

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
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EQUAL EMPLOYMENT OPPORTUNITY BRIEFING
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Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Tuesday
December 7, 2004

The Commission met in open session, pursuant to notice. Nils Diaz, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

NILS J. DIAZ, Chairman of the Commission
EDWARD MCGAFFIGAN, JR., Member of the Commission
JEFFREY MERRIFIELD, Member of the Commission

(The following transcript was produced from electronic caption media and audio and video media provided by the Nuclear Regulatory Commission.)

STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

Secretary

General Counsel

PATRICIA NORRY, DEDM

CARL PAPERIELLO, RES

CORENTHIS KELLEY, SBCR

MICHAEL CULLINGFORD, APAAC

PAUL BIRD, HR

BELKYS SOSA, HEPAC

GREGORY SUBER, ACAA

MELISSA JENKINS, FWPAC

LAWRENCE VICK, CAD

DALE YEILDING, NTEU

P R O C E E D I N G S

CHAIRMAN DIAZ: Good morning. Welcome everybody to our fall briefing on the EEO program. This is the long, in-depth meeting of the year.

We meet twice a year with the Equal Employment Opportunity Program, the Small Business Office. Our last meeting was held in June of this year.

Like I said, today the meeting will be a little longer because we have a little more complete information that we want to discuss and we would also have the Office Director's presentations of the different perspective on the EEO activities within one of the major program offices. I believe Research has won the prize this year. We are happy to see you.

Before I turn the meeting over to the staff, I think it is appropriate to point out that since our last meeting we have taken two significant measures that have important implications for our EEO program.

Number one is that the comprehensive diversity management plan has been signed and has been put in place, and a revised SES performance plan and appraisal system has been implemented for fiscal year 2005. Although we will not be in a position to assess the impact of either of these initiatives until next year, I want to express the Commission's appreciation for the hard work that the staff has devoted to both of those initiatives and hopefully to bring these projects to fruition.

As always our goal in holding this meeting is to evaluate our progress in achieving a work place environment that fosters equal employment opportunity for all NRC employees. And we are looking forward to hearing from all our briefing participants regarding how well we are doing in this area.

At this time, I'm pleased to turn the meeting to Mrs. Pat Norry, who is representing the EEO today and probably also representing herself.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, briefly. This is, I believe, Pat's probably final meeting before the Commission. And I didn't want to let that go without notice.

She has done an absolutely superb job for this agency going back to when it was the Atomic Energy Commission. She has been at the highest levels of the Commission for a very, very long time. Served with distinction on contracting in human resources panels of the government, kept us shipshape and on top of things. And the Commission and I'm sure the EDO, who is not here, is going to miss her.

I think she finally discovered recently that she probably would make more money sitting at home than she does coming to work. I have always worried that that might happen. She may have actually done the calculation or she may just have decided it is time to have a little more enjoyment than dealing with the likes of us. Congratulations on a very, very distinguished career.

MS. NORRY: Thank you. Thank you very much.

CHAIRMAN DIAZ: I hate it when Commissioner McGaffigan steals my thunder.

(Laughter)

CHAIRMAN DIAZ: I was going to hold it to the end and make something about it. But anyhow. And also, I really -- the staff should not take this as a hint that you should start calculating when you make more money at home.

Commissioner Merrifield.

COMMISSIONER MERRIFIELD: Mr. Chairman, I would heartily concur with the sentiments expressed by Commissioner McGaffigan. I would add one small

note.

For those who have worked with Pat during her career, which are many of us, it would come as no surprise that Pat is a person who is very willing to express her views. And just so that the record is quite clear, the degree to which Pat is willing to express her views with the staff and with the EDO are no less in terms of her willingness to express those very same views to the Commission, irrespective of whether we necessarily want to hear it or not.

But, those views were welcomed. They were well considered and as always, we certainly appreciated the enormous amount of experience that Pat brought to the table. And she will clearly be missed, although this is not the last time we will have the unfortunate opportunity to tell her that.

Thank you, Mr. Chairman.

CHAIRMAN DIAZ: Thank you, Commissioner McGaffigan and Commissioner Merrifield.

With that, Pat, I am going to give you one more task. Could you please orchestrate this meeting because you seem to do it so well. I don't want to take it away from you.

MS. NORRY: Okay. Thank you.

Thank you. Chairman Diaz, Commissioner McGaffigan and Commissioner Merrifield. Good morning, everyone.

We are pleased to be here today to provide the Commission with information on the status and progress of the agency's both employment opportunity and diversity management programs. This semi-annual Commission briefing, as the Chairman pointed out, is the year-end briefing which presents the program and the initiatives with the full year's worth of data, and will also include a presentation by Carl Paperiello on EEO initiatives in the Office of Research.

I believe we have maintained a strong and steady focus on EEO and diversity management since our last meeting. Let me go ahead and introduce those at the table.

Joining me, as we mentioned, on my left is Carl Paperiello, Director of the Office of Research; to his left is Mike Cullingford, who is the chair of the Asian Pacific American Advisory Committee. Seated on my right is Ren Kelley, Director of the Office of Small Business and Civil Rights; and Paul Bird, Director of the Office of Human Resources.

Also participating in this briefing seated in the first row behind me are Belkys Sosa, Hispanic Employment Program Advisory Committee; Gregory Suber, co-chair of the Advisory Committee for African Americans; Melissa Jenkins, Chair of the Federal Women's Program Advisory Committee; Larry Vick, Chair of the Committee on Age Discrimination; and we were expecting Dale Yeilding. But I don't see him. So maybe he will join us later.

I want to start by emphasizing that management remains committed to an effective EEO and diversity management program. The key areas for discussion today are the comprehensive diversity management plan, training for managers and supervisors, diversity in leadership development and succession planning, recruitment and changes in the agency's demographic profile as of September 30, 2004.

The agency's vision for diversity management is that, "NRC is an agency where all employees are valued and have an equal chance to succeed, thereby increasing organizational capacity to achieve the agency's mission".

Critical to this vision is the continued focus on enhanced management accountability. NRC managers are expected to integrate diversity management principles into their organizations and their operations, to be responsive to change, and to ensure that organizational systems policies and practices support the vision.

Through the comprehensive diversity management plan, we are taking a structured approach to ensure continued progress in reaching diversity management goals and to provide opportunities for all employees to use their diverse talents to support the agency's mission.

These goals will be incorporated into office operating plans and will further enhance management accountability and alignment with other key agency planning systems such as the Strategic Plan, the Performance Plan, the SES Performance Management System and the Human Capital Strategic Plan.

This alignment ensures a continued common focus and a means to more effectively integrate diversity management with agency operations.

During FY '04, at the Commission's request, we compared our diversity representation to five federal agencies that employ substantial numbers of engineers or scientists: The Department of Energy, EPA, the National Institute of Standards and Technology, the National Science Foundation, and NASA. The comparison looked at the representation of minorities and women for all supervisors, for technical supervisors and for SES.

The NRC compared favorably in some areas and not so favorably in others. At 15.9 percent, the NRC is close to the average representation of minorities for all supervisors, with the average at 16.7.

For the minorities in technical supervisor positions, NRC is consistent with the average representation, at 14.1 percent minorities in technical supervisory positions and the average being 14.3.

At 11.2 percent, NRC is relatively close to the average representation of minorities in SES, with the average at 13.4.

Among all supervisors, NRC has the lowest representation of women at 19 percent, with the average representation at 28 percent.

For women in technical supervisor positions, NRC was close to the average with 14 percent and average being 15.

At 16 percent, the NRC had the lowest representation of women in the SES, with the average being 26 percent.

So we are now focused on making improvements in these areas. We have been focused but we are increasing emphasis and we have two programs which will help us do that: the leadership potential program and the SES candidate development program. And they have proven to be very effective in enhancing diversity representation for supervisory, managerial and SES positions and for succession planning.

The FY '03 leadership class of 25 participants was 44 percent minorities, 20 percent Caucasian women and 36 percent Caucasian men.

The class graduated on October 28th, and 14 graduates have been selected for supervisory positions to date. This includes two African-American males, two African-American females, one Asian male, two Caucasian females and seven Caucasian males. And one graduate was been promoted to a non-supervisory position. The current SES CDP class also reflects a step forward in the agency's effort to improve diversity representation in the SES ranks. This pool of candidates reflects the

agency's and the managers' focus on preparing staff for senior level management opportunities.

The class has 31 participants, of which 23 percent are minorities, 16 percent are Caucasian women, 61 percent are Caucasian men. This program will conclude at the end of 2005.

Along with other federal agencies, NRC can improve the representation of minorities and women in supervisory and SES positions. As we continue to develop staff for these programs and for succession planning, the potential will continue to improve.

