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2 UNITED STATES OF AMERICA
3 NUCLEAR REGULATORY COMMISSION

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5 NRC ALL EMPLOYEES MEETING

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7 MONDAY

8 NOVEMBER 5, 2012

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10 The meeting was held in Salons D-H at the Marriott Bethesda
11 North Hotel, 5701 Marinelli Road, Rockville, Maryland, at 1:30 p.m.,
12 Allison M. Macfarlane, NRC Chairman, presiding.

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14 COMMISSIONERS PRESENT:

15 ALLISON M. MACFARLANE, Chairman

16 KRISTINE L. SVINICKI, Commissioner

17 GEORGE APOSTOLAKIS, Commissioner

18 WILLIAM D. MAGWOOD, IV, Commissioner

19 WILLIAM C. OSTENDORFF, Commissioner
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P-R-O-C-E-E-D-I-N-G-S

(1:42 p.m.)

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3 MR. BORCHARDT: Good afternoon. I apologize for the
4 late start. Welcome to the 21st annual All-Hands Meeting between the
5 Staff and the Commission.

6 I'd like to thank Chairman Macfarlane, Commissioners
7 Svinicki, Apostolakis, Magwood, and Ostendorff for taking the time to
8 meet with us this afternoon.

9 In addition to the headquarters Staff that have
10 assembled in this room, Staff from the Regions, the Technical Training
11 Center, and the Interim Buildings are all viewing this meeting via video
12 connection. The Resident Inspectors are receiving an audio feed from
13 today's meeting.

14 The purpose of this meeting is to facilitate
15 communication between you and the Commission. The Chairman and
16 each of the Commissioners will begin the meeting with their individual
17 remarks. The remainder of the meeting is reserved for your questions.

18 There's several microphones located in this room. In
19 addition, there's cards that are on each of the seats that you are invited to
20 write your question and pass them to one of the monitors in the room.
21 Those viewing or listening to the meeting remotely have the opportunity
22 to send their questions in by phone and by email. The questions will then
23 be read by our volunteers.

24 I remind you to please silence your telephones, and I'd
25 like to just introduce the readers and moderators for the meeting today,
26 Kate Raynor, Chelsea Nichols, Stacy Schumann, and Nancy Boyd.

27 I'd also like to thank all of the offices that had a role in

1 setting up this meeting, SECY, OCHCO, ADM and OIS, in particular, and
2 also to thank our sign language interpreter for their support.

3 Finally, I'd like to recognize Walter Lange who will be
4 representing the National Treasury Employees Union and will be
5 speaking at the end of this afternoon's meeting.

6 It's now my pleasure to turn the meeting over to
7 Chairman Macfarlane.

8 CHAIRMAN MACFARLANE: Thanks a lot, Bill.
9 Welcome everyone, and I want to thank you all for taking time out from
10 your day to attend the All-Hands Meeting here and everyone in the ether,
11 as well.

12 I'm just going to make a few brief remarks and then I
13 look forward to your questions and your concerns. I want to acknowledge
14 my colleagues, as well, and every one of us brings a different set of
15 experiences and expertise to the table. And I think that makes us a
16 stronger Commission. And they'll all get an opportunity to address you in
17 a moment, if they'd like.

18 So, let me start off with a few initial impressions. I guess
19 I can no longer claim to be new here. Yes, the honeymoon is over. Right?
20 But just a few thoughts.

21 You know, NRC's reputation as producing high-quality
22 work and as a top workplace is very well deserved. I've had the
23 opportunity to visit with a lot of you whether it's in the gym in the morning
24 for those of us in the early group. Right, Mark? And in the cafeteria, in the
25 elevators. The elevators are a great place to meet people and walk
26 arounds that I've been able to do.

27 I've really been struck by the drive that the Staff has to

1 the mission, the dedication and the commitment you all share to the
2 mission of the Agency. It's been very impressive to me. Employee
3 satisfaction, I believe, is a very important metric. And I believe we must
4 sustain NRC's performance on this. This is an important issue to me and I
5 will be paying close attention to it over the next year.

6 And I do again want to thank you for all the hard work
7 that you do most recently demonstrated with Hurricane Sandy. You all
8 put in over 100 percent effort, and I really appreciate that.

9 A few words about my personal background and how it
10 shapes my own views. I come here as a scientist, a writer, and a
11 professor, and these background experiences certainly shape the
12 approach I take to the job. I am trained to identify, to explore, to
13 understand the full range of data about an issue before I draw
14 conclusions, and I have to defend the interpretations that I make.

15 This is a business not for the thin-skinned, and in doing
16 so I'm obligated to ask tough questions, to challenge assumptions, to
17 challenge the conventional wisdom in the search for knowledge. In doing
18 so it's important to keep an open mind, as well.

19 You need to do this to reach new insights, and I think all
20 of these attributes echo with and are reflected in NRC's values,
21 particularly the values of the open collaborative work environment. And
22 let me say a few things about openness, collaborative, collaboration, and
23 effective communication.

24 I'm committed to this value of the open collaborative
25 work environment. And for those of you who don't know, I do maintain an
26 open-door policy. I am interested in hearing your views and valuing what
27 you say about your work, and how we can improve, so be aware of that.

1 The value of the open collaborative work environment I
2 think should permeate our external relations, as well. I strongly believe,
3 many of you have heard me talk about this, the need for clear and
4 concise communication. And I believe very strongly that explaining our
5 actions and motivations helps us communicate our mission. We need to
6 communicate transparently, and remember that dialogue goes both
7 ways. It's explaining but also listening.

8 Let me list a few accomplishments over the last year.
9 You guys have done an amazing job. This is a very impressive list. In
10 terms of reactors, there have been over 700 reactor licensing reviews,
11 five power uprates, and the first combined operating licenses for new
12 reactors.

13 You all have issued 100 fuel facility licensing actions,
14 including those for the AREVA and GE Hitachi enrichment facilities.
15 You've completed over 2,000 materials licensing actions for industrial,
16 medical, and commercial uses, sorry, research uses. You've done
17 thousands of hours of inspections, hundreds of enforcement actions,
18 especially at places like Fort Calhoun, SONGS, Crystal River and the
19 Honeywell site, and you continue to work in the international arena
20 through cooperation, assistance, and research.

21 And in terms of corporate improvements we've made the
22 FAIMIS upgrade, not the famous upgrade but the FAIMIS upgrade. We
23 now have a new time and labor management system. We've made
24 progress on the 21st Century Strategic Acquisitions Program, and we are
25 moving towards moving in to Three White Flint North.

26 We do face challenges, though, and let me run through
27 a couple of those. We continue to work on the Fukushima Near-Term

1 Task Force recommendations, and those will be with us for a number of
2 years. We are now embarked on Waste Confidence Decision work. We
3 have a new directorate who will work on a new Environmental Impact
4 Statement, and complete that work within 24 months. This will be a real
5 challenge.

6 We also are operating now under budget constraints
7 under the Continuing Resolution, and there's a potential for significant
8 budget reductions under sequestration. And we also have challenges
9 with the General Services Administration on renewal of the Two White
10 Flint lease. We are prepared to deal with those.

11 Let me stop now, turn to my colleagues, say that I'm first
12 proud to be part of the NRC. I'm really impressed by the work that you all
13 completed last year. And I think this is a really exciting time to be on the
14 Commission. There's a lot going on that makes it interesting. So, let me
15 now turn to my colleagues. Kristine.

16 COMMISSIONER SVINICKI: Thank you, Allison, for
17 those remarks. I don't have much to add to what Chairman Macfarlane
18 has said. She's given a very thoughtful overview of the tremendous work
19 that's been done over the course of the last 12 months, so I really am very
20 interested in your questions, and I want to get to that part of the meeting.

21 I couldn't help but reflect, though, that there are a
22 tremendous number of people in this room, so you all made the effort to
23 take the shuttles or walk over so I feel like the last couple of years that this
24 looks like almost twice as many people, so thank you for coming over. I
25 know we have many people tuning it, but it's nice to have all of you here in
26 the room where we can see you, and we're not looking at a lot of empty
27 chairs like we've been for the last couple of years. And I appreciate

1 -- thank you to the people who came the last couple of years, it's an
2 extraordinary commitment on your part to come.

3 And I didn't get to finish a thought. The gentleman who
4 was moments ago walking along that empty corridor with me, I'm
5 assuming that he was coming here, so he -- I'll give you the back story but
6 I just wanted to complete a thought for him. I followed these people here,
7 but he had asked me if I had a joke for everyone today, and I felt really
8 guilty because I don't. And we were actually making our way to the
9 restroom so we parted ways, and I didn't get to complete my thought
10 because as he was going into his location, I said I only know two jokes, so
11 I'm not sure he heard me say that. But the other thought I had was if I had
12 really been thoughtfully contemplating a second term I would have
13 spaced out my usage of those two jokes a little bit better than I've done.

14 (Laughter.)

15 COMMISSIONER SVINICKI: I might have saved one
16 for the second term. So, I'm sorry, but I did make a commitment to him
17 earlier in our walk. I said, "I need to research that for next year," so this is
18 the fifth of these, so I have a number of these to come with all of you in the
19 coming years, so I look forward to that, and I look forward to the
20 questions. Thank you.

21 CHAIRMAN MACFARLANE: Thanks, Kristine. George.

22 COMMISSIONER APOSTOLAKIS: I join the Chairman
23 and Commissioner Svinicki in thanking the Staff for the hard work you've
24 been doing over the year. But I want to comment on one item, in
25 particular. It's been more than a year and a half now since the accident at
26 Fukushima.

27 As you know, we formed a Task Force, a Fukushima

1 Near-Term Task Force which submitted a report to the Commission and
2 the public 90 days after the accident, basically. And I think we should stop
3 and think about that report, because it stood the test of time, nobody
4 internationally came out and said they missed a major thing, or they said
5 something that was not very clever. And I think they deserve all the praise
6 in the world for the hell of a job they did.

7 And then the senior management took over those
8 recommendations, added, subtracted based on the input from others,
9 and also did a great job prioritizing, as you know, the Tier 1, 2 and 3.
10 So, I think it's about time we recognize those great employees of the
11 Agency for the great job they did and I'm certainly thankful for it.

12 (Applause.)

13 COMMISSIONER APOSTOLAKIS: And my last
14 comment, I'd like to acknowledge the great environment that the new
15 Chairman has established among the Commission. She brings an
16 academic viewpoint which I appreciate greatly.

