

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

UNITED STATES NUCLEAR REGULATORY COMMISSION
BRIEFING ON INTERNAL SAFETY CULTURE

+ + + + +

WEDNESDAY

May 27, 2009

+ + + + +

The Commission convened at 1:30 p.m., the Honorable Gregory B. Jaczko,
Chairman presiding.

NUCLEAR REGULATORY COMMISSION

GREGORY B. JACZKO, CHAIRMAN

PETER B. LYONS, COMMISSIONER

DALE E. KLEIN, COMMISSIONER

KRISTINE L. SVINICKI, COMMISSIONER

1 NRC STAFF

2 WILLIAM BORCHARDT, Executive Director for Operations

3 MARTIN VIRGILIO, Deputy Executive Director for Materials, Waste,

4 Research, State, Tribal, and Compliance Programs

5 CYNTHIA CARPENTER, Director, Office of Enforcement

6 DOUGLAS COE, Task Force Team Lead, RES

7 JUNE CAI, Task Force Assistant Team Lead, OE

8

9 OTHER ATTENDEES:

10 ALEX MURRAY, National Treasury Employee Union (NTEU)

11 Representative to the Task Force on Internal Safety Culture

12

13

14

15

16

17

18

19

20

21

22

1

2

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

3

4

5

CHAIRMAN JACZKO: Good afternoon. A lot of the same faces, some new ones, and looks like some new faces out in the audience, too. This is the second half of our discussion of safety culture.

6

7

8

9

10

This morning we had a nice discussion, I think, about the draft policy statement for safety culture, and this afternoon we'll return to the topic of safety culture and discuss how internally here at the Agency we can make improvements in safety culture. And I think we have -- certainly have a couple different initiatives going on in that area.

11

12

13

14

15

16

First, we've got, of course, the discussion today of the task force report and the work that was done to look internally at safety culture. And I want to say, I think it was about a year ago at a meeting where we had a discussion on this issue. The Commission gave some direction to the staff and a little over a year later put together what I think is a very good report and a very thorough look at this issue in really a relatively short period of time.

17

18

19

20

And I think that's certainly a testament, I think, to how as an agency we already had a lot of work done in this area and I think it really was an opportunity to just see what we've done and look at best practices. So, I certainly want to thank everybody for their work in that regard.

21

22

The second, of course, important thing we have going on in this area is the Inspector General's Survey, which I think everyone got additional time to fill out

1 their surveys. So, if they haven't, certainly for those who are listening who haven't,
2 I encourage you to fill out those surveys. It's a very useful tool and will help us
3 continue to improve in this area.

4 And so, today we will then hear about the work that was done by the task
5 force at the end. Then we'll have Alex Murray, I think, will make some remarks on
6 behalf of the union and I look forward to the discussion.

7 Any comments from my fellow Commissioners?

8 COMMISSIONER KLEIN: We commented on this morning for those
9 of us that have ridden in the elevator, instead of Uncle Sam we have Uncle Bill to
10 remind us to do the safety culture activities.

11 But I think when you look at safety culture, it really, I think, is set up by a
12 leadership that instills trust. The fact that the NRC recently was selected as the
13 Best Place to Work, I think demonstrates that there's mutual trust between
14 management and our employees.

15 And I think that the fact that we have taken the time today to go through this
16 internal look at safety culture demonstrates that we're a learning organization and
17 we want to strive for excellence.

18 So, I look forward to hearing what we're doing to make us better.

19 CHAIRMAN JACZKO: Thanks. Any other comments? Bill?

20 MR. BORCHARDT: Thank you, Chairman. Let me start off by
21 saying I sincerely hope there are no further extensions to the IG survey because
22 I'm tired of that picture in the elevator.

1 I'd like to thank the Commission, the current Commission, and all the
2 previous Commissions for their support of having a robust safety culture at the
3 NRC. I think the NRC -- many of us believe has been the best place to work in the
4 Federal Government for many, many years. The fact that it's been recently
5 recognized to do that only confirms what we have felt for a long time.

6 And one of the things that makes it such a great place to work is in fact that
7 we have a very solid foundation of a healthy safety culture that's existed here
8 since the mid-1970s. I think the founders of this agency set us on the right path
9 well before safety culture became a term that's being used so widely today.

10 So, I'd like to thank the Commission for their support of that activity.

11 Marty's going to begin the presentation today as he did earlier this morning.

12 MR. VIRGILIO: Thank you, Bill. Good afternoon. Our goal for this
13 afternoon's presentation is to provide you a summary of the information that's
14 contained in our recent Commission paper that provided you a copy of the Task
15 Force report.

16 Equally as important I think is a summary of the actions that we're going to
17 be taking in response to the recommendations that we received from the Task
18 Force.

19 I'd like to begin with an acknowledgment that the term "safety culture",
20 particularly internal safety culture, is not very widely understood. I think the Task
21 Force report underscores that. But I would say and sort of acknowledging what
22 Bill said that if you look at the characteristics that we'll talk about today that define

1 internal safety culture, that the NRC has very consistently demonstrated those
2 characteristics over the years.

3 I think that there's a way that I characterize our safety culture initiative and
4 that is sustaining good performance in protecting people and the environment.
5 And also, seeking continuous improvement in the programs that we have already
6 established.