The recently improved Comprehensive Diversity Management Plan and the revised SES performance management systems serve as agency and management tools to provide a more structured approach to ensure continued progress.

Now I would like to ask Carl Paperiello to discuss EEO initiatives in the Office of Research.

DR. PAPERIELLO: Good morning, Chairman Diaz, Commissioner McGaffigan and Commissioner Merrifield. I'm pleased to address EEO, and I want to touch on human capital, because in Research they are connected.

People with their knowledge and their dedication is the basis of our ability to make meaningful contributions to the NRC mission. This, of course, is my first year as Director of Research, and I want to acknowledge the accomplishments of Ashok Thadani and the Research management team to the EEO accomplishments of the Office of Research. And I'm committed to build on the legacy I received.

I want to touch briefly on demographics of Research. Forty-six percent of the Research management team are women or minorities. That includes 29 percent of our SES core, 56 percent of our first-line supervisors. Incidentally, half of the supervisors in Research are minority employees. And 55 percent of our team leaders are technical assistants. And I include team leaders and technical assistants because the first-line supervisors and the team leaders and TAs tend to be the feeder groups to the SES and the SES candidate program.

Forty-nine percent of the Research staff are women and minorities. And in Fiscal '04, this increased from 45 percent in Fiscal Year 2003. So it's an increase in representation of women and minorities in Research in Fiscal Year '04.

I want to talk a bit about the selections, because it bears on the human capital side.

In Fiscal Year '04, 67 percent of the merit selections, a total of 49 people, were women or minorities. In Fiscal Year '04, the turnover rate in Research was -- we lost 14 percent of the Research staff. Thirty employees left the Office of Research. Of those, 16 or 53 percent retired, 12 or 40 percent transferred to other NRC offices, and only 2 of the 30 actually separated from the NRC for reasons other than retirement.

Of the selections we made, merit selections, 5 or 10 percent were internal, 53 percent or 26 were candidates from within -- from other NRC offices. So there was a movement of both people from Research to other NRC offices and from other NRC offices into Research. And 18 or 37 percent of the merit selections were outside hires.

The major EEO challenge, in my view, in Research is the age of our staff. In Fiscal Year 2005, 27 percent of us, and I include myself in the list, because I happen to be retirement eligible along with my deputy, but 27 percent of us -- well, it is the reality of us all getting old.

CHAIRMAN DIAZ: Speak for yourself.

(Laughter)

DR. PAPERIELLO: But 27 percent are retirement eligible, and over the next three years that will increase to 35 percent, and over five years will go to 49 percent. So we are talking about a major challenge in succession planning.

So I want to touch base on that.

This creates a dual -- two problems, the age, in succession planning for those who choose to leave and for those who wish to stay to stimulate them with demanding research opportunities.

We need to recruit highly qualified replacements for those who retire and train them and ensure that there is going to be a transfer of critical knowledge before the people leave the agency.

And we have a related challenge. I was talking to some staff, because I have luncheon meetings, and talked about getting ahead. And I had an individual jump right down my throat and he said, I don't want to be a manager. He said, I got my Ph.D because I wanted to study materials. He said, so I don't want to hear about management.

And for a number of Research staff opportunities in the Senior Level Service is seen as a more desirable career path than the Senior Executive Service.

So as Director of Research, I'm looking at various strategies we can employ to address succession planning and help people achieve their career goals, whether they happen to be the management track or the SL track.

Of course, in terms of what strategies do we employ in Research to meet our various EEO and diversity goals? In the corporate management section of our office operating plan, we have measures that we track and actions we track. Currently they are against the agency's affirmative employment plan. But we will modify that to now match it against the agency's Comprehensive Diversity Management Plan.

So it is something we put in our operating plan and we will review our various activities. We review on a quarterly basis what we are doing. We are strongly committed to creating a discrimination-free environment.

We encourage our staff to participate in diversity, sexual harassment prevention and other EEO training and diversity-related activities. All our managers will have completed the EEO training, agency's EEO training by the end of the year, calendar year. All but five have done it. The five are scheduled to take it this week and that will include everybody, all the managers in the staff.

In conclusion, I would like to reiterate that I am proud of the Research accomplishments in this area, in human capital, EEO and diversity management, and I am committed to building upon our successes as we address our current challenges to cultivate and retain an outstanding and highly diverse work force. Thank you.

MS. NORRY: Thank you, Carl.

Ren will now discuss the status of EEO and diversity training and the status of EEO and diversity management programs. Ren.

MS. KELLEY: Thank you, Pat.

Before I make my statement, I would like to give an opportunity to Mike Cullingford to make the joint statement on behalf of the EEO and advisory committees.

MR. CULLINGFORD: Ms. Kelley, thank you.

Commissioner Diaz, Commissioner McGaffigan and Commissioner Merrifield, we thank you for the opportunity to be here today. I'm pleased to present the Joint Equal Employment Opportunity Advisory Committee statement.

The Joint Equal Employment Opportunity Advisory Committee, as you know, is composed of the following five authorized committees: The Advisory Committee on African-Americans, ACAA; Asian Pacific American Advisory Committee, APAC; Committee on Age Discrimination, CAD; the Federal Women's Program Advisory Committee, FWPAC; and the Hispanic Employment Program Advisory Committee, HEPAC.

These five committees work in concert with the Office of Small Business and Civil Rights to contribute to the agency's goal of creating a work environment that provides opportunity for all employees to optimally use their diverse talents in support of NRC's missions and goals.

Perhaps we see a clear demonstration by APAC that in that my role as chairman shows real commitment to differences in equal opportunity.

To accomplish the mission of NRC, we need to continue to maintain the high level of expertise and confidence of the NRC staff. Thus, we need to seek the best qualified candidates, many of whom will come from a diverse background; put simply, diversity is in the best interest of the NRC.

The agency's commitment to EEO and diversity management goals is clearly stated in the NRC's Strategic Plan and Comprehensive Diversity Management Plan. Specifically, NRC will take the necessary steps to foster a work environment that is free of discrimination and provides opportunities for all employees to optimally use their diverse talents in support of the NRC's mission and goals.

We view the EDO's current effort to include standard EEO and diversity goals in all the offices' operating plans as a positive step towards ensuring accountability by the agency's management team for achieving progress. In this regard, the agency should continue to promote a discrimination-free work environment and to practice EEO and diversity management principles when making recruitment, staffing, and placement decisions based on merit.

The EDO has been very responsive to our concerns communicated when he met individually with the advisory committees. We also appreciate Commissioner Merrifield's meetings with our committees.

While we have seen progress with hiring minorities at the entry and mid levels, much remains to be done. We continue to work with SBCR and Human Resources to help the agency reach its EEO and diversity goals.

This is the good news.

Now, we would like to address challenges that remain.

As you will see, these challenges are mixed with signs of continuing progress.

Number one, the primary challenge facing the agency is to enhance representation of women and minority groups at all grade levels. For Fiscal Years '99 through 2004, for example, the percentage of women in NRC's work force decreased from 38 percent to 37 percent.

Over the same period, the representation of minorities increased from 22 to about 26 percent. The commitment to increase representation in entry level positions should be maintained.

Number two: Representation of minorities in the Senior Executive Service has not shown significant gains. The data for Fiscal Years 2000 through 2004 show that with the exception of the improvement in the representation of white women, there has been no significant change in percentage in minority representation in the SES over

this period.

As you have in the paper, African-Americans, for example, decreased from 6 to 5 percent. Asian Pacific Americans stayed the same, from 4 to 4. Hispanics stayed the same, from 1 to 1. Native Americans increased from 0 to 1 percent. And white women had the significant increase from 11 to 15.

However, one thing to notice is the representation of Hispanics has remained at 1 percent which represents two people and the same two people, one of whom is our EDO, Luis Reyes. The same two people have been at 1 percent for more than 15 years.

The SES Candidate Development Program provides an excellent opportunity for the NRC to continue to demonstrate its commitment to diversity. However, such a commitment to diversity is not demonstrated by the latest data on advancements to SES and SLS positions.

Consistent with CDMP, we recommend a sustained focus on increasing representation of under represented groups in management, SES and Senior Level positions and enhancing representation in feeder groups, Grades 13 through 15, for SES, non-SES management, supervisory, and Senior Level positions. Succession planning should also include consideration of diversity management and how differences impact the achievement of the agency's mission.

Additionally, we believe qualified women and minorities should be provided challenging assignments and exposure to management through rotations as well as thru mentoring relationships. Such mentoring relationships would include imparting knowledge of all aspects of the NRC's environment, in other words, how does the NRC work.