17 (Laughter.)

18 COMMISSIONER APOSTOLAKIS: And I can assure
19 you the Commission now is in great shape. We love each other.

20 (Laughter.)

21 COMMISSIONER APOSTOLAKIS: Thank you.

22 (Applause.)

23 CHAIRMAN MACFARLANE: Bill Magwood, got to
24 distinguish the Bills here.

25 COMMISSIONER OSTENDORFF: We love you too,
26 George.

27 (Laughter.)

1 COMMISSIONER MAGWOOD: Well, let me begin by
2 also recognizing Chairman Macfarlane's atmosphere that she's brought
3 to the Commission. I think it's been pretty obviously a significant benefit to
4 all of us in the way we work together, so I appreciate that, appreciate your
5 efforts to have an open collaborative work environment for the overall
6 Agency.

7 I think we've had an excellent year. A lot of work has
8 been done this last year, much of which has circulated around the
9 Fukushima work, but there's been many other things, as well. For my
10 part, one of the things I tried to do this year is go to more plants. I've been
11 -- I haven't actually counted them, but I've probably been to 10 plants this
12 year. You have my exposure up to the highest I've ever had, so kind of
13 weirdly proud of that.

14 (Laughter.)

15 COMMISSIONER MAGWOOD: And I've been in
16 containment so that's something I haven't been doing much before, but
17 I've been able to see things and do things over the last year with the
18 Fukushima incident in mind. So, as I've gone to plants and talked to
19 licensees I asked questions, what would you do in the following situation?
20 What do you think about this, and what kind of training do you go
21 through? And how will this piece of equipment work under these
22 conditions? And I've been able to get some interesting answers. And I've
23 actually been able to stump a few licensees, I'm really proud of that.

24 (Laughter.)

25 COMMISSIONER MAGWOOD: But I think more than
26 anything else I want to echo something Commissioner Apostolakis said,
27 that the more you go through these exercises the more you realize how

1 good the response of this Agency has been to the Fukushima incident,
2 and how the Staff has responded in such a professional, detailed manner
3 so that as we go around the world, and I have been in different countries
4 talking about this, you discover that while we can certainly learn things
5 from our international partners, I find that they want to learn what we're
6 doing. We have become once again the gold standard, not just in
7 regulating overall, but really in response to Fukushima. And many people
8 are looking to us for input and advice, and I think we've been able to
9 provide a lot of that leadership, so it's something I think you should all be
10 very proud of.

11 And something in particular, I often make note of this
12 when I go around to different venues and talk about the Fukushima
13 incident, that it's interesting to note that during the crisis there were many
14 countries that evacuated their embassies from Tokyo. The U.S. embassy
15 grew from 300 to 450 people during that incident, including 11 NRC Staff,
16 all of which volunteered, all of which wanted to go to Japan and provide
17 assistance. And, to me, that is something that speaks very highly of the
18 kind of people who work in this Agency. It speaks very highly basically to
19 us as Americans, so it's something I point to with a great deal of pride,
20 and something I think all of you should be proud of.

21 I've also been proud of the fact that the Steelers
22 overcame horrible official calls last night.

23 (Laughter.)

24 COMMISSIONER MAGWOOD: Beat the Giants at
25 home badly. Outplayed them in every phase of the game, but I won't
26 gloat.

27 (Laughter.)

1 COMMISSIONER MAGWOOD: And also make note of
2 the fact that today is Guy Fawkes Day.

3 CHAIRMAN MACFARLANE: Oh, that's right.

4 COMMISSIONER MAGWOOD: And, Bill, I was
5 wondering did you check under the podium?

6 (Laughter.)

7 COMMISSIONER MAGWOOD: I look forward to your
8 questions. Thank you, Chairman.

9 CHAIRMAN MACFARLANE: Thank you. Bill Ostendorff.

10 COMMISSIONER OSTENDORFF: Thank you,
11 Chairman. I along with my colleagues really welcome this opportunity to
12 be with you today. I think this is really important. I join with Commissioner
13 Svinicki and others who commented on the great turnout here, hopefully
14 on VTCs, as well.

15 A lot has already been said, and I agree with all my
16 colleagues' comments with the exception of Commissioner Magwood. I'm
17 not a Steeler fan. Come back when I have a second --

18 (Laughter.)

19 COMMISSIONER OSTENDORFF: I do want to
20 comment both on what Commissioner Apostolakis said about the
21 tremendous body of work that's seriously been done by you and your
22 colleagues out in the Regions as being world class and standing the
23 scrutiny of time in a very -- in a world in which there's a lot of scrutiny of
24 things. And I think that's a very, very significant statement that
25 Commissioner Apostolakis and Commissioner Magwood made along
26 those lines, and the Chairman, as well.

27 Just in the last month I've had a chance to provide some

1 external validation points of this Agency as viewed by others. I had a
2 chance a few weeks ago to spend some time in Spain and in Sweden
3 with Spanish and Swedish regulator counterparts, visit nuclear power
4 plants in both countries, talk about approaches to Fukushima, and talk
5 about European Union stress tests, et cetera, et cetera. And similar to
6 what my colleague just said, the common sense, methodological,
7 prioritized approach that's been taken with the leadership, a lot of whom
8 is in the front row here, has really stood out.

9 Ten days ago I had a chance to go down to Newport
10 News, Virginia and attend the christening of a submarine, the Virginia
11 Class Submarine Minnesota. And I had a chance to see a lot of the
12 people I served in the Navy with, people in Naval Reactors, and on Friday
13 we went to Naval Reactors Change of Command down in the Navy
14 Yard. And I bring it up because in those two venues, the Newport News
15 Shipyard, and the Navy Yard on Friday in a speech I gave downtown this
16 morning, I had contact with colleagues from the Department of Energy,
17 National Security Council, the White House, NNSA, Naval Reactors,
18 Defense Facilities Safety Board, and the State Department, and I'll tell
19 you that all those organizations I interfaced with in the last 10 days have
20 nothing but the greatest respect for the professional reputation and
21 technical competency of the NRC Staff. That's a very significant, well
22 deserved recognition that professional reputation is so important, but
23 you've earned that.

24 Let me get back to Commissioner Magwood's comment
25 on the Steelers.

26 (Laughter.)

27 COMMISSIONER OSTENDORFF: Now, my Chief of

1 Staff, John Tappert, asked me just to remind people that I have an
2 open-door policy, and that I continue to invite people to come in. Anybody
3 can come by and contact my office, and come by and chat about
4 GSI-191, about filters, about whether the Cowboys will ever make the
5 playoffs again, which doesn't look very hopeful there, Commissioner
6 Magwood, or about what my wife and I believe to be the world's best dog.
7 So, if anyone wants advice on adopting a rescue dog from a shelter. I'm
8 glad to provide that, and look forward to the opportunity.

9 Thank you all for your service every day, and look
10 forward to your questions.

11 (Applause.)

12 CHAIRMAN MACFARLANE: All right. Now it's your turn.
13 So, I can't see the microphones. Okay.

14 QUESTION: Good afternoon. Will the sequestration
15 impact permanent NRC personnel?

16 CHAIRMAN MACFARLANE: No, the sequestration will
17 not result in furloughs or salary reductions. The senior management is
18 working very hard to insure that that remains true, and they are now
19 working -- looking at how it might impact different programs, but no
20 furloughs, no salary impacts. Next question.

21 QUESTION: This question is for the Chairman. Most of
22 your Agency employees have not seen an increase in salary for several
23 years, and senior employees have not seen a salary increase for over five
24 years. To keep parity with the private sector and retain the best and
25 brightest at NRC, would you consider using your authority to move our
26 Agency off the GG schedule?

27 CHAIRMAN MACFARLANE: That's interesting. I'll

1 have to get back to you on that one, but I certainly am very sympathetic to
2 this lack of salary increase problem. I come here from George Mason
3 University which is a state university in Virginia, and I started teaching
4 there in 2006. And they had a salary freeze in place, so basically I spent
5 my entire career since I moved down to Washington without salary
6 increases, so I understand the impact that has, especially in this area
7 where prices in general are a lot higher than the rest of the country. So,
8 I'm very sympathetic to that. I'll have to take that under advisement. Go
9 ahead.

10 QUESTION: Do you anticipate any new breakthrough
11 methods with how we currently dispose and/or store nuclear waste that is
12 currently stored in dry cask storage installations/spent fuel pools?

13 CHAIRMAN MACFARLANE: I'll start and then I'll ask my
14 colleagues to join in here. And let me speak as a former member of the
15 America's Blue Ribbon Commission on America's Nuclear Future which
16 looked at this particular question. And we decided that no, there weren't
17 any breakthrough methods for dealing with spent nuclear fuel, high-level
18 nuclear waste. No matter what, you need a repository. But I'll let my
19 colleagues weigh in. They may have different views. Kristine, do you want
20 to start? No?

21 COMMISSIONER MAGWOOD: It's one of my favorite
22 subjects so I'll be happy to opine. I think that if you look over the next few
23 decades, and I think the Blue Ribbon Commission focused on near-term,
24 or the near immediate term. I would agree, I don't think we're going to see
25 a significant change in the way we handle spent nuclear fuel or high-level
26 waste. I think we'll likely see it stored in much the same fashion as it is
27 now, whether we centralize the storage or we keep it at reactor sites, it

1 will look more or less the way it does today.

2 I do, however, think that it is worth looking at advanced
3 technologies. And I've said this publicly many times. I think it's worth
4 looking at ways of reducing toxicity, reducing volume, retrieving some of
5 the energy value from nuclear waste. If you could do that in a fashion that
6 deals with proliferation issues and other issues associated with
7 conventional recycling, it's something we should certainly look at and
8 evaluate. But we don't have those technologies with us right now. It's
9 something that I firmly believe we should be exploring, but I also agree
10 with Chairman Macfarlane's final point, which is you need to have some
11 kind of repository no matter what you do.

12 So, ultimately, much of the work that we've done and will
13 do regarding the disposal of these high-level waste will be necessary
14 anyway no matter what path we take. So, I think that the work we are
15 doing now is very applicable to any future you envision, so it's important
16 that we proceed with that and get it done right. Thank you.

