of Homeland Security, various of the intelligence agencies, or other counterparts within the federal government.

Commissioner McGaffigan had spoken about the degree of understanding we have in emergency response and security. We have long had for many, many years. Others in the federal family have different levels of expertise. But some of them are still getting up to speed, especially in terms of understanding what we do.

How much of a demand on our time is coming to us from external events by other federal agencies? In terms of the planning we do? You talk about the challenge of handling, for example, emergent work.

How much of that is internally driven versus how much of that is externally driven? And do you have some sense if we are getting more external drivers, how can we work our way into an area where we can perhaps try to get a little greater control of how we use our own time?

MR. ZIMMERMAN: I will do this briefly.

I reflected earlier today about right after 9-11, there were some agencies that thought we were under DOE. We have come a long way from there.

COMMISSIONER MERRIFIELD: Which we are not, if anybody is listening. We are a fully independent agency, no part of DOE.

MR. ZIMMERMAN: Thank you for punctuating that point.

And we invested effort to make sure that they understood that we were not part of DOE and who we were and what our responsibilities were and how seriously we take those. We have made considerable progress in that area.

As we interact and because of the development of the framework that we have with our licensees, we are ahead of many other sectors. The Department of Homeland Security can clearly see that.

They see that they have got a relationship in one part of the energy field that's pretty well got its act together, good relations with the licensees. Making actual real progress.

HSC sees the same thing. And they also are, whether they are learning or learned or both, they also want to be more efficient and they want to be able to use and benefit from the things that the NRC has done. It's one of the reasons why we see the outreach that I think we are going to go to a nuclear plant coming out of DHS or HSC because they are more knowledgeable about that from the time that we have spent.

We have to be careful with our investment of time because we have a lot on our plate that we need to get done. But we have done some education. The initial education was something that we felt that we needed to give them so that they would stop calling us DOE and they would understand what we were about.

And now it's flipped more. Where our phone rings where they would like for us to go here or to go there or to help them with something. And as they start to take flight more on their own, there should

be less of that.

We don't want -- we want to cut that cord or at least get close to cutting that cord so that we are not always there. That's why we were clear or tried to be clear on something like integrated response planning with HSC and DHS in the lead and NRC in support. We are making progress. And that's very important.

And we bring that point to them all time, that when we see them doing that, we applaud that. And we make sure that they know that they added value to this meeting on the front end. And that's what we are looking for because we want to be in a support role.

Did I answer your question?

COMMISSIONER MERRIFIELD: You did. You gave me the perfect segue. So I appreciate it. I think, Mr. Chairman, it's a real challenge. We are a can-do agency. And our staff does a very good job.

I think we put ourselves in a position sometimes where we don't like to say no. We really do want to step up to the plate and help out others.

And having reflected on other exercises I have seen

outside of this agency, there are appropriate times for us to be involved to make sure people know who we are and so that we can truly be a value added where there's no other opportunity.

But there are other agencies that are doing a lot more -- I don't want to prove pejorative on this -- are doing training that are not quite at our level. And I think given the size of our budget, which is small, and given the size of our staff, which is modest, I think we do really need to be very careful about that.

And as the staff goes forward, and we are starting to get into the budgetary time of year, I think we really do need to have a level of discipline on what we are volunteering for. Because we really need to be able to focus on our mission, what's important to us. And there may well be some things and some exercises out there where we have to say either we can't do it or we have to participate in a very narrow way.

But that's an issue, obviously, we all are going to have to consider going forward.

MR. ZIMMERMAN: I think that the Commission sent us a very clear SRM on the exercises. And I

tried to bring that out in my words that the message is received and that we will be judicious in how we evaluate which exercises are appropriate and make it commensurate with the resources appropriate for what we think the agency is going to get out of it when we make our recommendations.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, could I just add one thing?

Roy said we are ahead of many sectors and that's why we get called upon. I honestly think that we are ahead of all other sectors of the civilian infrastructure, and we are also unique among all sectors of the civilian infrastructure in having this strong regulatory model.