NRC continues to support diversity in career development activities such as demonstrated in the Leadership Potential Program class, as Pat mentioned, of 2004.

This class was 44 percent minorities, 36 percent white males, and 20 percent white females. From a total of 25 selections the breakdown of the proportion of minorities in the LPP was 24 percent African-Americans, 8 percent Hispanics, and 12 percent Asian Americans. Consistent with the CDMP, we recommend a sustained focus on increasing representation of under represented groups in the Leadership Potential Program.

A gap still exists in the developmental opportunities in the administrative ranks at Headquarters and in the Regions. We appreciate NRC's issuance of a yellow announcement that provided information regarding developmental opportunities for administrative support staff. We further recommend emphasis on effective utilization of the full work force be expanded to include increasing advancement opportunities in particular for administrative support staff.

Concerning older employees, CAD and SBCR independently analyzed -- and I think you heard this before -- analyzed 12 years worth of performance appraisal data for engineers and physical scientists. Employees 50 years and older were twice as likely as employees under 50 to have had decreasing performance at some time in the 12-year period.

We don't know the reasons for this. We are still exploring the causes of decreasing performance appraisal ratings for some older employees and are exploring alternatives for addressing this issue.

In conclusion, the EEO committees are encouraged by the efforts made by the agency thus far and we recommend the following road map for success:

A -- make management accountable through each individual manager's appraisal, for meeting the agency's outcome measures defined in the CDMP. Managers should consider all employees equally when assigning work to ensure that all groups are provided an equal opportunity to demonstrate their capabilities to perform tasks of increasing complexity and responsibility.

We should consider diversity when identifying highly qualified candidates for assignment to senior positions.

B -- We recommend that the Commission identify a time frame goal for meeting the CDMP outcome measures.

In addition, define a specific profile goal as described in CDMP which may be used as a time dependent outcome measure. Show on an annual basis progress at all levels towards the CDMP demographic goals. For example, show progress each year as we have seen progress today. Ensure that the hiring of Native Americans is emphasized.

C -- make a commitment to better support the developmental needs of minority employees with both internal and external training. Aggressively plan for rotations and challenging assignments to expose more women and minorities to management.

This will allow higher performers to be recognized and accelerated to more responsible positions.

D -- increase the focus on issues concerning the advancement of administrative staff. Identify clear career paths for administrative personnel.

More fully, utilize experienced senior staff and managers in transferring their knowledge and experience to junior staff and particularly to new hires. Involve senior staff in the important work of the agency and utilize them as mentors to transfer valuable knowledge, skills, and experience. Provide incentives for senior staff members with NRC corporate knowledge, expertise and experience, to transfer, through mentoring, their knowledge to junior staff.

The last two recommendations comes specifically from CAD. And that is conduct interviews with a sample population of non-supervisory employees over the age of 50 with at least 10 years of experience whose performance appraisal scores have decreased and with their supervisors. The purpose of the interviews with this targeted group will be to determine the causes of the changes.

And the last one, establish a database, starting with Fiscal 2000, that contains demographic characteristics, age, length of service, et cetera, of those selectees included on the "Best Qualified" or "A" candidate list for competitive promotions.

This information could be used by all of the EEO Advisory Committees to more adequately provide advice and assistance to the Commission on age-related EEO matters.

That concludes the presentation. Thank you for your patience.

CHAIRMAN DIAZ: Thank you, Mike.

MS. KELLEY: Thank you very much, Mike.

Chairman Diaz, Commissioner McGaffigan, Commissioner Merrifield, I want to reaffirm our commitment to providing effective EEO and diversity management program to enhancing management accountability, and creating a work environment that maximizes the potential of all employees in pursuit of the agency's mission.

As I discussed during our last EEO briefing, establishing a comprehensive

diversity management frame work that includes EEO and diversity management goals while addressing our human capital and succession planning needs, will help the agency increase its organizational capacity to achieve its mission, be inclusive and become a model organization where all employees have an equal chance to succeed.

As Pat noted earlier, currently there are three goals in the CDMP, and they are recruit diverse employees at all levels, develop and retain diverse employees by promoting an environment that values differences and increase the diversity of employees in senior and managerial positions.

I am pleased to say that we are now beginning the implementation phase of our currently approved comprehensive diversity management plan, with the support of the Commission, the EDO and the entire management team of the agency.

The development of this plan was a major undertaking and provided great insights regarding the high level of support for such a plan.

My office will work closely with other offices to implement the plan, educate the staff, monitor progress, and report on the status of our accomplishments.

My office will also continue to provide the EDO input to evaluate EEO and diversity management accomplishments of senior executives. Implementation of the CDMP will require the continued support of all managers and employees.

Additionally, my office is in the process of establishing performance measures to help maintain a common focus on EEO and diversity management, affirmative employment and small business consistent with NRC's and the Equal Employment Opportunity Commission's objectives. These goals will be included in updates in the CDMP.

Management accountability is key to fostering a positive environment discrimination-free work force. Operating plans will include these goals to ensure a common focus on achieving the agency's objectives in this area.

Managers and supervisors must have a available to them guidance and tools to lead to success in these efforts. Training is one of those tools used for managers and supervisors to enhance their awareness of current EEO and diversity management objectives.

My office, along with support from the Equal Employment Opportunity Commission, conducts training in this area for managers and supervisors and team leaders. And during the November 2000 EEO briefing, I noted that 287 managers and supervisors were scheduled to complete this training by the end of Calendar Year 2004.

Four of those managers and supervisors still need that training. There are others who are scheduled to take it but were not in that 287 who were required to take it during this Calendar Year. And those individuals, the four individuals are scheduled to take it in December and we expect to meet that entire number of 287.

To maintain awareness of future leaders in the agency, this training is part of a training curriculum for all future leadership potential and SES candidate development programs.

Every effort is made to ensure that the agency maintains a discrimination-free work place. However, in some cases, allegations of complaints still are filed.

Over the past five years, the number of formal complaints filed range from 9 to 16, or an average of 13 annually. While the number of formal complaints filed is not an absolute indicator of work environment, we have been successful in addressing the concerns raised.

During FY 2004, 27 formal complaints and 15 informal complaints were closed. This success continues as a result of the cooperative efforts of many in the agency, including managers, EEO counselors, mediators, SBCR, OGC and HR staff.

The alternative dispute resolution process is continually offered to complainants and can be requested essentially at anytime during the formal and the informal complaint process.

In compliance with the No Fear Act which requires agencies to post on the public the web sites information on EEO complaint activity, for FY 2004 and the five preceding years, NRC's complaint activity continues to be posted and updated on the agency's external website.

Even as we are implementing a new Comprehensive Diversity Management Plan, the agency continues to achieve progress from existing EEO and affirmative employment initiatives. To date in FY 2004, use of our recruitment model has resulted in continued success in hiring a diverse group of employees at the entry level.

The number of entry level and nuclear safety professional development program employees hired during FY 2004 and so far in FY 2005, was 50, of which there are 19 Caucasian men, 16 Caucasian women, 4 African-American men, 3 African-American women, 3 Asian Pacific men, 2 Asian Pacific women, 2 Hispanic men and 1 Hispanic woman.

Likewise, success has been made to attract mid-level applicants. During FY 2004, a total of 157 mid-level employees were hired. That includes 102 Caucasian men, 27 Caucasian women, 12 African-Americans, 13 Asians, 2 Hispanics and 1 Native American.

These employees will strengthen our GG-13 through 15 pipeline and our employee base from which first-line supervisory positions are filled. The mid-level hiring results from 2004 reflect the most significant of our hiring accomplishments.

As of the end of this Fiscal Year, the overall percent representation of all employee groups has remained relatively constant except for African-Americans which decreased slightly and native Americans which decreased slightly.

Representation in managerial and supervisory positions has improved with a small increase in African-American representation from 7.25 to 7.73 percent, and Native Americans from .29 to .53 percent.

The representation of Caucasian women in managerial and supervisory ranks increased significantly from 15 to 17 percent, while there was a decrease in Caucasian males from 69 to 67 percent.

The increase in representation by Caucasian women and the managerial and supervisory ranks includes four selections into the SES, one from outside the agency. One of our greatest challenges to enhance representation of minorities and women still remains.

We must remain diligent and continue to utilize existing and new initiatives to increase the pool of diverse applicants from which selections are made to the senior and managerial positions.

Throughout the Federal government and specifically within the NRC, it is projected that a sizable portion of the work force will retire within the next three to five years. The impact of this sizable loss will be mitigated through recruitment, employee development and employee retention strategies and efforts.

It is important to note that the sizable loss will also create a

correspondingly sizable opportunity for an increase in the percentage representation of minority groups in the managerial and supervisory ranks, and women included in that as well.