17 CHAIRMAN MACFARLANE: Anybody else? No? Go
18 ahead.

19 QUESTION: Why did the General Services
20 Administration decide to not renew the Agency's lease for Two White
21 Flint? What will be the net effect on Staff, shared work stations, increased
22 telework?

23 CHAIRMAN MACFARLANE: About the Two White Flint
24 lease, let me put a couple of facts on the table. The lease is up December
25 2013, and we are actively working with the GSA on the extension of that
26 lease, so this is an ongoing live issue. Let me also say that the GSA in the
27 last few months came out with new space requirements for federal

1 agencies that they move from -- that they move down to 130 square foot
2 average per person space usage. And I think NRC is at 160 average, so
3 we have to kind of figure out how we're going to fold that into what we do.

4 But I'm well aware that this Agency may operate
5 differently than other federal agencies. People basically come to work
6 here. They come to the office and we need to work with each other on a
7 daily basis. So, you know, I think we've got a little group together looking
8 at the case for Two White Flint, and they'll be reporting back to my office
9 soon, and we'll be moving forward working with the GSA.

10 QUESTION: This question is for Commissioners
11 Apostolakis and Ostendorff. Would you share your underlying technical
12 concerns on FY2014 budget deferment of lower priority items when you
13 deferred the research effort to bring digital instrumentation and control
14 into probabilistic risk assessment?

15 COMMISSIONER APOSTOLAKIS: The reason why I
16 didn't support that is that I think you can't do it. I haven't seen anything yet
17 that tells me that digital I&C can be brought into PRAs. I think it's like
18 safety culture organizational of issues. We have to handle it outside the
19 PRA. If someone has a method that will tell me how to do it, I'll be happy
20 to reverse my vote, but I haven't seen anything over the years. Because,
21 fundamentally, digital I&C problems come from design and specification
22 errors. PRAs do not handle design and specification errors period. We
23 always assume that the pump was good when we put it in the plant, and
24 then we worry about it failing later. But we never take design errors in
25 consideration. If we do, we do it outside again, defense-in-depth and all
26 that. But that's a standard deterministic approach, so that was my
27 rationale.

1 COMMISSIONER OSTENDORFF: I'll comment that any
2 time there's a budget decision to be made that involves lots of complex
3 competing factors, and oftentimes these decisions are based on zero
4 sum gain approach, so I made a decision of my own perspective to put as
5 a lower priority based on some other competing considerations.

6 CHAIRMAN MACFARLANE: Other questions? Yes?

7 QUESTION: Nuclear power plants in the southeast
8 routinely shut down as part of hurricane preparation. Plants in the
9 northeast did not shut down before Hurricane Sandy. In one area or
10 region -- I'm sorry, is one area or region less conservative than the other
11 regions? Please comment.

12 CHAIRMAN MACFARLANE: Yes, that's a good
13 question. I'll start and I'll let my colleagues jump in, too. My understanding
14 is that each plant is licensed differently, and they are licensed to shut
15 down at a given wind speed or predicted wind speed. And then they can
16 make their own conservative assumptions as they wish.

17 The hurricane, I forget what it was called, that affected
18 Louisiana in the end of August, early September when the Waterford
19 plant decided to shut down, they decided to do that sort of
20 prophylactically, if you wish.

21 As far as the plants in the northeast in Hurricane Sandy,
22 the predicted wind speeds were not high enough to prompt a shut down
23 based on their licensing basis. Let me ask my colleagues to comment. Do
24 you guys want to jump in there? Kristine?

25 COMMISSIONER SVINICKI: I don't, but Eric was
26 having quite a commentary out there. Eric, do you have anything to say
27 about this?

1 (Laughter.)

2 COMMISSIONER SVINICKI: Do we have any provision
3 for our actual experts to --

4 CHAIRMAN MACFARLANE: Did I get it right, Eric?

5 COMMISSIONER SVINICKI: Rather than I leave, you
6 know, 3,000 people with my best guess, why don't we have the Director
7 of Nuclear Reactor Regulation answer this question.

8 (Laughter and Applause.)

9 COMMISSIONER SVINICKI: Eric, you didn't think all
10 those sessions where you got to field my questions at the RIC was going
11 to go -- there's a little bit of reciprocity.

12 MR. LEEDS: Payback, Commissioner. This is
13 wonderful. Could somebody repeat the question?

14 (Laughter.)

15 COMMISSIONER SVINICKI: Are there consistent
16 requirements across the regions for the various preparation at nuclear
17 power plants depending on like the hurricane that's approaching? Is it the
18 same set of regulatory requirements in terms of them shutting down
19 before storm makes landfall, or does it vary by region?

20 MR. LEEDS: Oh, very good. Good questions. Two types
21 of preparation; one, the preparation that we do, the other, of course, is the
22 preparation that the licensees have to do. For us, we've been practicing
23 this over the course of years. We always prepare for severe weather. You
24 know, we know it's coming, when a hurricane is coming like this.
25 Typically, they come out of the south. You know, Region I gets -- I'm
26 sorry, Region II gets right involved with it. And then as the storms come
27 up, you know, they tend to go off to Region IV, they tend to come up to

1 Region I. Headquarters gets involved, the Regions get involved, a lot of
2 work is done days ahead of time, much ahead of time.

3 I know for Hurricane Katrina, we knew that was going to
4 be a big storm. I think it was three or four days ahead of time that we
5 started gearing up for that hurricane. So, the Regions get ready. We do a
6 number of things. Depending on the severity of the storm that we expect,
7 we may pull the residents out of the plants so that they can get their
8 families to safety. And, typically, we have volunteers that will go to the
9 plant to take the place of the residents and they'll ride out the storms. So,
10 and some of those volunteers come out of headquarters, many of them
11 come out of the Regions. The Regions do a terrific job preparing for these
12 storms.

13 Let me go over the licensees, and my guess is that the
14 question was more aimed at the licensees. Different plants have different
15 set points that they have to take action. It depends on the plant, depends
16 on the analysis that they've done that they can show protection for high
17 wind speeds, for storm surge, for all the different things that can happen
18 during a severe storm.

19 I'll give you two examples. For the Waterford plant which
20 is right outside of New Orleans, which was greatly affected by Hurricane
21 Katrina, that plant was designed to withstand 200-mile per hour winds. All
22 right? They had technical specification requirements when they get to
23 wind speeds of I believe it was 76-miles per hour on site, they had to shut
24 down. So, there are things in their license that requires them to take
25 action.

26 For Oyster Creek, this latest storm that came up,
27 Hurricane Sandy, they had a set point at I believe it was 7-feet of storm

1 surge, they had a requirement that they needed to take action to secure
2 pumps, to do a number of things to make sure that they would remain
3 safe. So, it really depends on the site-specifics of the particular site. But
4 every site that can be subjected to a storm has specific requirements that
5 they have to meet, and for the most part we put them all in their licenses.

6 I hope that was comprehensive.

7 CHAIRMAN MACFARLANE: Yes.

8 MR. LEEDS: Okay. And I won't talk to Jeff any more.

9 (Laughter.)

10 CHAIRMAN MACFARLANE: I think that is what I said.
11 You guys want to jump in on that one? No? Okay. Next question.

12 QUESTION: Why does the Agency report only the
13 statistics on discrimination cases including the No Fair Act and not other
14 situations of employee/manager conflict including use of grievance
15 appeal process, differing professional opinions, or non-concurrences?

16 CHAIRMAN MACFARLANE: Sorry. I don't think I got a
17 question in there. Can you say that again?

18 QUESTION: Why does the Agency report only the
19 statistics on discrimination cases including the No Fair Act and not other
20 situations of employee/manager conflict including use of the grievance
21 appeal process, differing professional opinions, or non-concurrences?

22 CHAIRMAN MACFARLANE: Okay. I will look into that
23 one and get back to you on it. I can't tell you right off the bat. But maybe
24 somebody else --

25 PARTICIPANT: Can I pipe in for a minute, please?

26 CHAIRMAN MACFARLANE: Sure.

27 PARTICIPANT: I'd just like to say that information on the

1 Agency's differing professional opinions program and the
2 non-concurrence program, all closed cases are on the internal website.
3 People can look at all the cases, and file information that they want, so
4 that information is posted.

5 CHAIRMAN MACFARLANE: Great. An answer in real
6 time.

7 QUESTION: What are the Commission's thoughts on
8 last year's Safety Culture Survey results; specifically employees' views
9 on management?

10 CHAIRMAN MACFARLANE: Last year's or the ones
11 that -- so, last year's Safety Culture, the one that's just been released?
12 The one that just came out. Right. I think we have to understand the
13 historical context of the Safety Culture results. And I'm personally really
14 interested in seeing the IG's report that's going to come out Thursday.
15 Yes, soon. So, I'm interested in understanding what's -- getting another
16 more recent data point on that. But I think we have to pay attention to the
17 sensitivities of the Staff. As management, we all need to pay attention to
18 that, and make sure that we are as responsive as we can possibly be. But
19 let me ask my colleagues to comment. No? Okay. Next.

20 QUESTION: The NRC issued a Safety Culture Policy
21 Statement to those we regulate and other federal agencies, including the
22 Departments of Energy and Transportation that they must have a Safety
23 Culture Policy for internal activities. Why has NRC not issued a Safety
24 Culture Policy for internal activities?

25 CHAIRMAN MACFARLANE: Well, we have a Safety
26 Culture Statement, and I think this is an area that I would like to actively
27 pay attention to. I have noted, and I'll be saying this again tomorrow at

1 INPO, but I have noted that there are a number of different groups that
2 define Safety Culture differently.

3 For instance, on the NRC's website our definition is one
4 sentence long, whereas it takes the IAEA seven pages to define safety
5 culture. So, I think that there's some work we have to do identifying what
6 exactly we mean by safety culture, because I think it is so important that
7 we require it of our licensees and we also require it of ourselves. But let
8 me ask again, do you want to jump in?

9 COMMISSIONER APOSTOLAKIS: Yes, I've always
10 assume that most of what we say in the Safety Culture Policy Statement
11 applies to ourselves, as well. I mean, the traits have been identified, they
12 apply to us. So, now to have a second policy statement, we may want to
13 think about it, but I thought the policy statement we issued is universal.