But we undersell ourselves ahead of many other sectors. We wouldn't be called upon as much as we were by DHS if there were some other folks who were leaping ahead of us. Unfortunately, we are out there by ourselves most of the time.

COMMISSIONER MERRIFIELD: Mr. Chairman, I know you are trying to move on. It's very difficult with Commissioners.

I know you wanted this job.

CHAIRMAN DIAZ: No, I didn't.

COMMISSIONER MERRIFIELD: What I was going to say was, in the spirit of what Commissioner McGaffigan has said, if you can find the civilian sector that's further ahead, let us know. I would like know what it is.

CHAIRMAN DIAZ: Thank you very much, my fellow Commissioners.

With that note, let me add something to it. I really believe that this is a two-way street. And we have found since 9-11 that the Executive Branch has bent over backwards to give us the information to interact with us. I think there's been tremendous amounts of progress in the way we interact and communicate and the way that the agency is seen. Maybe it's because we are good.

But it's also because of the importance of what we do, I believe, has been made very plain. And I would like to say from my perspective -- and I'm sure you have seen it that we have received a tremendous amount of support from the Executive Branch, in many, many aspects. And that's an important thing.

And having recognized them, I think I need to stop a minute and recognize Bill Kane because, you



know, really it was my hard job to pull him out from something he was doing very well into getting into a job that actually cuts across this agency. And I would like to recognize the tremendous work he has done. I'm sure my fellow Commissioners agree that Roy was doing a great job, continues to do a great job, but needed help at the right places. And Bill, with the leadership of Dr. Travers, has certainly stepped in.

And I want to recognize you, today, Bill. We really appreciate it.

COMMISSIONER MERRIFIELD: I would concur on that one as well.

COMMISSIONER MCGAFFIGAN: I concur.

CHAIRMAN DIAZ: Thank you so very much.

Now I have two votes.

COMMISSIONER MERRIFIELD: Sometimes they are fleeting.

CHAIRMAN DIAZ: I understand. We talk about hardware. We talk about software. Let me talk a little bit about people-ware. That's an issue that, of course, is of concern. You have really been trying to staff up. And lately, I believe, you are getting to the point that you are, you know, being able to realize some of these

investments in time to hiring people. But you are still kind of short of where you were supposed to be. And I know this with all other things that you have on your plate, were are you in reaching, you know, the goals that were established at the beginning of the year to be fully staffed to be able to do the job that you planned for?

MR. ZIMMERMAN: We are very close to being fully staffed. Meaning that with the additional individuals that we are bringing in external to the agency, with additional individuals that we bringing in from other offices, we will be getting within range. We will cut in half. We will be probably less than ten, somewhere in that neighborhood.

CHAIRMAN DIAZ: I thought you would be about 20 FTE low.

MR. ZIMMERMAN: Well, we are going to go there.

We are, on numbers, with our number being 169, we will be coming into the 150's in a big way very, very soon. Depends on reporting dates.

We have a very large number of offers we are in the process of getting out the door. And that's why I used this opportunity to indicate that

there is five more from external. Because it's not healthy to be feeding off of our own offices too much because that creates challenges in itself.

So if we can find the right person with the right skill set externally, then that's a win/win for us to be able to do that. So we are very mindful of trying to not go to one office more than we can if, in fact, we are able to.

Again, we have got to choose the best person for the job. And a lot goes into the different ways that you look at the situation.

When we have those individuals on board, we have staff. But from an FTE utilization, they are coming in in the April, May time frame through July. So they are really, from a utilization standpoint, they are only going to be used for half a year. So it would take every two of them to equal somebody who's been here for the entire year. So you don't get there very fast.

The later you bring the people on board, the less credit we are going to get for the FTE utilization. It's the integral under the curve here that we are looking at.

First thing we have got to do is get people

on board as quickly as we can. It is important for us, if we are going to be aggressive, now is the time for us to be aggressive. Which is the same message we had before. Which is the reason why we have got over 20 people in the hopper right now that we are actively looking at.

July and August is not the time to be having this conversation. Because you get the people on board but their FTE utilization force is going to be a pittance.