As Pat discussed previously, recruitment, training, development and mentoring efforts have enhanced minority representation within the developmental pipelines from which future supervisory and managerial vacancies will be filled.

In an effort to manage the projected loss of valuable talent and skills in our continuing efforts to maintain an effective and diverse work force, NRC continues to use existing and new recruitment strategies to attract highly qualified diverse applicants.

Other more detailed recruitment strategies and entry level programs designed to attract diverse applicants are discussed in the briefing paper to the Commission dated November 23, and have resulted in success to increase diversity in our entry-level employees.

While our efforts have been successful with recruitment of external hires, we have also maintained opportunities for advancement of existing employees in the GG-13 through 15 levels.

At the GG-13, the impact is minimal because the level to which professional engineers and scientists can advance without competition is a GG-13. The number of selections at the GG-14 and 15 has been approximately 200 annually since FY 2002.

Overall, the staff has had more advancement than in the recent past, notwithstanding that some 50 external hires were made at the GG-14 and 15 levels.

Our efforts in training and development have also been successful. During FY 2004 a total of 65 employees graduated from the nuclear safety professional development program. Currently, 88 percent, 42 percent minorities, 40 percent Caucasian men and 18 percent Caucasian women are participating in this program.

Providing training and development to include mentoring, are key factors in recruiting and retaining a highly qualified and diverse staff in both the administrative and technical occupations.

During FY 2004, HR issued a yellow announcement to all employees informing them of the various formal developmental programs the agency sponsors to support administrative staff development.

Nine African-Americans and two Caucasian women are participating in the administrative skills enhancement programs, one African-American woman in the information technology management program and the administrative skills enhancement program.

During '04, the agency selected seventeen employees, including three African-American females, one African-American male, two Asian Pacific American females, ten Caucasian females, and one Caucasian male for paraprofessional positions which offer administrative and clerical employees opportunities to move into jobs with greater challenge and career potential, enhancing their opportunity for upward mobility.

This number of paraprofessional selections in an organization with a highly technical mission reflects the agency's continued interest in upward mobility for the administrative staff in the NRC.

The Leadership Potential Program and the Senior Executive Service program enhanced the agency's work force diversity and succession strategies for

supervisory and managerial positions.

As the number of employees over the age 55 increases, there is an increasing need to tap into knowledge of the experienced employee and utilize this expertise in mentoring and coaching efforts. As offices continue to use knowledge management and knowledge transfer strategies, they will more often turn to the experienced employee for support.

These employees make a vital contribution to the agency and will continue to play a prominent role in maintaining and transferring institutional knowledge of agency programs.

Affirmative employment issues also extend to outreach efforts to attract small businesses. During FY 2003 a four-prong strategy to improve the status of our small business accomplishments was implemented. These included the issuance of a statement of commitment from the EDO reflecting senior management support, enhancing communication with program offices, and providing closer monitoring. Training of key staff as the fourth.

These outreach efforts brought about changes to improve the agency's accomplishments in this area. And in FY 2004, the agency met five of its six goals in this area.

While we have made progress, more is still needed in order to focus on the one category of the goal in which the agency has had very little activity. So we will do that in the upcoming year.

In summary, there is still much to achieve. And progress in some areas will be achieved more quickly than in others.

We recognize the success of our intern program. Recent recruitment of mid-level hires and the success of senior level developmental programs such as the LPP, the SES candidate development program and providing a diverse pool of candidates for potential selection into supervisory and management levels.

We believe we are moving in the right direction with enhanced management accountability, a focused and consensus driven Comprehensive Diversity Management Plan, targeted recruitment, and targeted affirmative employment strategies together we can achieve the agency's collective goals.

Thank you very much.

CHAIRMAN DIAZ: Thank you, Ren.

MS. NORRY: Thank you, Ren.

Mr. Chairman, that completes the staff presentation.

CHAIRMAN DIAZ: Thank you so very much.

Is somebody going to speak from NTEU? Mr. Yeilding --

MS. NORRY: You are sitting in the wrong seat, Dale.

MR. YEILDING: Thank you very much, Commissioners, for a chance to speak on behalf of the National Treasury Employees Union. My name is Dale Yeilding. I am the chapter president.

And I would like to make sure that everyone knows that NTEU does support diversity in the work place and the initiatives the agency has taken to ensure that.

Just a couple of general comments on recruitment and retention of employees. No matter how good initiatives we have to bring a diverse work force in here to work at the agency, it's our existing benefits, policies and practices in the work place that keep employees here. And NTEU works hard to negotiate with agencies to

ensure we maintain existing benefits that we have and to expand them.

And I don't want to be too premature, but I think we should be announcing within a week or two the successful negotiations of a collective bargaining agreement. We are making some changes in announcing what changes we have agreed upon so far.

One other -- perhaps a couple of other points. One other point in looking at statistics for EEO complaints that are filed, one of the briefings I have to do to employees when they come into the union office and ask questions about a particular concern, and I don't necessarily see outward EEO or discrimination attributes to their situation, but if there is, I always explain the EEO program for them to proceed rather than through the union's grievance process.

But it must be understood by all that an EEO complaint has two burdens. It has burden number one to prove and explain an unfair action or practice that has happened against an employee. And the burden number two for an EEO complaint is they have to attribute that to discrimination or some portion of violation of the EEO law.

So that's two burdens an employee has to go through for the EEO complaint process, of which if they chose to go through the grievance process with the union, they would only have one burden. We don't have to prove that EEO attribute of discrimination.

So, because of that, I don't have statistics, but we just have to understand that a lot of employees probably choose to go through the grievance process because all that they are ultimately trying to achieve is a remedy for what they are deeming to have been harmed.

So taking that into consideration, maybe the Commission might want to look at some of the grievance statistics and just look at how successful we have been at resolving some of those and some of the actions that have occurred on something like the merit selection grievances, some of the appraisal grievances, something of that nature.

And last, I just wanted to -- I only sat in on a couple of EEO committee meetings. But I guess looking at this document that was handed out here, there is 37 pages of data which is a lot of data to process and understand. And the history behind this -- I was kind of intrigued at the burden that is placed on the EEO committees to process and get their input on this report.

The data is up through the end of September, which is a little bit of over two months ago. It takes HR about a month to process and produce the tables and charts. And the EEO committees get the data for about a week before they are tasked to produce their report, because the report has to be about a month in draft do go for senior management review.

So I guess the lessons learned there is maybe we could adjust some of those schedules to give the EEO committees a little more time to digest these 37 pages of data.

Thank you very much for the opportunity.

CHAIRMAN DIAZ: Thank you, Mr. Yeilding. We appreciate your comments. And I guess now, the fun begins.

COMMISSIONER MC GAFFIGAN: Do we listen to the other groups?

CHAIRMAN DIAZ: No. I think they are represented by Mr. Cullingford. It's a joint statement.

COMMISSIONER MC GAFFIGAN: Okay.

CHAIRMAN DIAZ: Let me try to make some comments in here, pick up some words. I think the issue of accountability keeps coming out. And accountability is extraordinarily a good word and I think one that we all realize we are putting a significant emphasize into it.

I have tried lately to not leave it hanging in there as accountability only. I put another word with it of which I call it connectivity.

Let me explain what that means. It is that an office should not be doing things for which it is accountable only by itself. We are such a tight group of interconnected issues that it is important that when issues are being resolved, whether they are human capital issues or succession planning, these issues need to be integrated in a manner that the best efforts are put forth for the agency.

And it's something that right now is going to become extremely important. I think we all have heard of the fact and it is a fact that we are going to have probably significant number of various experienced people retiring in the agency. That creates a tremendous number of leads, not only the hiring, but the consideration of who's going to be moving, succession planning takes on a real serious meaning.

It is not only that it is serious issue, but it needs to be done in a manner that, you know, leaves no doubt that whatever efforts we are going to do for equal employment opportunity are in there, whatever efforts need to be put in for upward mobility of our employees. The efforts of training.

We are now looking at a comprehensive plan that needs to become a very aggressive action plan. In other words, we have this element, they are all in there. Now, all of a sudden, we are faced with the fact that many people are going to leave.

This is a tremendous challenge. It's a tremendous opportunity. This is the time in which the agency needs to put together all of these pieces that we have been working and manage every one of them, connected to each one of the issues and with greater accountability.

I think this is it right now, okay. Because one of the things that we can see in these statistics, and this is happening across so many issues of the nuclear industry is that many things that we do are not having significant effects. And the reason for that is that a lot of the large effects have already taken place. So we are almost at -- you know, those who are nuclear engineers are at a plateau, others we can call it we are getting esoteric behavior. And when you get to esoteric behavior where things you make an effort, things don't change too much is when things need to become more better managed, more intellectual, having the great amount of connectivity into the issues.