14 CHAIRMAN MACFARLANE: Anybody else?

15 COMMISSIONER MAGWOOD: It's a question I've
16 heard Staff ask on multiple occasions. It's a fair question. It's one I think
17 we should explore. I think that -- I think one thing you have to take into
18 consideration is that we do have -- well, let me just leave it at that and
19 simply say it's something I think we should explore. It's something I'm
20 interested in learning more about. And if there is a practical way of
21 implementing something like that internally, I don't see a reason why we
22 shouldn't.

23 CHAIRMAN MACFARLANE: Next.

24 QUESTION: Does the Commission have any comments
25 on the recent efforts to implement the Transforming Assets Into Business
26 Solutions, TABS, initiative?

27 CHAIRMAN MACFARLANE: Comments. We are in the

1 process of implementing TABS, and in doing so I just want to assure you
2 that the employees who are identified will be laterally reassigned. There
3 won't be any downgrades to employee status, so we can continue the
4 important work that we're all doing.

5 And I think that's about all I'm going to say. I know this is
6 an important issue for many of you. Be assured that management is
7 paying close attention to this issue. Let me see if anybody else wants to
8 comment on TABS? Yes, go ahead.

9 COMMISSIONER OSTENDORFF: I'll just comment on
10 a high level that when I have periodics with office directors, and DEDOs,
11 and EDO and so forth, a lot of people in the front row here, I know that
12 they're working very hard at trying to understand and take realistic steps
13 to conduct implementation of the TABS initiatives in a very responsible
14 way. I've dealt with these issues in another agency when I was Chief
15 Operating Officer at NNSA, it's very difficult. People's careers and lives
16 are affected. It takes a lot of careful thought. It's difficult to move quickly
17 and in an agile manner in these kinds of issues, so I think to the extent it
18 appears, or it might appear to some that this is happening a little bit on a
19 slow pace, my experience I think it's a good thing because I think the staff
20 leadership here is avoiding a rush to judgment, and is taking a very
21 thoughtful and methodical approach.

22 CHAIRMAN MACFARLANE: Anybody else? Go ahead.

23 COMMISSIONER MAGWOOD: I agree with that
24 comment. I would also just simply add that in my view -- and, again, I
25 want to stay a very high level with this. The motivation behind the TABS
26 effort is one that recognizes that change has to occur. We have to find
27 ways of becoming more efficient and using our resources, and leveraging

1 our resources in the best way. And I think that if you look at the motivation
2 behind the TABS effort you'll see that's the core of it. That kind of change
3 has to happen. If we don't do it ourselves, others might do it for us, so I
4 think it's an opportunity to get ahead of that game and to take appropriate
5 action and to be smart about how our resources are used.

6 And while I think these sorts of activities, as
7 Commissioner Ostendorff mentioned, often move very slowly, move in
8 fits and starts, we've got them started, and I think it's a good start.

9 QUESTION: How many combined operating licenses do
10 you expect to be completed in the next 24 months?

11 CHAIRMAN MACFARLANE: Well, I don't think we will
12 complete, in other words issue any final COLs because of the Waste
13 Confidence Decision, so that was the understanding with the Waste
14 Confidence Decision in our -- the remand from the court is that we agreed
15 that we will continue working on license applications and license
16 renewals, but we cannot issue final licenses or final license renewals. So,
17 in the next 24 months, none. Do you guys want to comment? No?

18 QUESTION: Short of showing any favoritism and
19 violating the Hatch Act, could you comment on how the election of either
20 of the Presidential candidates tomorrow might affect how the Agency will
21 meet its mission?

22 CHAIRMAN MACFARLANE: No, but I will offer it to my
23 colleagues.

24 (Laughter.)

25 COMMISSIONER MAGWOOD: Well, I'll dive into this
26 one.

27 (Laughter.)

1 COMMISSIONER OSTENDORFF: And so will I.

2 CHAIRMAN MACFARLANE: Good.

3

4 COMMISSIONER MAGWOOD: Actually, I'm glad you
5 asked that question. And the only thing I'm going to say is I hope
6 everybody in this room gets out and votes tomorrow. This is the --

7 (Applause.)

8 COMMISSIONER MAGWOOD: And drag two of your
9 neighbors with you, because this is something -- this is an important
10 election, and this is -- they're all important, but this is a particularly
11 important election because we do have a pretty clear choice between
12 candidates, and whichever way you think the country should move, get
13 out there and cast your vote, and take your neighbors and your dog with
14 you.

15 (Laughter.)

16 COMMISSIONER MAGWOOD: I think it's something
17 that people -- I'm one of those people that often still, you know, when they
18 play the "Star-Spangled Banner" I actually kind of getting a little misty,
19 because I'm one of those people that really believes in what this country
20 stands for. And for those who have the opportunity to vote and don't, I
21 think we should lock them up, but they won't --

22 (Laughter.)

23 COMMISSIONER MAGWOOD: But for some reason
24 can't get Congress to pass that law, and --

25 CHAIRMAN MACFARLANE: The Australia plan, you
26 know, they fine you if you don't vote.

27 COMMISSIONER MAGWOOD: So, please get out and

1 vote. It's very important, and whichever candidate emerges, we will be
2 moving forward just as we always have.

3 And one of the things -- just one thing I'd point out. One
4 of the things I've observed in looking back on the history of the Agency,
5 whatever administration is in office at the time, whatever their views on
6 nuclear power, the Agency has stayed its course. It has not varied from its
7 basic mission of protecting the health and safety of the American people.
8 And that's something I think has built great confidence in us over the
9 course of years.

10 COMMISSIONER OSTENDORFF: Might be a little
11 more targeted towards nuclear, and I agree completely with
12 Commissioner Magwood's comments and encourage you to vote. I know
13 I live in Fairfax County, Virginia. I cast my absentee ballot about three
14 weeks since I will be traveling tomorrow. So, I completely agree with
15 Commissioner Magwood's encouragement to get out and vote.

16 Practical impacts on the commercial nuclear industry in
17 this country I think, quite frankly, both Democratic and Republican parties
18 have a very, very similar stance that they see that nuclear energy in this
19 country is an important component of future energy security, and that the
20 United States ought to pursue a multi-faceted strategy to bring all kinds of
21 energy generation sources into the mix. I don't think there's any
22 difference at all in either candidate in that area.

23 Some people say well, what happens with Yucca
24 Mountain, what happens with the geologic repository plans. I don't see
25 that really as being tied up in any Presidential election to any significant
26 extent. I do think the energy security aspect is one that resonates in this
27 country.

1 A talk I heard this morning before I gave a talk
2 somebody was reminding me if you look at the cost of natural gas in the
3 United States today, it is \$3 a million BTU give or take 10 cents in the
4 United States. In Japan who's right now importing a lot of liquefied natural
5 gas, it's about \$16 a million BTU, a factor of five times higher because of
6 all the conversion, logistics, transportation challenges. And I think we're
7 seeing it play out in that country, future economic viability in large
8 respects as to these energy supply sources that it counts on going
9 forward. So, I just highlight that as being something that the economics
10 behind it and so forth are something of interest to everybody, but I don't
11 see that tomorrow's outcome is going to affect it.

12 CHAIRMAN MACFARLANE: Anybody else? No? Okay.
13 Take the next question.

14 QUESTION: The current environment in NRC includes,
15 one, lateral moves instead of promotions for job opportunities; two,
16 reduced external training opportunities during quarters three and four for
17 any fiscal year; and, three, the TABS consolidation of agency training
18 moving to OCHCO for technical certifications. Would you comment on
19 how the Commission will insure that, one, future job opportunities will be
20 promotions and not just lateral moves. And, two, external training will be
21 prioritized across different offices, especially for required job duties?

22 CHAIRMAN MACFARLANE: Well, I think in general
23 these are not easy times, and as we discussed a few minutes ago, we've
24 been experiencing years now of lack of raises. So, in general, there's a
25 level of frustration.

26 My view on this is I come to the Agency from the outside,
27 and I have been extremely impressed with management's concern and

1 ability to give people different experiences, rotational experiences, that
2 there is a lot of attention to the careers of the Staff, in developing the
3 careers of the Staff. So, in my world having this kind of -- these kinds of
4 opportunities, although you may now experience them as more limited, I
5 think it still makes for a very good Agency, a very strong Agency. So, I will
6 try to make sure that those opportunities continue to the best of our
7 ability. But let me ask my fellow Commissioners, anybody else want to
8 comment on that?

9 COMMISSIONER APOSTOLAKIS: Well, I am a little
10 disappointed that we can't afford to offer the same opportunities to the
11 Staff to attend technical conferences, or to take courses offered outside
12 the Agency. It's an unfortunate consequence of the budget situation, but I
13 do feel that we should be a little more liberal there. I think interacting with
14 the outside world, listening to other people, is always a good idea
15 because good ideas don't come only from within the NRC. There are
16 many people out there who are doing very good work. But, again, you
17 know, you have to live with the budget you have, so what can you do?

18 CHAIRMAN MACFARLANE: I think George is
19 absolutely right, and I agree with you 100 percent. I do support getting
20 experiences, especially outside experiences, but we have to do what we
21 can. And right now I think attention is on protecting jobs and salaries
22 where they are, so number one priority. Next question.

23 QUESTION: Given sequestration, will management still
24 receive the usual bonuses they're awarded every year?

25 (Laughter.)

26 CHAIRMAN MACFARLANE: I don't have an answer on
27 management bonuses with sequestration. I mean, if the fiscal cliff

1 happens, you know, we -- again, the plan is to preserve jobs and
2 preserve salaries, but programs may take a hit, and we'll see what
3 happens. Let's continue to hope that we don't reach that point. Anybody
4 else?

5 COMMISSIONER APOSTOLAKIS: But the Commission
6 doesn't have to worry about it --

7 (Laughter.)

8 CHAIRMAN MACFARLANE: Yes, we don't get any
9 bonus. Go ahead.

10 QUESTION: What are the thoughts of the Commission
11 on, one, why the nuclear industry cannot obtain insurance directly from
12 the insurance industry, i.e., must rely on federal insurance. And, two, why
13 should there be federally supported insurance of the nuclear industry? As
14 an example, private shipping companies can obtain insurance for
15 shipments indemnifying against pirate attacks?

16 CHAIRMAN MACFARLANE: My understanding is the
17 reason the nuclear industry needs federal insurance is that the insurance
18 required is of an extremely high amount, and beyond the ability of most
19 insurance companies, commercial insurance companies. Maybe
20 somebody else wants to jump in? Bill?