So we are aggressively attacking this issue. There are very few items that are off the plate when emergent work comes to us. But one of the areas that I'm basically dictatorial about is that, unless you give us an assignment, any other particular assignment that we will not substitute our hiring efforts, we will not cancel our recruitment or our interviews. We will continue to move forward in parallel and build that plane in flight to get that done.

Because until we get that done, then we will continue to iterate on the degree of emergent work and reactivity in the office. And the way to deal with that is to have the process in place for

handling emergent work that's there. And as we bring quality people on board, we will have much less difficulty handling emergent work. We will have more quality people.

CHAIRMAN DIAZ: Because I'm getting concerned that we are getting to this very, very extreme and very busy period where all of the plans and everything is coming in. At the same time you are bringing in all of these people, how you absorb them, how you train them.

MR. ZIMMERMAN: The training and mentoring part that I mentioned --

CHAIRMAN DIAZ: I'm getting a little bit concerned about how you do all of those things at the same time.

MR. ZIMMERMAN: With regard -- if part of your comment is aimed toward the security plan reviews, management in Glenn's division has hand picked -- we are setting ourselves up for success of using our more experienced staff to set up five teams to make sure. And again, it involves individuals from the regions, from NRR. It's not just NSIR staff. High quality staff to be able to get those reviews done.

We recognize your point about the importance of training and mentoring so these individuals can be successful.

But the good news here is that we have a lot of people in the hopper right now that we are working very closely with HR to get these offers out the door and bring them in house as fast as we can.

CHAIRMAN DIAZ: Okay. It's really a critical issue at this present time.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, could I pile on that question?

Is there anything that are HR could have done for you? Is there anything that OPM could do for you in terms of hiring people more rapidly?

If I were Senator Voinovich and asking you that question, could you give me an answer? Would it make your job easier?

MR. ZIMMERMAN: HR has supported us very well. They have done yeoman work with overtime and weekend and so forth. Very heroic effort.

Now, with this bow wave coming, we are going past what very capable individuals are able to do. So working with HR management and making sure that they

see the bow wave, they are taking the appropriate actions of moving an individual from a different team onto the NSIR team from HR's team. So that now they are going to be able to help to work this glut that we are going to have through the process as quickly as possible.

So their response is appropriate and appreciated. And HR is looking at some innovative things with OPM. So if there are other ways, smarter ways of doing it, we are all open to it. But at a minimum, they are going to put additional good staff on NSIR for a while to be able to help to keep our jobs moving.

CHAIRMAN DIAZ: You conducted a self-assessment that shows up some challenges. We are going to add to it a Commission assessment factor on it. If you were to select two key challenges that you believe, you know, worry you and keep you awake every other night and Bill comes and pounds on your desk occasionally, how are you going to do this, what are those two things that need to be resolved to accomplish your mission in this year?

Are there things there that you need to really focus to accomplish your mission.

MR. ZIMMERMAN: Let's see I will address it

or please re-ask it if you don't get the answer you are looking for it.

The primary one is the one that I am indicating, which is the hiring. That we need to bring quality individuals in in a timely way in order for us to be successful without heroic actions. It's time for the heroic actions to wind down after two years.

And we need to get these people on board. We owe that to our staff. That's my job to be able to get those people in seats so that they can have a reasonable balance in their lives.

The other that I feel that I owe to Bill and to Bill and to yourselves is that while things continue to have a fair amount of emergent work coming our way, as the items come down, the reality is that something has to give somewhere. And as I mentioned before and tried to be very candid, we have to do better in our office of getting that information in simple form to Bill Kane so that he's aware of it. And then we can sit and say, are we missing something, am I missing something, this is what I think needs to be given up, either as a low priority of the fungibility of the people involved. And we brainstorm and we identify what we



think is going to needed to be deferred for a while.

Then we need to stare at it and say, is this a Commission level issue? And if it is, then we need to make the Commission aware of it in a timely way and indicate this item is in jeopardy based upon the emergent work that came.

And break those knots so that the staff gets clear direction about what they ought to working on or what they ought to stop working on for a period of time.

Those are the two management challenges that I want to resolve.

MR. KANE: I will give you mine. It's always the number one. And that is incident response. It's an area that we have to be right all the time.