I think there's a tremendous opportunity for those who want to come up the ranks. I tremendously respect the fact that there are people that do not want to be managers, and that should be respected. Those individuals should be considered in the worth and not -- this is not a put down. It is just there are people that are very, very good doing technical work and they might not consider that.

Combination of those things are going to be critical because the know how of the agency needs to be maintained at the decision-making points. And to do that, every one of those things needs to be managed. It needs to be managed well and this is a task in which we all need to actually contribute.

It is something in which your contributions in bringing out the issues is fundamental. And I mean everybody's. Right now I think the agency -- and I have seen

this for some time -- is put in a position in which we need to do things better. It is no longer sufficient to do the things as we normally do them. We just need to do them a little better.

I know that you're conscious of it. I have great confidence that you are up to the task. But there has to be a recognition.

This is no simple task. This is not going to be resolved in one day. But at the input of everybody and dedication over the next three or four years of, you know, reshaping an agency in which people that have experience go through the right places maybe, you know, younger but mature managers and technical people will rise through the ranks. Because that serves the attention to all of this issues is going to become more and more critical as time goes on.

And just thought from my vantage position I have seen all of these things developing. I think, you know, the point of the data shows -- and I went through the 37 pages in about four hours. That's all my staff gave me. You do it in four hours or you're out of a job.

Okay. Let me -- another thing is the issue of increased representation. This is a continuous theme. And it is something that we see creeping in. But, again, there is now an opportunity to look at people and be color-blind, ethnicity blind, does not matter what it is. What is how competent, how capable.

I think one of the things that we are trying to emphasize and I think in the training programs it comes out is in this era of communications, increasing the capabilities of our younger people to communicate better. It's fundamental to them being able to do a better job in the agency. So that's part of this task that is facing us.

Now, let me just go ahead and start with some questions.

In the diversity training program, congratulations, you got most of the managers through. You did receive some feedback. The feedback that you received, is it the kind of feedback that allows you to make changes to the program?

Have you been able to look at the feedback you received in all the training?

Are there things in there that are usable for to you improve it?

MS. KELLEY: Yes. We often get suggestions for change. And I guess this gives me an opportunity to mention that Commissioner Merrifield was one of the individuals who took the training. And he provided feedback that did give us an opportunity to make some modifications to the training program.

And as we get those kinds of suggestions we do implement them. Some of them we can do immediately. Others take a lot more time and will -- things that we will have to do over time.

But, we do certainly consider all of the comments. Not all of them lend themselves to suggestions. For the most part, they are just indicators of how the manager or supervisor viewed the training.

CHAIRMAN DIAZ: I see.

On the Comprehensive Diversity Management Plan, has the staff issued guidance on how it is going to be used? Are you in the process of issuing guidance? I don't know what the status of that is.

MS. KELLEY: We are finalizing a communication plan that will be distributed to all managers. And they will use that to kind of look at their organizations.

We believe it is necessary for each office to take a look within their own borders and see what are the things that they need to focus on. And so the

communication plan will be kind of a general guide in terms of implementing the CDMP.

And the goals and measures are there. We have provided strategies for the offices to consider, and we will work with offices. We have a contract in place for diversity management and offices can use that.

We only have -- if they want to use it extensively, of course, they would need to fund it. But we do have seed money that is available to offices that can use a contractor for facilitated sessions to try to identify what areas each office needs to focus on. And so that guide may be somewhat tailored to each organization other than the general theme that's pretty much presented in the CDMP.

CHAIRMAN DIAZ: Of course, I do believe that it needs to be tailored, this interface between the general program, the tailored program that I think guidance is needed so people will know how to use the program. That is an important part.

MS. NORRY: And that will be forthcoming. But we wanted to get the overall plan out first, get people familiar with it. And the next step will be what you are talking about.

In the meantime, the agency office operating plans serve as a vehicle to provide office level accountability.

CHAIRMAN DIAZ: All right. Going to the EEO complaint data. We know that you are doing well in resolving these complaints. Again, this issue about trends, it seems like there is no change in the number of complaints that are being filed. It seems like whatever impacts we are having it is in resolving them but not in the actual number of complaints.

Do we take that, that we are at a level in which this has flattened out, or is there anything we can do to reduce the number of complaints?

MS. KELLEY: Well, we periodically look at that just to say what can we glean from our complaint activity and the number of cases that we file.

However, it is difficult to draw conclusions from the number in and of itself, because the number could be low. And I think that NRC's number is relatively low compared to the number of employees that are here at this agency.

As I mentioned, from the year FY 2000, we had a range of 9 to 16, with 2003 being 9 and 2004 being 12. So you are right in that we have an average of 13 for that period.

What can we make of that? It is somewhat difficult to say whether the agency is at a high or whether the agency has leveled off in its complaint activity.

What we have done is looked at other agencies to kind of see where is NRC in the ballpark. And in so doing, the Postal Service kind of gets the award in the Federal government. They have the highest number of complaints filings. And there is an agency that we looked at.

We looked at DOE, NASA, EPA. And EPA had the highest among the ones that we compared ourselves to, with 71 in 2004 and we had 12. In looking at another agency that had 2.

And while we might want to say we are doing better than EPA but not as well as the other agency, I don't know that that is a perfect gauge.

So what we choose to do is look at everything else that is an indicator of whether we have a positive work environment. And certainly, employees surveys would give us information.

We also collect a lot of information from informal contacts and not the informal complaint activity, but informal contacts of employees that come to discuss a

matter that is of concern to them. And we collect that information as well.

And while I'm a little bit unable to say are we at a high or a low, I think that what we want to do so is just kind of keep a continued focus on everything that kind of gives us a pulse on how we are doing and watch those things and continue to look at the trends and see what's happening in other agencies.

Obviously, if we go off chart in the numbers to a very high, then that may be telling. Or if we go very, very low, then maybe there's a message from that as well. But at this point, I am just continuing to watch it.

CHAIRMAN DIAZ: Well, I would expect that as the agency goes into this new upcoming changes because of people retiring or maybe the agency will grow, you will get more complaints. And the issue is, of course, how you handle them. But variations are expected.

It seems to me like you're flat and that's okay. There is nothing wrong with it. If it is the low flat where we are.

All right. Ms. Norry, you mentioned a series of surveys with other agencies. And you were comparing us and so forth. Are any of those of particular concern to you? And if so, is there a strategy to deal with how the agency should move forward in that particular arena?

MS. NORRY: I was frankly surprised, I guess, because I have not kept track of the specific numbers. I was surprised at the number of SES women.

Of course, I been around long enough to remember back when it was single digits. So I suppose we can call that progress. But I was just struck by that.

But I do think the answer lies with those developmental programs that we talked about, leadership development and SES candidate development.

If you look at the population there -- and we are going to have to -- we track all the people in those programs. And just last Friday at the last Friday's staff meeting, Luis made a very meaningful pitch to all the Office Directors. Pay attention. These are the people you have picked. These are the people you have said were the ones you want to lead. So here they are.

And you know, not that Office Directors are not doing this, because a number of selections have already been made, and the candidates are not even in a position yet to be picked because they will not graduate until the end of December. But they can be picked competitively.

But I think that's where we're going to make progress.

CHAIRMAN DIAZ: Okay. Thank you.

I was noticing the focus on the recruitment. Many of them are directed at universities which have larger minority enrollment. But somehow I think that as we get to be very, very competitive, I think we should also consider recruiting in the top schools, whether they have a larger percentage or not, because they all are going to have minorities. And I think it is time that we look at the universities in the west and the deep south and the northeast, and rotate some of these programs of recruitment around to target the MITs of the world and University of Florida of the south -- that was a pitch for the University of Florida

MS. NORRY: Yes. And Paul will --

MR. BIRD: I think it's a little unfortunate that we didn't address those schools in the paper. Just for an illustration, in 2004, we recruited at -- and I will try to fly through these -- Georgia Tech, University of Illinois, Cal Berkeley, Oklahoma State, University of Wisconsin, Texas A&M, Purdue, Clemson, University of Tennessee,

University of Florida.

CHAIRMAN DIAZ: Oh. Okay.

(Laughter)

MR. BIRD: I hesitate on this one, but Florida State also.

(Laughter)

COMMISSIONER MERRIFIELD: You wanted diversity.

COMMISSIONER MCGAFFIGAN: How about Miami?

MR. BIRD: Yes. Miami is on there.

COMMISSIONER MCGAFFIGAN: Those are the teams that Florida is trying to beat.