21 COMMISSIONER MAGWOOD: Well, let me say that
22 first I've never had a bonus myself, for what it's worth, so --

23 CHAIRMAN MACFARLANE: You've never had?

24 COMMISSIONER MAGWOOD: I've never had a bonus.

25 CHAIRMAN MACFARLANE: A bonus, okay. Neither
26 have I but, you know, in academia we don't get bonuses.

27 COMMISSIONER MAGWOOD: You know, one of the

1 things -- people often ask that question about the Price Anderson
2 program. I think one aspect of this issue that's important to point out is
3 that, you know, the Congress put that program in place early on in the
4 development of the nuclear industry. And the program has been there
5 essentially for a very, very long time, so no one has ever put that question
6 to a market test. We've never actually tried to find out whether it's possible
7 to get commercial insurance. That's not to say we should, I'm just simply
8 saying we haven't. So, when you ask the question why don't we, we
9 haven't because we never asked the question as a country. And I think
10 part of that is because when Price Anderson was put in place, Congress
11 was actively trying to create an environment to make it possible to build
12 nuclear power plants in the United States. And I think that if you were to
13 take that away, then you might find that it is impractical to build other
14 nuclear plants, so you have to look at that. So, whatever objectives you
15 think -- whatever objectives Congress has could be reflected in either
16 changing that law or keeping it the same way. And right now, Congress
17 chooses to keep the program in place.

18 CHAIRMAN MACFARLANE: Anybody else care to
19 comment? George?

20 COMMISSIONER APOSTOLAKIS: Well, I think what
21 Commissioner Magwood said is true. The federal government decides
22 from time to time that certain industries are vital to the country and they
23 help in many ways, tax benefits, perhaps, or other things. So, as the
24 Commissioner said, in earlier days they felt that nuclear power would not
25 develop in this country unless that particular Act was passed and other
26 things. I am told by the old timers that in the '60s, for example, fellowships
27 for students who wanted to study nuclear engineering were abundant. All

1 you had to do was submit your name, that's not the case now. So, things
2 change, things happen, but it's part of the overall mission of the federal
3 government to identify industries or areas that should be supported and
4 encouraged, and they do so, it's not just us, in other words.

5 CHAIRMAN MACFARLANE: Next question.

6 QUESTION: Where do you see the future of NSIR? Will
7 it be absorbed by NRR?

8 CHAIRMAN MACFARLANE: I don't see that, actually. I
9 see that NSIR has a very important significant role. Eric doesn't want it
10 anyway.

11 (Laughter.)

12 CHAIRMAN MACFARLANE: But, actually, you know,
13 security I think only has become more and more important, especially
14 since 9/11. And now we're dealing with a whole new set of security
15 threats, which are the cyber security threats, which are very real. And we
16 need to pay close attention to those, and NSIR is taking the lead on that,
17 as well as some of the other smaller programs within NRC. But NSIR is
18 the lead on making sure that our licensees are secure, and I think that
19 they have a very important role to play. But that's my view. I'll ask my
20 colleagues to comment. No? Okay.

21 COMMISSIONER APOSTOLAKIS: Well --

22 CHAIRMAN MACFARLANE: Yes. Oh, good. It's just the
23 academics here.

24 COMMISSIONER APOSTOLAKIS: I may get into
25 trouble here. I think talking more to Eric's people would be beneficial to
26 NSIR. I do think that security has become a state within a state. We
27 should bring more of the safety ideas and ways of doing business into

1 security. But that's my personal view, and I certainly don't speak on behalf
2 of my colleagues here.

3 CHAIRMAN MACFARLANE: Okay. Next question.

4 QUESTION: Does the Commission have any thoughts
5 to share on why office directors request performance ratings for
6 employee appraisals before employees have provided their written input?

7 CHAIRMAN MACFARLANE: No, I don't. I don't have
8 any comment on that, but thank you for making me aware of it. Anybody
9 else? No? Okay. Next question.

10 QUESTION: Please comment on the type of leadership
11 that you support, command and control leadership versus servant
12 leadership?

13 CHAIRMAN MACFARLANE: Those are my only
14 choices?

15 (Laughter.)

16 CHAIRMAN MACFARLANE: Neither, Option C. I think
17 it's important to lead by example. I think it's important to also lead by
18 listening and taking into account people's concerns, but also being
19 decisive. These are my views only. I'm sure my colleagues have their
20 own views. Do you want to start Kristine?

21 COMMISSIONER SVINICKI: I would say that I do
22 support servant leadership. I believe that true leadership is taking your
23 own ego and agenda and putting it under the agenda and the mission of
24 the organization that you're leading. I actually was invited to talk about
25 some leadership concepts so I did a little bit of research of my own, but
26 then Secretary of Defense, Robert Gates, gave I thought a wonderful
27 speech. I think it was one of the last, he spoke at the Service Academies

1 right before he resigned as Secretary of Defense. This one might have
2 been in Annapolis, I'm not sure of that, but he said something I'll always
3 remember. He said, "You should judge a leader by how they treat the
4 people that can't talk back to them," so that's really a key leadership
5 element. So, I would say of those two choices, I think I gravitate towards
6 servant leadership.

7 CHAIRMAN MACFARLANE: Bill?

8 COMMISSIONER MAGWOOD: I think that I agree with
9 what both my colleagues have said. My view of leadership is that the
10 purpose of leadership is to enable people that are in your organization to
11 provide their best efforts, and to enable them to give their creativity and
12 their energy, their passion and help them direct that in the right way.

13 You can't do that with simply a command and control
14 approach, but sometimes command and control is part of the picture. And
15 I think true leadership is knowing when to be the servant leader, and
16 when to be the command and control leader, and to balance those roles
17 as you go on a day to day basis. And if you can't make those judgments,
18 you shouldn't be a leader, quite frankly. It's just that simple, because you
19 can't be one or the other all the time.

20 But I think that the most important thing is to recognize,
21 that particularly in an agency like this where you have so many
22 high-quality people, to recognize that every individual that works in this
23 agency is a true asset, and to treat them like an asset. And that's really
24 just recognizing that you're not just simply a leader, you're a steward. And
25 you're a steward, you are an encourager, you're a mentor, and all those
26 things roll into that. And I think that, quite frankly, that many of the senior
27 managers who are in the front row here do exhibit this. I've talked with

1 many of them about staff issues, and I know that many of them care a
2 great deal about the staffs that work in their organizations. And I've
3 actually worked with federal managers over the years who basically said
4 don't bother me with personnel, I'm not interested. Those are people who
5 shouldn't be in charge of anybody. And I think that if you are a manager,
6 you are a leader, especially in a federal organization, if you're not
7 spending at least half your time thinking about the careers, the
8 aspirations of your people, then you're not doing your job.

9 COMMISSIONER OSTENDORFF: I have a lot of
10 agreement here with my colleagues. I guess I don't see leadership as
11 being in this category, or that category. I think a leader has to adapt his or
12 her style somewhat based on the circumstances or role he or she may be
13 in. So, I think most leaders find themselves in some circumstances taking
14 an approach that borrows many of the attributes from certain leadership,
15 whereas at times when decisions have to be made, as the Chairman
16 mentioned, as far as decisiveness, and as far as Commissioner
17 Magwood's comment on getting some control of a process, there's a role
18 for command and control.

19 I think what is perhaps in my experience in a lot of
20 different organizations, most of my experience I acknowledge is in the
21 military, but irrespective of what style somebody chooses to employ, I
22 think it's imperative that he or she communicate their vision for how they
23 see themselves as a leader interacting with the people that work for them.
24 And I believe that that communication, typically I use the phrase down the
25 chain of command in most organizations so that people understand
26 where somebody's coming from. That can be very helpful, one, to help
27 that leader frame his or her perspectives; and, two, to help the people that

1 are working for that person understand where that person is coming from.

2 And then I'll finally say that I believe that the Chairman's
3 comment about leadership by example and listening, I think both those
4 attributes are found in any school or thought of leadership, not one
5 category or the other.

6 CHAIRMAN MACFARLANE: Next question.

7 QUESTION: Will Fukushima Tier 3 activities be
8 impacted by budget cuts for 2013, 2014, and beyond?

9 CHAIRMAN MACFARLANE: We'll have to see.
10 Management is still looking at this issue. And it depends on what the
11 budget cuts are, and if by budget cuts you mean sequestration, or what.
12 So, to be decided. You want to throw anything else in there? No? Okay.

13 QUESTION: To each Commissioner, can you identify
14 one or two issues for the coming year that you feel passionate about?

15 CHAIRMAN MACFARLANE: I won't go first. I'll let my
16 colleagues go first. Kristine, you want to start?

17 COMMISSIONER SVINICKI: I feel we've got a lot of
18 stuff in front of us. I think I have the energy for all of it.

19 (Laughter.)

20 CHAIRMAN MACFARLANE: George.

21 COMMISSIONER APOSTOLAKIS: I don't know about
22 passionate, but I'm very interested in what the Staff would propose in
23 response to Recommendation 1 of the Fukushima Task Force.

24 COMMISSIONER MAGWOOD: I think that there
25 actually is -- there's a host of issues that circulate around what we call
26 Recommendation 1. Commissioner Apostolakis' Risk Management, a
27 thing called Risk Management Task Force. And there's other issues that

1 are very similar to that. I think there's a host of issues that really I think
2 could change the way we think about regulating nuclear plants in the
3 United States, so those are very important issues. So, that's one issue I
4 would point to.

5 Another is something where I think Chairman
6 Macfarlane is already taking some leadership in the short time she's been
7 with us; and that is, you know, how we interact with the public. I think this
8 is something -- Commissioner Ostendorff and I actually have talked about
9 this a lot in our tenure. I think there's real opportunities to look at how we
10 interact with the public both in terms of just communications, and also in
11 terms of adjudicatory space. And I think there's an opportunity to take a
12 close look at that to see if we can do more to be a better public servant.
13 So, those are two areas I would mention.

14 COMMISSIONER OSTENDORFF: I agree with
15 Commissioner Svinicki, that I think we all have the appetite for all this
16 work. And I think that's one of the things that makes it a pleasure to be
17 here knowing that we're working side by side with the staff to deal with
18 some of the most difficult issues that government faces today. These are
19 difficult issues.