Since you have asked a question, I can acknowledge the performance of some people I would like to make sure get recognized in this process. Probably goes back to my regional roots in SES. I want to make sure that it comes across that we have full-time people 24/7 operating. We have regional duty officers who deal with events at, really, all times of the night, as well as the day. They have to make the right decisions.

In conjunction with the headquarters operations officers, and the headquarters emergency response officers that I think have been acknowledged earlier, threat analysts who in the middle of the night often have to, with information that becomes available to us, have to constitute an Incident Assessment Team in conjunction with the regions to analyze information and determine what the agency's response should be.

In NMSS and NRR, they have full-time duty officers that are assigned and are available to deal with these events. And it's -- you know, during the day we have a lot of horsepower that's lined up and ready to go. But in the off hours and on the weekends, we still have to deal with what comes before us. And that's a shared responsibility between the regions and headquarters.

And I think that the record over the years, looking back, have they made the right decisions, I think it's been a very good one. And we appreciate their performance. It often goes unrecognized.

Thank you.

CHAIRMAN DIAZ: Thank you, sir.

And if I might paraphrase what I heard.

With all of the things that you are doing for staffing and preparing and exercising and analyzing and implementing and communicating, you as managers of this office are not only looking at the individual components, but you are trying to integrate them in a manner that your mission is fully accomplished.

MR. ZIMMERMAN: Exactly right.

CHAIRMAN DIAZ: Thank you so very much.

Do my fellow commissioners have any comments?

COMMISSIONER MERRIFIELD: One last thing and this is in response to something Bill said. We have been congratulating a lot of our staff.

And I think it's only appropriate to make a note about our licensees. Not only have we required them to make a significant financial commitment and staffing commitment, but the folks who were on the ground, the security officers who were manning these plants 24 hours a day, have shown an incredible amount of vigilance at a very difficult time for our nation.

One of the things that is not apparent, we get it every day, and I can't go into the specifics of it. But the amount of attention at the plants now to things that go on around the plant, whether it's

planes flying over, or cars driving by, or people in the community hearing people in a gas station, the amount of sensitivity that our licensees and people who live around the plant have and the way that we now have to get access to that information in a very timely way so that our threat information folks can analyze that where appropriate, pass it on to law enforcement of pass it on to other intelligence folks, we have capabilities now we did not have two years ago.

And I think that that is a hidden success story. It has significantly enhanced our capability in a participatory way, identified whether there are individuals who are thinking about doing something at the plants.

And I think that's one that, I do want to note. Although, I can't go into great detail in a public way.

It is an important capability we have added.

CHAIRMAN DIAZ: The plants, the community surrounds and the local law enforcement officers are a partnership that we need to recognize.

COMMISSIONER MCGAFFIGAN: I agree entirely. I think there's just an enormous capability. And if

anybody should be trying to surveil one of these plants today in preparation for an attack, they are finding out just how difficult it is to carry out that job and how high the detection probability is.

MR. ZIMMERMAN: With regard to the recognizing the industry, we become aware of a lot of different activities that they do, if they stop a car. When we see certain ones that catch our eye, that are above and beyond, we have either ourselves or worked through the region to get a message out to that security officer that we noted what they did and we appreciate what they did.

When we go on force-on-force exercises, we almost always have an SES manager there. The senior individual addresses the group, the security officers, and talks to them about their commitment and what they are doing and how we are counting on them and that their neighbors are counting on them.

So it is important for them to recognize that we want them to succeed in this area. We are their regulator, but we want them to succeed. If, in fact, anything occurs at this facility, we no doubt want them to win that gun fight. And we make it very clear when we are on site.

CHAIRMAN DIAZ: Thank you very much. And I'm sure that I can say on behalf of my fellow Commissioners that I am very proud of what the staff has achieved, what our federal partners have achieved, what our licensees have achieved, because we have taken protection of the public health and safety and the environment and the common defense and security to a new level. And I think you all will be very, very satisfied with not only their results but the continuing and enhanced level of protection that we are offering.

And with that, we are adjourned.

(Thereupon, the briefing was adjourned)