MR. BIRD: And just a few more, Penn State, Lehigh, Florida International, Virginia Tech, University of Texas at Austin, Villanova, MIT, Missouri, Texas El Paso, Miami, Michigan.

CHAIRMAN DIAZ: I stand corrected.

MR. BIRD: College Park, of course.

CHAIRMAN DIAZ: All right. Were you successful in recruiting from those places?

MR. BIRD: Yes. We have a tremendous number of candidates, more candidates than we can certainly accommodate by hiring. And very high quality candidates from those recruiting trips.

We do know that the data on the minority populations at those schools. So we can target a little bit there as well for diversity purposes. And generally, when we go to these schools, we will make contact with the professional associations and societies that are oriented to diversity as well as the mainstream campus placement office.

And so, I think we have had great success. And if the volumes speak for that, we have got a tremendous set of candidates available to us right now and sort of a continuing effort to try to hire them. Certainly from the college recruitment, it's entry level generally. And we have had a pretty good track record in picking up some.

I recently had an opportunity to invite a number of students into this room, as a matter of fact. What we found was that we were trying to do on-site offers at campuses. It didn't work extremely well.

And so what we did was issue invitations and actually paid the invitational travel for a number of students from a variety of schools to come here.

The advantage was things such as Luis was able to actually come in and speak to this group. There were 18 here. We were able to give them a tour of the campus here, which was I think extremely impressive to these students. And we had a number of managers from different offices who were interviewing these people in multiples.

And I don't think to take over this room. But this certainly worked well in this setting. And so we believe in that regard, we are well set on recruitment of entry level.

COMMISSIONER MERRIFIELD: All right. I know you are seeking diversity and obviously the Florida schools are well represented. But I have to put a pitch in, as I haven't, Paul, before, but if you happen to be in the Boston area, Tufts University has a pretty good engineering school as well.

(Laughter)

MR. BIRD: I will make a note on that.

CHAIRMAN DIAZ: I will not comment on that.

(Laughter)

COMMISSIONER MCGAFFIGAN: It was a trend in blue and red states --

(Laughter)

CHAIRMAN DIAZ: I know where there is danger.

Now, let me go to something that I think is a little particular. I know there is a need to be probably more sensitive and more careful in our selection of people for the SES series and the SLs, and that everybody needs their full consideration. And I always have been worrying about Hispanics and African-Americans because I think those groups really need it.

But this year I want to make a special pitch, and I will tell you the reasons why, for really paying attention to bringing the women in the agency also into the focus.

I just happen to be extremely fortunate during my tenure here to have very dedicated and tremendously good ladies working with me. I think that every one of them practically should be an SES and some of them are and some of them are not.

But I do believe that today in this country there is a need to bring women up to occupy their rightful places in the work place. I think -- I hate to say this, but they make us men better. We do better when they are around. Not only at home but I believe in the work place.

So I think special attention should be put into the fact that in many of these cases we have very talented ladies who do perform very well and I think they should be fully considered. And I'm sure they have but I think I want to highlight how important they are to this agency.

And with that, Commissioner McGaffigan.

COMMISSIONER MCGAFFIGAN: Thank you, Mr. Chairman.

In looking at the data and listening to Carl talk about the number of people who are eligible for retirement at this time and the much larger number soon, that comes across in the data and it does not look to me like we are making much progress.

Senator Voinovich asked us that famous question about over 65 versus younger than 30, and the ratio has changed. But if you look over the last five years, the number of people 39 and under is identical to what it was in 2000, 20 percent. The number of above age 50 and above age 56 has increased, and the managers and supervisors, 61 percent of managers and supervisors are 50 and older compared to 58 percent a few years ago. We are still at 6 percent 39 and under.

The Chairman talked about finding a way to replace us. I looked around this room, and I am not going to name any names other than Ms. Norry, but there is a fair number of people who are not going to be here four, five years from now. There is a fair number who will. And it is just dealing with that bow wave and getting enough people in here that there's a group to pass things on to strikes me as a pretty large undertaking.

And I honestly don't know exactly why the folks who are 56 and above tend to be people who are in the CSRS. And honestly, if they were calculating how much they make comparatively by staying at home verses coming to work, I appreciate their dedication and all that, but it's not going to continue forever. So we have a major, major problem.

We have some effort at entry level hiring. We have some effort at mid-level hiring. But a lot of those mid-level hires turn out to be in their 40's. We are taking from other agencies or maybe from the industry.

And I don't know -- I started government in the Foreign Service where they take kids who get through an exam process and toss them into pretty important jobs. I was a TA to an Assistant Secretary, I think, as I have said before, as my first job in government, and a TA to an Under Secretary, six months later.

Have you all thought about challenging the Office Directors a bit more about whether they really need mid-level folks? By entry level, I don't mean fresh from college, I mean people coming out of the masters programs and Ph.D programs. I think that's entry level still.

MS. NORRY: I'm confused on the definitions. But I think mid-level is what?

MR. BIRD: Mid-level is 13 to 15.

COMMISSIONER MCGAFFIGAN: So if you have a Ph.D, you're a 13 coming in?

MR. BIRD: Coming in you would be an 11, with a Ph.D.

COMMISSIONER MCGAFFIGAN: With a Ph.D. you're an --

MR. BIRD: Right out of college.

COMMISSIONER MCGAFFIGAN: You're an 11?

MR. BIRD: Yes.

MS. NORRY: But you're not done anything yet.

(Laughter)

COMMISSIONER MERRIFIELD: I'm not going there.

(Laughter)

CHAIRMAN DIAZ: They think they invented the world.

COMMISSIONER MCGAFFIGAN: As I say, our mid-level hiring is much larger than our entry-level hiring by the numbers. And it just strikes me that if you really want to work on this demographic and have a few more people under 40 around here who are going to be here for 20 or 30 years -- I mean, that's where the institutional memory is, people who are here for 20 or 30 years and really understand the place.

Then we may at the margin want to be challenging managers as to whether they have to get somebody who has 14 years of industry experience and this and that in order to do this job or whether a younger person might be able to do it with a little bit of mentoring.

MS. NORRY: That's correct. And we really do need to increase our emphasis on entry level. But I would point out that a lot of the mid-level hiring we have done has been for specific skill sets that were needed. NSIR is a good example.

COMMISSIONER MCGAFFIGAN: I understand NSIR.

MS. NORRY: I mean, that's where you don't get these people entry level. These are people who are experienced.

So, I think, you know, the entry level has got to be reemphasized and that's what Paul is doing with that list of schools he's talking about.

I am personally worried, and Luis and I have talked about this, and we are going to have a meeting, probably are going to go off-site and talk about what we can do on keeping the focus on succession planning. I mean, it is scary to think about the folks we're going to lose.

So we have done the top level, the very top level on succession planning. But then, what about the next level down from that? We have not gone there yet. And we really need to.

COMMISSIONER MCGAFFIGAN: You have surprises when you get

there. And some of the people you plan to be successors may say to you, I'm out of here.

MS. NORRY: I know. I know.

COMMISSIONER MCGAFFIGAN: So just based on our demographics, that looks like it's a very possible outcome.

And as I say, I think this institution -- I don't know how we compare to these other institutions, NSF, EPA, NASA, et cetera, except NASA must have, I know has some similar statistics from newspapers but we face just this enormous task if you take it from a five or ten-year period, 2010, 2015, who is going to be running this place? Are they going to have the same capability as the folks who were here today? Are we grooming them?

MS. NORRY: We are grooming them. We are. We are training them. And because we know -- but just one positive thing, which I can't remember whether, how this compares to other agencies, but the people in this agency tend to stay longer after they are eligible for retirement, which means that they are satisfied, they are enjoying. So demographics are compelling us in one sense but they don't tell you the whole story.

COMMISSIONER MCGAFFIGAN: I understand. But that sets up an even bigger bow wave.

MS. NORRY: I know. One day everybody is going to go.

COMMISSIONER MCGAFFIGAN: That's what worries me, is this huge bow wave --

MS. NORRY: We are worried about it, I can assure you.

COMMISSIONER MCGAFFIGAN: Well, if there are any additional ideas that anyone has -- I won't be here in 2010, 2015. But it is just an overwhelming task and the EDO and his senior Officer Directors and DEDOs need to be focused on that like a laser. There are too many other things that are going to drive you to think about other things.

I was going to ask Karen, I don't know whether it is fair, that the honor law grad program, how diverse a set of law schools do you end up getting candidates for that? I mean, if you look back, say, five years, is there -- is everybody from Georgetown or something, or do you tend to have a fairly diverse set of schools?

MS. CYR: We recruited a fairly diverse set of schools. I mean, we have a number of schools in the south that we visited as well as the northeast.