20 If I had to comment on a particular set of issues, or what
21 will be perhaps the top three of our office's agenda in 2013, I'm going to
22 borrow what my colleagues have already said, Commissioner
23 Apostolakis and Magwood, I think in the regulatory framework issues post
24 Fukushima, the Near-Term Task Force's Recommendation One, and the
25 economic consequences, and the filtered vent recommendations, and
26 the prioritization and disposition of other Tier 2, Tier 3 activities. How do
27 we end up making sure that when all is done here and all these decisions

1 are made, we have a coherent regulatory framework that has a
2 foundation that passes the common sense test? That is much easier said
3 than done. We are blessed to have a Staff that is working very hard on
4 this day in and day out. I saw somebody in the elevator today, just coming
5 back from a Fukushima Steering Committee meeting, and I know that
6 that effort has been ongoing for many, many months now. But I think it's
7 important for us also to be able to make these individual decisions, yet
8 also step back and take a 100,000-foot view of the landscape and see
9 does this all make sense? Is there a coherent philosophical underpinning
10 to what we've decided? That's going to be hard.

11 CHAIRMAN MACFARLANE: George?

12 COMMISSIONER APOSTOLAKIS: Yes, I'd like to add
13 something. I don't know if it's passionate. One issue that has started to
14 occupy me a lot is the question, the high-level question whether there is a
15 hole in our regulations. We are all so busy working on the current issues,
16 the issues of the day, various SECY papers and so on, that maybe there
17 is something somewhere that we should have done and we haven't done
18 it. I don't know what that is, or even if there is a hole. But that really
19 worries me. And as an example, I looked recently at the flooding issue.
20 And I must say I have difficulties understanding how we are handling it.
21 And I do agree with Eric that we are doing a lot of things, and we have
22 these warnings and design criteria, but it worries me. It worries me what
23 -- is there any issue where we have not done the work that we should
24 have done at a high level. Because I am convinced that once we have
25 identified an issue as a community, which includes us and the industry,
26 we're doing a very good job. Once the issue has been identified, we are
27 doing a very good job, so it's really the completeness issue once again.

1 Are our regulations complete in the sense that they cover all possible
2 challenges?

3 CHAIRMAN MACFARLANE: Interesting discussion. So,
4 now I throw in my two cents. And I think that's an interesting point you
5 bring up, George. Fascinating, I'd like to talk to you about it more.

6 I'm going to pick three passionate issues, or issues that
7 I'm passionate about. Of course, the Fukushima follow-on, and in
8 particular there I'm really interested in the intersection of natural hazards
9 and effective nuclear regulation. I know a number of you heard me talk
10 about geology and effective nuclear regulation, but I think the flooding
11 issue and a number of these other issues are really --- should be front
12 and center. We need to be proactive in understanding how the earth is
13 changing, and not be caught out by it.

14 Of course, I'm always eternally passionate about the
15 back end of the fuel cycle, so I'm really interested in what happens with it,
16 and how we approach the Waste Confidence Decision. And then finally,
17 like Commissioner Magwood, I think communication is very important,
18 both internal and external. And I'm focused on that, in particular, and
19 external engagement, but also how we communicate internally. So, I'll
20 leave it there. Next question.

21 QUESTION: I have three questions regarding
22 international concerns. I'm going to ask each separately to allow you time
23 to comment on them individually.

24 First question is, in December NRC will host an
25 international security conference. Will NRC host more of this type of
26 international conference in the future?

27 CHAIRMAN MACFARLANE: More type of -- in this

1 particular international security conference? I think -- I don't know where
2 Margie is. There you are. I think my understanding is that this is the first of
3 its kind, and the hope is that other countries will take it on and host it in the
4 following years. I think that's the answer to that one. So, go ahead.

5 QUESTION: Second question. The United States has
6 international agreements to reprocess nuclear warheads. What is the
7 NRC doing to assist in this effort?

8 CHAIRMAN MACFARLANE: I don't think we have any
9 agreements to reprocess nuclear warheads. We have agreements to
10 dispose of plutonium declared excess to military needs, which we are
11 doing in part by developing a MOX fuel facility at the Savannah River site
12 and the rest of which my current understanding is will be handled by
13 Environmental Management and DOE. But maybe my colleagues who
14 were recently at DOE would like to add to that.

15 COMMISSIONER OSTENDORFF: Sure. There were
16 -- in addition to the MOX program, there are ongoing efforts funded by
17 NNSA's non-proliferation programs to continue to take some materials
18 from Russian warheads to bring it here for downblending and LEU fuel.

19 CHAIRMAN MACFARLANE: Right.

20 COMMISSIONER OSTENDORFF: Basically, that's
21 taking highly enriched uranium from the Russian arsenal and bring it to
22 the United States for use. There's a lot of activities that are associated
23 with Russian Federation nuclear weapons that NNSA runs. I don't believe
24 any of them actually fall in a category of -- maybe this is a semantics
25 issue, but I understand the question of reprocessing is where you're
26 taking this material and adapting it either for use in LEU fuel or MOX fuel
27 with the elimination of the weapons-grade plutonium program. Those

1 activities are very robust and have been going on for many years.

2 CHAIRMAN MACFARLANE: Did you want to add
3 anything?

4 COMMISSIONER MAGWOOD: I think you covered it. I
5 would just add that the U.S./Russia HEU agreement actually comes to an
6 end I think, next year.

7 CHAIRMAN MACFARLANE: That's right, it does.

8 COMMISSIONER MAGWOOD: That's coming to an
9 end. The Russians have already made it very clear they don't intend to
10 extend the agreement, so that actually is terminating, which actually
11 leaves an interesting hole in the market for enriched uranium, which
12 actually probably makes the prospects for building additional enrichment
13 capacity in the U.S. more likely, but we'll see how that turns out. So, that's
14 something that could impact us because there are clearly proposals to
15 build more enrichment capacity in the U.S., and it's something industry is
16 pursuing, so we'll see where that goes.

17 The only other major issue is the one the Chairman
18 mentioned, which is the MOX fuel facility. And there are some very
19 interesting issues surrounding that which I think will go on for quite some
20 time on everything from, you know, licensing the facility itself at Savannah
21 River, the use of the MOX fuel in reactors, the transportation of the
22 material, all these are things that will involve NRC, so we'll be involved in
23 this for quite some time.

24 CHAIRMAN MACFARLANE: Right. Very helpful.

25 QUESTION: Lastly, how will the NRC continue to serve
26 as an international leader with a flat or shrinking budget? Will our
27 activities expand in certain areas? How will this aspect be balanced

1 against domestic responsibilities?

2 CHAIRMAN MACFARLANE: Well, that's a good
3 question. I personally feel that the international aspect of what we do is
4 incredibly important. I had a very good experience at the IAEA General
5 Conference in September where I met with almost 30 -- had almost 30
6 bilateral meetings, and I got to get to know some of my international
7 counterparts quite well. I think the work that we do there is very important.
8 It's important for a number of reasons.

9 As I think Commissioner Magwood pointed out, we are
10 the gold standard in terms of regulatory agencies around the world. A lot
11 of other countries look up to us, want to learn from us, and I think it's in
12 everyone's interest, industry's and our own, and our nation's interest, not
13 just our nation's, but other nation's interest that everybody operate their
14 nuclear facilities as safely as possible. And if we can help other countries
15 to do so, I think we should to the degree we can.

16 I also think we can learn a lot from our international
17 counterparts. I continue to say there's no point in reinventing the wheel. If
18 somebody else has figured out a problem and we can learn from them,
19 great. We don't need to spend those resources on that particular issue.
20 So, those are a few reasons, emerging countries, countries that are
21 considering acquiring nuclear power are definitely countries that we want
22 to interact with and help them establish their regulators, make sure that
23 they have a safe regulator, a good regulator, an independent regulator. I
24 think the values that we show here, that we embody here are very
25 important that we contribute these as widely as possible. Let me ask my
26 colleagues to jump in, as well.

27 COMMISSIONER MAGWOOD: I agree with everything

1 the Chairman said. In fact, I'd just like to associate myself with all of that
2 because I think it's correct. One thing I would say is that, in addition, the
3 resources that we spend in our international relationship are actually
4 very, very modest. It's only that Margie and her staff are so active it
5 looks like we're spending \$100 million a year on it, but we're really not. It's
6 actually a very, very small amount of money, so I don't see this as
7 something that should be impacted by budget reductions. I think it is very,
8 very important, and it is activity that we benefit from, not just because
9 we're altruistic, but we learn a lot in these interactions, and it helps us be
10 better regulators. So, I would fully support continuing the kind of activities
11 that we've been pursuing over the years.

12 COMMISSIONER OSTENDORFF: I also agree with
13 Commissioner Magwood and Chairman Macfarlane. I think there's
14 tremendous benefit in a mutual relationship with other countries in
15 pursuing these programs. And, quite frankly, it's a real testament to the
16 fact that the gold plated standard which I also agree with Commissioner
17 Magwood's capturing it that way, because that's a result of your work. So,
18 we're talking about leveraging human capital that you represent in this
19 room and other people watching us. And it doesn't create -- it doesn't
20 require going to build something, or develop a new program activity that is
21 trying to produce, manufacture, et cetera. It's a matter of really
22 exchanging ideas and telling people here's how we, the NRC, have
23 learned as a result of other incidents or other issues over our history, and
24 it's that personal one-on-one exchange that can go so far in helping
25 another country develop approaches that will help them out. So, I think
26 the good news about international exchanges is it's not a high dollar cost.
27 Any engagement will be of great benefit to us, and hopefully the other

1 country.

2 CHAIRMAN MACFARLANE: George, do you -- no?
3 Kristine? No? Okay, great. Next question.

4 QUESTION: This is for the Chairman. Employees
5 commend your commitment to insuring clear and concise communication
6 from management to employees. How will you insure that this takes place
7 Agency-wide?

8 CHAIRMAN MACFARLANE: That's a good question,
9 something I'm giving some thought to, in general, not just within the
10 Agency but externally. I think we need to perhaps develop some metrics
11 for evaluating communication both internally and externally. So, this is
12 something I'm thinking about and working on with my staff, and I'm happy
13 to take any suggestions that you all out there have.

14 QUESTION: Will the Commission consider changing its
15 procedures so that information shared among the Commissioners is not
16 dependent on the views and attitudes of the Chairman?

17 (Laughter.)

18 CHAIRMAN MACFARLANE: Can you repeat the
19 question?

20 QUESTION: Will the Commission consider changing its
21 procedures so that information shared among the Commissioners is not
22 dependent on the views and attitudes of the Chairman?

23 CHAIRMAN MACFARLANE: Let me just assert my
24 opinion first, and I'll ask all my colleagues to jump in.

25 (Laughter.)

26 CHAIRMAN MACFARLANE: But I think our procedures
27 are actually adequate right now, and they serve us well. I haven't

1 experienced any need to change anything. But my colleagues have
2 different experiences, and may have different views.

3 COMMISSIONER OSTENDORFF: I agree with the
4 Chairman. Others earlier on in this presentation, Commissioner
5 colleagues highlighted Chairman Macfarlane's collegiality and
6 leadership, and I think all four of her Commissioner colleagues at this
7 table, I know for a fact we all very much appreciate what she has done in
8 an exceptionally short period of time to change the atmosphere and the
9 environment. And let there be no doubt, one person can make a
10 difference. So, I think that's how I personally approach that, and under
11 that approach you don't need to change any procedures.

12 CHAIRMAN MACFARLANE: You guys want to
13 comment?

14 COMMISSIONER SVINICKI: I'll just say this. Issues
15 associated with members of the Commission not having access to
16 information were not caused by the procedures.

17 (Laughter.)

18 COMMISSIONER MAGWOOD: I agree with --

19 (Laughter.)

20 CHAIRMAN MACFARLANE: Next question.

21 QUESTION: The NRC does not allow employee's sons
22 and daughters to be employed in co-op summer job positions. Can this
23 rule be revised so that the NRC doesn't miss out on excellent
24 candidates?

25 CHAIRMAN MACFARLANE: I'll take it under
26 advisement. No, nepotism. Okay, sounds like a government thing. Not
27 our ability to change.

1 QUESTION: This question is for the Chairman. Do you
2 believe that the NRC budget is managed well? Do you believe the NRC
3 budget process is simple and straightforward?

4 (Laughter.)

5 QUESTION: And do you have any change that you
6 would like to see?

7 CHAIRMAN MACFARLANE: I think the NRC budget is
8 managed well. Where's Jim? There he is. I think Jim is doing a great job,
9 and thank God, because he knows how strong a budget person I am.

10 It is not probably simple or straightforward, but I don't
11 think any large federal agency has a simple or straightforward budget
12 process. But I am convinced that we have a good budget process. Yes,
13 go ahead, please.

14 COMMISSIONER SVINICKI: I think this is an area that
15 there's a possibility for substantial improvement. I've felt that way since
16 shortly after coming to the Commission in 2008 when then Chairman
17 Dale Klein asked me to work with a team of NRC experts on this matter
18 and come up with some recommendations. It's tough because external
19 budget factors are always changing every year, so as we try as an
20 agency to have an adaptive process that fits well with the world around us
21 in a budget climate where we often don't know our annual budget until
22 quite late, it's difficult for us. But I want to commend us, so we've had, if I
23 have the right consultant, Price-Waterhouse Coopers has been looking at
24 our process and interviewing a lot of us who worked closely on the budget
25 process. I look forward to seeing if we can take any of their suggested
26 improvements and continue to try to improve in this area.

27 CHAIRMAN MACFARLANE: Okay.

1 QUESTION: Would you share your thoughts on the
2 NRC relationship with interveners? What is your vision for this
3 relationship?

4 CHAIRMAN MACFARLANE: Well, I'll start and I'll let my
5 colleagues jump in. I think -- let me start this way. People have asked me
6 what was your biggest surprise coming to the Agency? And I have to say
7 my biggest surprise was understanding what the Resident Inspectors do,
8 and folks at the Regional offices, and understanding how committed they
9 are, how independent they are from the licensee. And I don't think that we
10 have done a good enough job getting that message out. I think it's very
11 important that we do get that message out, and I think it's very important
12 that we do interact with interveners.

13 I learned from my teacher, Chuck Casto, that there are
14 four kinds of members of the public. There are those who are always
15 going to be disinterested, there are those who get interested if something
16 really big happens nearby, there are those who are always interested and
17 concerned but have relatively open minds, and then there are those who
18 are, as he called them, I'm blaming this on you, Chuck, fanatical.

19 The first group and the last group you're going to reach,
20 but I think the middle two are the ones we need to be talking to. And it's
21 incumbent upon us as a government agency to communicate clearly, but
22 also to really listen to their concerns, and hear them. It doesn't mean we
23 have to act on them, but if we show that we hear them, I think we move
24 ourselves along and we gain their trust. And it's really important to gain
25 their trust because when something then does happen, we don't have a
26 really bad situation that can spiral out of hand quickly. So, that's my
27 interest, but I know that my colleagues have thoughts on this, too. So, do

1 you want to start, Bill, because I know we've talked about this.

2 COMMISSIONER MAGWOOD: Yes, I agree with your
3 comments on that. I think one thing I would add is that there are clearly
4 interveners that, I'll use this word, ideologically disagree with the
5 fundamental aspect of our job which is overseeing the operation of
6 nuclear power plants because they don't think nuclear power plants
7 should operate. They just fundamentally disagree with that. They think
8 we're making a big mistake. They think we're endangering human life, the
9 future of the world as we know it, and they're very clear about that. So,
10 obviously, on that fundamental point there's not going to be a great deal
11 of room for common understanding and agreement. However, these
12 people also would like the plants that in so far they do operate to be safe,
13 so often that is a place where you can have the conversation.

14 If they are pointing out things or raising issues that
15 honestly have safety implications, there's no reason not to have those
16 conversations, and I encourage that we do. But I think you also have to
17 understand that there is this fundamental disagreement which isn't going
18 to go away because it's not in our job charter to arbitrarily shut plants
19 down if the plants are operating safely. We just don't have that power.
20 Congress hasn't given us that power. But what we have is the ability to
21 communicate with people that have that point of view, and find out
22 whether there are areas associated with safety or communications, or
23 others where we could be -- where we can find common ground.

24 COMMISSIONER APOSTOLAKIS: Yes, I think it's
25 important to bear in mind that when you judge others you judge yourself.
26 So, if I have an intervener who finds everything we do wrong and
27 outrageous, that tells me something about that intervener. But on the

1 other hand, there are some groups and individuals out there who when
2 we do something right, they say so. And then they point out areas where
3 in their opinion we could do better. Then you really pay more attention. It's
4 a credibility thing. So, I think it's something that we should all bear in
5 mind, when you judge others you are judging yourself.

6 COMMISSIONER OSTENDORFF: I agree with my
7 colleagues, all their comments. I want to maybe just hit on one small
8 portion of this, not directly related to interveners, but rather to
9 communications in general. And that is -- and the Chairman and
10 Commissioner Magwood discussed this earlier, is it's so important for us
11 to talk about as a regulator, what are we doing and why in the space of
12 regulation? Oftentimes we do that very diligently in response to incoming
13 questions. We always do it, quite frankly, in response to incoming
14 questions, and our staff does a great job with that. But trying to bridge that
15 model to perhaps a more proactive strategic engagement on an ongoing
16 basis is more difficult.

17 Let me give you one example. How many people saw
18 the article in the D.C. Metro Section in the last couple of days, the number
19 of bus drivers that have fallen asleep on D.C. buses. Anybody see that
20 article? There's cameras, talking about 70 or 80, I can't remember, but a
21 fairly significant number of bus drivers driving D.C. Metro buses over the
22 last year were caught on camera, the bus drivers are sleeping.

23 CHAIRMAN MACFARLANE: While driving?

24 COMMISSIONER OSTENDORFF: While driving, yes.

25 This is --

26 CHAIRMAN MACFARLANE: Nobody is taking a bus
27 today.

1 (Laughter.)

2 COMMISSIONER OSTENDORFF: That really got my
3 attention. Now, I drive to work every day.

4 (Laughter.)

5 COMMISSIONER OSTENDORFF: But if I were not
6 driving, I would be relying upon a bus driver to get me to work safely, that
7 would cause me to pause and think about it. I'd want to understand what
8 is the D.C. Metro authority doing about this. That's a common sense
9 example that we can all understand. I bring it up because I think it's a
10 good analogy here for what are we doing as an agency in response to
11 various issues that come up, and how are we regulating, and why? So, I
12 think from that standpoint it's important for us all, I know we're having
13 these conversations as Commissioners to think about how we're
14 communicating externally with the American public.

15 CHAIRMAN MACFARLANE: Okay. Next question.

16 QUESTION: As the Agency continues the reduction of
17 its grade structure by backfilling GG-15 retirements at a lower grade,
18 what happens to the lower graded work? Does the Commission believe
19 that positions were misclassified too high, or that positions are being
20 misclassified too low?

21 CHAIRMAN MACFARLANE: I think in general the
22 Agency has a goal to reduce or shall I say increase the ratio of
23 management to staff by 2016, so the plan is to move towards that goal.
24 That's the -- that's what we're now doing, and under the current budget
25 process that's where TABS is helping us move. I don't think it's a matter of
26 one or the other. It's just a general way that we have to move. Anybody
27 else want to comment? No? I think we'll take one more question.

1 QUESTION: A question for each of the Commissioners.
2 What technical area do you think is not getting enough attention at NRC
3 right now?

4 CHAIRMAN MACFARLANE: Let me turn to my
5 colleagues here. Do you want to start, Bill?

6 COMMISSIONER MAGWOOD: That's a really
7 interesting question. I think if you asked me that question two years ago, I
8 might have asked more questions about natural hazards, but I think we
9 started to focus on that a lot more in recent years since Fukushima, so I
10 won't say that.

11 I do -- personal perspective, I do think that the Agency
12 should -- and I think we do this to some degree, I think we should
13 continue the work that we have done to understand what's happening in
14 the realm of new technologies. I don't want to see us become so jaded
15 about the future prospects for advanced reactor technologies that we
16 forget about it, and then let that expertise entirely fade away from the
17 staff. And then perhaps five or ten years later discover that we have no
18 capability.

19 I think it's very important to maintain some cognizance in
20 those areas. But as far as our current safety activities, I think we do a
21 pretty good job of identifying the areas of technical questioning that we
22 have to probe into. I think, for example, we're starting to spend more time
23 on concrete issues for a variety of reasons, and materials issues,
24 particularly in respect to long-term spent fuel storage. So, I think the
25 Agency actually does a pretty good job of identifying those sorts of
26 issues, but I'd like to see us continuing to look a little bit over the horizon,
27 as well.