We tend to -- the resulting hires still tend to be, I would say, more from like GW, if you look at our overall -- or Georgetown, both because they are local. They both have very strong programs for encouraging people to be in Federal service.

For instance, Georgetown gives a rebate on the cost of their tuition for people who go into public service, which helps us together with our student loan program to be able to attract people.

COMMISSIONER MERRIFIELD: Which has a very high quality of graduates.

COMMISSIONER MCGAFFIGAN: Which institution?

COMMISSIONER MERRIFIELD: Georgetown.

MS. CYR: And plus, once we have hired several people from there, that helps us because they go back and talk to people who have already joined us. And that gives us a feeder pool. So that helps just a little bit.

But we have recruited at, for instance, Emory, and hired people from

Emory. We have hired people from schools in Florida. So we do -- and we have hired several from the University of Iowa. But, I didn't go there.

COMMISSIONER MC GAFFIGAN: Do you manage to retain -- I know some very good folks we have retained --

MS. CYR: Our retention rate is running about 75 percent, which we think is very good. And I think that the benefits that we have been able to offer in the last few years -- we have a recruitment bonus which we pay people who come. And the student loan program has been a significant element of our ability to retain people.

COMMISSIONER MCGAFFIGAN: And you test the honor law grads? I mean, I'm just having this dialogue for the benefit of other Office Directors. You toss them into some pretty responsible -- pretty darn quick.

MS. NORRY: Yes. One of the individuals who has joined us within the last year, and she was part of the team that did the reviews for security. She worked with the CAT Ones doing the review for that. And that is part of the group that was honored yesterday.

So we put them into very responsible positions very early and they are up to the task. We been successful in recruiting good people and retaining them as well.

COMMISSIONER MCGAFFIGAN: Steve?

MR. BURNS: I was just going to elaborate on the statistics. We, within the office, attorneys in the office represent 40 law schools in the United States.

Now, granted that Georgetown and George Washington and Catholic and American probably make up about one-third of the staff. And we participate in about 20 recruiting events that we staff during the year.

One of the things that the law schools have done which has a benefit for small agencies is they have started to group themselves into a consortia for recruiting conferences. For example, you go up to Boston, and I can get all the Boston area law schools will send people to Boston College campus. And it is a public interest and government recruiting fair. So it's very effective for us because we have people who will be interested.

We been able to use our regional counsel, Carolyn Evans and Carl Farrar, particularly in the Atlanta and Philadelphia area, to try to get to some of them. And for example, there's a big south -- the southeast minority recruiting fair for law schools is in Atlanta. And we either send somebody down there or Carolyn does that.

COMMISSIONER MCGAFFIGAN: What percentage of OGCs work for us who are under 40 as opposed to over 40?

MR. BURNS: That one I don't know. But if you look at --

COMMISSIONER MC GAFFIGAN: My impression is you would be higher than 20 percent.

MR. BURNS: It may well be because over the last, it's about 7 years, we sort of revitalized the honor law program. We probably now have a third of the office who are in that recruit.

But I did do a little survey for, I think it was for Harvard for their background information for their placement office. And we reflect one of the challenges is that is we have about 32 percent of our staff is experience wise, six years or under. Whereas 70 percent it's ten years or more.

Now, some of those ten-year-olds or ten-year people are people still under 40. But it shows you what you have to keep working on.

COMMISSIONER MCGAFFIGAN: I'm just going to finish by urging the

other Office Directors to think about the tasks that can be assigned to good recruits who happen, perhaps, not to be -- who happen to be entry level, especially now that I understand entry level is Ph.Ds, or ABDs like myself or whatever. I was assigned instantly in government very responsible things to do and it helped.

I mean, I'm here today, I think, because that was what the Foreign Service permitted. And our general counsel's office follows something akin to the Foreign Service model, not exactly. But I think some of the other offices need to really think about the entry level verses mid-level and the requirements they put on positions that you have X years of experience in order to get in.

Thank you, Mr. Chairman.

CHAIRMAN DIAZ: Thank you, Commissioner McGaffigan.

Commissioner Merrifield?

COMMISSIONER MERRIFIELD: Mr. Chairman, a couple of quick comments first.

Reflecting on your initial comments, I was reminded we worked real hard around here, and the meetings we have had in this regard reflect, I think, a lot of effort on the part of our staff to move forward. But it sort of reminds me of the men in a rowboat paddling against a strong current. They are working real hard but they are not necessarily getting that much further up the river.

So I think I agree with you, we need to think about our strategies. We need to think about our efforts and try to do even better than we are doing, even though we are working real, real hard.

On Commissioner McGaffigan's comments, he and I have some of a similar profile in terms of working up in and getting thrust in some positions of responsibility at an early age. I would agree with him, we ought to consider that as well where it is appropriate.

On the flip side of it, I think on age demographics, Commissioner McGaffigan mentioned we have got a whole lot people out there who could retire and with the CSRS that obviously is tantalizing for many.

I think the experience of Pat Norry is indicative of a lot more people. We have a lot of people here that could retire. I think all of us, virtually all of us in the room entered government service for things other than simply renumeration.

COMMISSIONER MCGAFFIGAN: You can say that again.

COMMISSIONER MERRIFIELD: That is no small issue.

People come to work at this agency in many cases for less or a lot less than they can earn elsewhere. And it's because of the job satisfaction with what we do and the feeling that they get when they go home at the end of the day.

If we are doing well as an agency, we should continue to benefit from that if we have a work environment in which people are satisfied and they are able to contribute their best. I think that is just generally something we should all be mindful of.

In terms of the a couple of questions, Ren, I think on page 4, you got some statistics on the complaint activity over the course of the last year. And there is a couple of things that I would want to get a brief comment on.

It looks to me -- and I am a lawyer, so I leave it to my fellow Commissioners who are better at math than me, but it looks to me like you are working off some of your inventory.

Did you actually get more cases closed than you had come in? Or am I wrong there?

MS. KELLEY: We had closed a total of 42 -- yes, have closed a total of 42 during FY '04. And we brought in nine and -- yes. The short answer is yes.

COMMISSIONER MERRIFIELD: So that is a case where we have made progress in terms of resolving the concerns of our employees. That's good. That's a good thing. I want to credit you for that.

On the issue of ADR's, that's one that I have been quite interested in and a champion. In the informal complaint activity, we had more than we had last year. In the formal complaint activity, last year we had four, this year we had none.

Am it to take anything from that or not?

MS. KELLEY: No. What we actually did in a number of cases we were able to settle some cases before we actually used the ADR process, because during the complaint processing effort, we continuously worked with management and the employee to try to see whether there is a common outcome that we can bring forth even without going through ADR.

So, we didn't -- we continued to settle cases and resolve issues. In some of the instances and the formal activity, we had ADR sessions scheduled but before we actually went to that session, we were able to resolve the matter.

And so, I would not take anything from that. We continue to offer ADR throughout the process.

COMMISSIONER MERRIFIELD: Is it working well?

MS. KELLEY: Yes. We believe that even in cases where ADR does not result in settlement for the particular issue that we are processing for the complaint itself, we believe that what it does is gives management and the employee an opportunity to talk. And in some cases, it's clogged lines of communication that has brought about the complaint in the first place. And what we have seen is some Kodak moments on the part of both management and the employee when they say, okay, I understand better. We have seen some instances of that. That's not always the case.

However, we believe that even if the issue is not resolved, to be able to have the parties communicate around that issue is a good thing.

COMMISSIONER MERRIFIELD: Okay. The second question I want to ask you, and I thought I heard this in your oral statement. But you talked a little bit about the EEO training for our senior managers and that is an issue, again, one that I have been quite interested in.

Did you say that as of the end of January, you expect that everyone would have finished? Did I get that wrong?

MS. KELLEY: Everyone that was -- we were tracking 287 or roughly 300 managers for this year. We have got four individuals still left in that number. They are scheduled to take the training in December.

So, yes, we expect that all of those will have had the training by the end of the calendar year.

COMMISSIONER MERRIFIELD: So on January 1st, when I ask to you for a list of those who have not taken the training, you are going to hand me a piece of blank paper?

MS. KELLEY: A blank piece of paper. That is certainly my goal.

COMMISSIONER MERRIFIELD: Great. Great.

On page 8 of the memo, it talks about the issue of native Americans.

It notes: "We participated in a career fair sponsored by the Society for the Advancement of Chicanos and Native Americans in Science. NRC is currently

assessing strategies to attract Native Americans."

I noted in this long list of schools that you recruited at, you did list a school in Oklahoma, I think it was Oklahoma State which of course, that is -- that does have a large tribal representation in that part of the country.

I'm wondering if you could elaborate a little more on the strategies, because that clearly is an area where we need to make the issue a priority.

MR. BIRD: We have historically had the problem of west to east. Most of our jobs are in the east. Most of those populations are in the west.

However, we do recruit there, Oklahoma State as well as New Mexico, and that whole region.

Sometimes it is very hard to convince people to make that kind of a move, even economically, to move to Washington D.C., for example, is a challenge.

We recently are talking to American University. This is a government-wide problem. And they are going to sponsor a new program, and I'm not totally familiar with how it would work, but it's aimed at American Indians coming to the university, being housed there, being available for jobs in the area in co-op type situations and that sort of thing. And we think that's yet another opportunity to be able to do that.

We use the population here as part of our recruitment team. And I think that's been helpful as well. But it is a very big challenge to effectively recruit from those populations.

Also, what we are trying to focus on generally is science and engineering. And so it is a fairly narrow field against which we are competing not only against every other government agency but against private sector employment for the same purpose. I think that it will continue to be a challenge.

COMMISSIONER MERRIFIELD: Our next meeting six months hence, that will be one I would be interested in getting an update in terms of what progress we have made in those strategies and identification of additional areas we may be able to take a look at.

On page 9, you talked a little bit about the recruitment and applicant tracking process. It's always difficult to hear information off the grapevine or elsewhere and concerns about making sure that not only do we have a good recruitment program -- you have outlined a wide variety of areas that we are going out to. But in bringing back those resumes that we are tracking in a way that we can get the right kind of yield and that we are getting buy-in from our managers to appreciate that in their hiring practices and connect all that up. Are we where we want to be?

MR. BIRD: I don't think so exactly. We certainly do well when we bring people in here, when we actually pay the transportation and get them here.

We do less well when we are passing out volumes of paper. Many of these students particularly look alike on paper. They have many of the same attributes, and we have more than an ample number. I mean, I'm talking hundreds to thousands of applications that are available. And they don't stay fresh, because these people do get jobs. They move on.

I think we can do a better job if we focus on entry-level hiring, which is one of the earlier themes here and certainly have more opportunities. I think we will do a far better job of trying to work effectively with the volumes of applications that we have.

We don't really have an automated means of providing this. It's generally -- what we will do with these inventories, because they do come in

electronically, is print them out and go around to the offices and try to broker some of those applications. And there may be a better way, process wise, to make these applications available.

Right now we don't have the electronic means to put the applicants on people's desktops, managers' desktops. I think that will come eventually.

COMMISSIONER MERRIFIELD: Have we benchmarked at all with -- I know we have made a lot of comparisons with the government. But have we benchmarked at all with some of industry in terms of how they track the teams that they have sent out to universities through getting those resumes in the hands of people who can make decisions about hiring?

MR. BIRD: I think only through some associations with NEI where they have a forum which we participate in periodically.

COMMISSIONER MERRIFIELD: I'm talking about in terms of have we looked at the way that IBM recruits or Honeywell or other corporations, how they do their recruitment programs and benchmark ourselves against some of those?

MR. BIRD: We have not done that benchmark.

COMMISSIONER MERRIFIELD: The last question I have is regarding flexi-place participation.

I had a memo that came up regarding some questions I had, and copies went to the Chairman and Commissioner McGaffigan.

We have identified at this point or we have approved about 1,000 positions within the agency to qualify for the flexi-place program participation. The number of participants is about 186, which is a smaller fraction. It is less than 20 percent.

There seems to be a bit of variation within the agency about positions that are approved. I note and I don't mean the pick anybody out, but I note, for example, in the regions, Region II has identified 12 positions which would qualify for flexi-place, Region IV has approved none. Nobody at Region IV can participate in the flexi-place program.

What are we doing to squeeze on this one a little bit more to meet the expectations of Congress, which I think we are going to have to report on given some recent legislation that has been included in some legislation coming forth by Congressman Wolf?

MR. BIRD: Well, certainly based on this report, we raised the same issue that you have raised vis-a-vis the regions. Some regions are doing more than others.

I will say that if you recall that Region IV when we closed Walnut Creek office, there were employees who are literally, working full time off-site in California and they are still maintaining that. So they are not adverse to the notion.

I think at the time, and you certainly have to confer with Elis or somebody -- but the feeling was that there were not positions in the region that they felt they could really work without interacting with other regional employees. And so, they didn't identify in the first instance.

But we did flag that. And we will go back and talk to the regions. And I think they like to work collectively and we will pursue that.

COMMISSIONER MERRIFIELD: In an article that recently came out in "The Washington Post," the Office of Personnel Management reported to Congress that only 6 percent of federal employees work from home and or a telework center at least one day a week.

Now, by my calculation, which is always a dangerous thing, I think we are at about 6 percent, so I think we are probably within the mean of the rest of the government.

But, that having been said, I think there is an expectation that we do more. And I think looking at these numbers in terms of some of the offices clearly have not identified people and it certainly raises a question. And I understand where we mentioned the Region IV, I don't mean to pick on Region IV at all. But I think if we really think all these people have to be here all the time, I don't think that would be an acceptable answer to the folks getting this legislation in Congress and in a bill which is soon to be signed by the President.

MR. YEILDING: A real brief comment. That's been a hot topic on the union's collective bargaining. And of course, we have not been able to successfully add grievability to the denial of flexi-place, which would be a major step forward to a lot of those people that are denied the opportunity for their position or their personal attributes to be denied.

That is number one on our hit parade for expanding work at home. But I think more so is the surprise for that 186 number. I think it's the culture here at this agency that out of sight, out of mind and that employees really think their career would be affected if they spend one, two or three days at home rather than here at work.

So I think the culture is what is going to have to be looked at. And that can only changed by management officials.

And I was extremely surprised after two years of a trial program when HR went out to all of the offices asking if they could increase that thousand number and it didn't get increased. I thought after two years of trial and testing and other project based type work at home being successful, I thought managers would open up more positions and increase that thousand.

Thank you.

MR. BIRD: I should point out also we do a lost of project-based work at home and that is not included in the data that you are reading from. It is in a different form of somewhat the same thing, although it is not a regular schedule.

That's a rather robust number of those occasions that that happens throughout this agency during the year, even including Region IV.

So that's another means of getting to the same thing.

MS. NORRY: One should not assume that all the reasons that employees may have for not choosing to use flexi-place, notwithstanding the opposition, it has been identified that you could. They are not all negative. They are not all the idea that I'm going to lose out on my career.

Some people have said I want to be here where things are happening. I want to be part of the work place.

But it's changing. We now have people working at those centers, what do you call them, the telecommuting centers. That is a new thing. So we are making progress. We are increasing it.

Probably not to the extent that Congressman Wolf would ever want. His vision was, what, 50 percent of the Federal employees?

MR. BIRD: Some of us are ready if you will identify my position.

(Laughter)

COMMISSIONER MERRIFIELD: We will get back to you on that one.

And it may well be Ms. Norry, we like to think this is a good place for

people to want to come to work. Maybe people just want to be here.

But obviously, we may -- this is going to continue to be a challenge. And if it requires the Commission to weigh in and encourage more, I think that is something we ought to consider, Mr. Chairman.

CHAIRMAN DIAZ: Thank you very much, Commissioner Merrifield.

You can see how much the Commission values this meeting and the fact that we need to keep moving forward in this direction.

Before I adjourn this meeting and as part of this meeting, we want to give special recognition to Ms. Norry. And in order to do that, and just to be able to steal the thunder from Commissioner McGaffigan, Ren, would you like to proceed.

MS. KELLEY: I would. Thank you very much.

CHAIRMAN DIAZ: Would you join us on this side so we can take a photograph with the Commissioners.

MS. KELLEY: Before we do that, may I say one quick thing.

It seems appropriate that after discussing the EEO diversity management and small business programs before the Commission that this is the ideal time and place to recognize an executive who has overseen this program area for many years and may have participated in her last EEO briefing.

So with that in mind, please join me in saluting Ms. Norry for her enduring leadership of this program area.

(Applause)

MS. KELLEY: And I just wanted to do something to try to memorialize this moment and make it special for Pat, I hope it is. I have a plaque to present to Ms. Norry and I would like to read the citation.

It says "As presented to Patricia G. Norry on behalf of the Office of Small Business and Civil Rights in recognition for her longstanding support and leadership of the Nuclear Regulatory Commission's EEO diversity management and small business programs. December 7, 2004."

I would like to you take a look.

MS. NORRY: Thank you very much.

(Applause)

CHAIRMAN DIAZ: Since I control this meeting, you come over to this side. And nobody is adjourned yet.

(Photographs taken.)

CHAIRMAN DIAZ: We are adjourned.

(Whereupon, the meeting was adjourned.)