1 CHAIRMAN MACFARLANE: Kristine.

2 COMMISSIONER SVINICKI: I'm not aware of any area
3 right now that's under-funded to such an extent that it would cause me to
4 have an ability about our capability to carry out our day to day mission.
5 We don't have infinite resources, so we don't have an infinite capacity to
6 stay ahead of every possible emergent issue.

7 CHAIRMAN MACFARLANE: Okay.

8 COMMISSIONER APOSTOLAKIS: Well, as I said
9 earlier, what worries me is whether there are any holes at the high level in
10 our regulations, so that's where I'm trying to put more thinking. As I said
11 earlier, I think Commissioner Magwood also expressed the same feeling.
12 After we identify an issue, we are doing a very good job in resolving it, we
13 are. It's the completeness of the regulations that worries me a little bit.

14 COMMISSIONER OSTENDORFF: I don't personally
15 believe there's any technical area that's not receiving adequate attention.
16 I think a real strength of the Agency is the user-need approach used by
17 the Office of Research for line management. And I think that's a real
18 positive practical way of handling research efforts. And I think that works
19 very well to my observation of how Brian, and Eric, and Mike, and Glenn,
20 and others do business.

21 I will comment on an area that I think is a challenging
22 one. It's nothing to do with a lack of NRC research, but I believe that in the
23 cyber security area as our staff continues to work very hard, Marc Depas,
24 Jim Wiggins, people out in the Regions to look at implementation of the
25 Cyber Rule, because that's coming due the end of this year, identifying
26 critical digital assets, and methods of isolating those, I think that's going to
27 present some new technical approaches that perhaps we've not looked at

1 yet, just because that's a dynamic art. It's not fixed in time. It's not static. I
2 think there's going to be a lot more coming out in the next few years that
3 will cause us to look into other areas we're not currently looking at. It's not
4 because of lack of focus by the current team, it's just a matter of this thing
5 is evolving quickly.

6 CHAIRMAN MACFARLANE: I'll keep it short. The area
7 that I think doesn't receive enough focus, not just at the Agency but in the
8 nuclear industry and even to nuclear engineering departments is the back
9 end of the fuel cycle. It's the poor child of the whole issue. There just is
10 not enough attention from beginning to end, you know, from education
11 onwards to back end issues. So, I think we have inherited the mess that
12 we have in part because of that. I'll stop there.

13 MR. BORCHARDT: Thank you. It's now my pleasure to
14 introduce Walter Lange, who will be addressing the meeting representing
15 NTEU. Walter.

16 MR. LANGE: Thank you for the opportunity to speak on
17 behalf of the Union and the Bargaining Unit employees. I represent
18 President, Sheryl Burrows, who unfortunately could not be with us today.
19 We offer congratulations to Chairman Macfarlane on her appointment
20 four months ago, coincident with the installation of the new officers of the
21 Union. And as she observed, honeymoons don't last too long.

22 I thank the Commissioners for their perspectives today
23 on the challenges going forward. And I really appreciate so many of the
24 questions that came from the audience today. They hit on many of the
25 issues that the Union has concern in, and I will focus on just a few of them
26 today.

27 I want to affirm the Union's commitment, first of all, to the

1 NRC mission, and to NRC values. I want to affirm the commitment, also,
2 to the NTEU principles of commitment to dignity and respect for all
3 employees.

4 We celebrate the important work that this Agency does
5 on behalf of the American people, work that is largely performed by the
6 2,600 employees who are members of the Bargaining Unit.

7 Some here may not be aware that there is in place a
8 Charter of Partnership between NTEU and Management. Every month
9 NTEU officers meet with senior executives, the DEDOs and others, to
10 address employee concerns. And at the office level, union members
11 meet every month with office executives and managers to address
12 ongoing and emerging concerns.

13 It may also be a surprise to some here to learn that the
14 Union had some very real influence in bringing to bear several of the
15 quality of workplace initiatives that we've seen in recent years, work at
16 home, and flexible work schedules.

17 In the next few minutes I want to talk about three key
18 issues, employee relationship with supervisors, change management,
19 and finally the 2012 Federal Employee Viewpoint Survey. Many of the
20 questions today are related to these three issues. These issues have
21 been addressed and discussed with Agency leaders of the Agency Labor
22 Management Partnership Committee meeting, and Sheryl Burrows and I
23 discussed these issues with Chairman Macfarlane when we met with her
24 last month.

25 Regarding employees and supervisors, we all know that
26 there are some very excellent managers and executives here in NRC,
27 managers who inspire and motivate their employees, who provide clear

1 direction and support, who maintain respectful and positive relationships
2 with staff, who provide timely and constructive feedback throughout the
3 year. In short, these managers consistently demonstrate the best of
4 servant leadership that was discussed a little bit earlier today, and we
5 really appreciate those commitments to that kind of leadership.

6 Unfortunately, we also know that there are managers
7 and executives who don't quite meet the standard. There are managers
8 who provide sometimes only vague direction, bring me a rock and if I
9 don't like it, I'll tell you, bring me another one. There are managers who
10 fail to support their employees, who do not communicate with them. We
11 can learn a lot from snippets of conversation we hear in the elevator and
12 elsewhere. We're flying by the seat of our pants, I heard just the other
13 day, or I feel like I'm juggling 12 items, and then someone tosses a
14 flaming torch to me and expects me to keep everything in motion without
15 dropping anything. And overheard recently in an elevator in Two White
16 Flint, we have a one-page flow chart that defines the work, and in three
17 years we still don't have management agreement.

18 There are, unfortunately, managers who fail to provide
19 regular feedback that is timely and constructive. During the appraisal
20 process this year, employees have come to the Union surprised at their
21 appraisal scores. With regular feedback, there should be no surprises.

22 More disturbing, it is known that there are some
23 managers and executives who bully and intimidate their employees. And
24 let's not confuse command and control with bullying and intimidation.
25 Bullying and intimidation fly in the face of the Agency's commitment to
26 open and collaborative work environment. Intimidation in any form
27 stifles the willingness of employees to bring issues to the attention of

1 managers and executives.

2 I note with interest that bullying and intimidation were
3 identified as important issues by the 2012 Leadership Potential Program.
4 They developed several recommendations to Agency management that
5 we hope will seriously be considered.

6 A second issue is about change. We all know that the
7 Agency is in a period of very dynamic change. One change with broad
8 impact is TABS, and there were a couple of questions about TABS here
9 today. TABS has been in process for about two years now. In the past six
10 months or so there have been more briefings and information sessions
11 for employees who may be affected by potential reassignment as
12 functions are streamlined for improved effectiveness and efficiency. I
13 appreciate the Chairman's and Commissioners' comments about TABS,
14 and regarding change, NTEU recognizes and supports the need for
15 change.

16 NTEU representatives have attended briefings and have
17 asked clarifying questions, questions about how roles and responsibilities
18 would be defined, how transitions would be made, how the proposed
19 changes would impact technical work and the work of project managers.
20 Employees have come to us at the Union with anxieties about how the
21 changes would affect them. The Union President, Sheryl Burrows,
22 followed up with a letter in mid-September that requested specific
23 information about position descriptions, selection process, and how the
24 realignment of some staff positions may affect the work of other program
25 and technical work.

26 You may have seen the recent announcement
27 describing that the TABS implementation will be delayed. This was in

1 response partly to the Union questions. The Agency recognized that
2 more planning needed to be done with more attention to how the work
3 would be realigned, how program offices would meet performance
4 expectations while the changes are being implemented.

5 Again, I want to give credit to the 2012 Leadership
6 Potential Class. One of their projects was change, and TABS was
7 discussed at one of their class briefings. The LPP team observed that
8 TABS had not considered foreseeable complexities, stakeholders were
9 not adequately engaged, and the LPP team emphasized the importance
10 of communications, communications, and again communications.

11 The LPP team also noted that trust suffers when change
12 is poorly communicated, and when decision-making is done under, again
13 what the LPP team called a veil of secrecy. I hope that managers and
14 executives will seriously consider the recommendations of the LPP
15 graduates.

16 We know that there are teams and individuals here in
17 the Agency who have significant skills and experience in planning for and
18 implementing change. Sadly, their contributions do not seem to have
19 been solicited. I know that these employees who have the skill would be
20 more than happy to provide guidance for change initiatives large and
21 small.

22 The third and final issue I will address is the Federal
23 Employee Viewpoint Survey, we also look forward to the results of the
24 Safety Culture Survey that will be coming this week. The results of the
25 2012 FEVS have just been published and show positive results. Again,
26 we're used to that. But we must be honest, we must be honest and look at
27 the negative trends that are developing.

1 A close reading shows that communications and
2 supervisory feedback are not what they should be. Overall, trend analysis
3 in the management report showed that of 84 items reported, 64 items
4 showed negative trends, that's 75 percent. The Management Report also
5 shows that several offices rated less than 55 percent on the metrics of
6 employee engagement. This assesses employee perception of the
7 integrity of leadership, communications, and workforce motivation. That's
8 less than 55 percent on that very critical measure.

9 The Union will be requesting more detailed information
10 about FEVS so that we can differentiate the responses of
11 non-supervisory employees to the overall results. We believe, and we are
12 confident that an examination of the results will support our contention
13 and our negotiation position that communications, appraisals, and
14 feedback must receive serious consideration and attention by Agency
15 leaders.

16 In closing, I want to emphasize our commitment of the
17 NTEU to the NRC mission values, and I repeat the mission of NTEU is to
18 insure and to fight for the dignity and respect of all employees. And I want
19 to express the commitment of NTEU leaders to work in partnership with
20 Agency leaders to address these issues. Thank you very much.

21 (Applause.)

22 CHAIRMAN MACFARLANE: In closing, I just want to
23 thank you all for attending this afternoon's session. Again, if you have
24 follow-up questions, I have an open-door policy. I'm happy to hear from
25 you all. You're welcome to email me. Let me turn it over now to Bill. I think
26 it was a good session. I do appreciate all your questions.

27 MR. BORCHARDT: I'd like to thank the Commission

1 and thank all of the people who submitted questions. And please join me
2 in thanking the Commission, and this meeting is adjourned.

3 (Applause.)

4 (Whereupon, the proceedings went off the record at
5 3:30 p.m.)

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