7 This is a very important time in the Agency for taking on this initiative. As
8 Bill mentioned this morning, if you look at the expansion of the staff over the last
9 several years over 1,000 new staff members have joined us in the last two years.
10 And if you look at the distribution, we have almost 50% of our staff have been with
11 us for less than five years.

12 As Bill explained this morning, that's not something -- safety culture is not
13 something that you pick up in other industries necessarily. It's not something that
14 you study in college. So, it's important, I think, for us now to set that framework in
15 place for the staff that have just recently joined us and for the staff that will be
16 joining us in the future. So, it's very timely.

17 And I would say that safety culture applies to all of our employees.
18 Sometimes this gets lost. Sometimes people think about, well, it's just involving
19 the Regions and the program offices. But I think it involves every employee.
20 Every employee that works with the NRC contributes to the mission in some way,
21 again, of protecting people and the environment.

22 And I think it's important that they see themselves in safety culture.

1 Today, you're going hear about the methods that we used to collect and
2 analyze information. You'll hear about the themes that emerged from the data, the
3 recommendations developed by the Task Force in response to those themes and
4 you're also going to hear a little bit about the actions that we're going to be taking
5 in response to the recommendations.

6 Today's speakers and with us at the table we have Cindy Carpenter, the
7 Director of our Office of Enforcement; Doug Coe, who is our Task Force Team
8 Leader; June Cai, who is the Task Force Assistant Team Leader; and Bill
9 Borchardt, our Executive Director for Operations is also going to speak specifically
10 about the actions that we're going to take.

11 I would also like to acknowledge and thank the task force members. Many
12 of them are in the audience with us today, and we thank them for the good work
13 that they did in developing this report. I'll turn it over to Cindy. Thank you.

14 MS. CARPENTER: Thank you, Marty. The Office of Enforcement
15 took the lead as the organization and we've provided access to a lot of the
16 expertise that's in the Office of Enforcement for the internal safety culture team.

17 We have expertise in our office with respect to the differing views program,
18 the non-concurrence and the differing professional opinion program. Also with
19 external safety culture as you heard this morning.

20 We also have expertise with respect to knowledge of licensees, employee
21 concerns program, the safety conscious work environment, discrimination, which
22 is a part of that, and also as I mentioned the important aspects of safety culture.

1 So, this ensured that we had very close coordination between the efforts
2 that we were doing with external safety culture, since we were looking at the
3 definition of safety culture as we were modifying the components from the Reactor
4 Oversight Process into the characteristics.

5 This ensured that we had some synergism between the two of them and
6 they were lockstep. In fact, two of the members on the Internal Safety Culture
7 Task Force, both Isabelle Schoenfeld and June Cai, also were on the External
8 Safety Culture Working Group. So, that helped us a lot with that one.

9 And the Office of Enforcement was also able to provide a lot of the logistical
10 support that was needed. We have several nuclear safety professional
11 development program individuals who are permanently either with the Office of
12 Enforcement or several that were on assignment to us. And while also working
13 enforcement and allegations, we had them working on the Internal Safety Culture
14 Task Force efforts. It takes a lot of people to do this.

15 They learned an awful lot from this. They brought a lot of enthusiasm.
16 They brought insights into the task force that were great for us, and they also
17 helped us with some of the day-to-day work that needed to be done, including
18 getting ready for a public meeting, which is a lot of effort.

19 So, this morning we'll hear from Doug Coe, who Marty mentioned was the
20 team leader of the task force.

21 June Cai will discuss the data collection and the outreach activities that
22 were done by the task force, and the overall themes and recommendations that

1 they're proposing to us. And then Bill Borchardt will discuss the implementation of
2 the task force recommendations.

3 So, at this point in time I'll turn it over to Doug.

4 MR. COE: Thank you, Cindy. Good afternoon. The Internal Safety
5 Culture Task Force began its activities last summer and was chartered officially in
6 October of 2008. It was formed in response to the Commission's direction and the
7 Staff Requirements Memorandum listed on the slide to provide the Commission
8 with a report outlining potential initiatives that could improve the agency's internal
9 safety culture.

10 The task force report documents examples of NRC's long history on safety
11 culture, internal safety culture, although it has not always been known by that
12 name.

13 Most importantly, I think it contributes in a way that it is hoped will
14 encourage broader and more effective conversations throughout the agency on
15 how we can continuously improve our internal processes.

16 The Commission initially directed the staff to report within three months of
17 the next Office of Inspector General Safety Culture and Climate Survey.

18 However, because the survey report is not expected to be available until
19 this fall, the Commission approved the present approach in which the staff will
20 complete a review of the survey results for possible adjustments to the task force
21 recommendations no later than three months after the OIG Safety Culture Survey
22 final report is issued. Slide seven, please.

1 In its direction to the staff, the Commission asks us to do three things: to
2 look for ways to increase awareness of safety culture internally; secondly, to
3 identify potential initiatives that could improve the internal safety culture of the
4 agency; and third, to identify best practices currently used across the agency. I
5 would like to comment briefly on our process.

6 It's important to note that the task force did not conduct a full-scale safety
7 culture assessment, which could be defined as a systematic and comprehensive
8 evaluation of both the strengths and the weaknesses of the agency safety culture.

9 Instead, the task force focused on identifying recommendations that would
10 increase awareness of and improve the internal safety culture.

11 Second, the task force strived to maintain an open and collaborative
12 working environment where all views, from members as well as from those who
13 provided inputs, were thoughtfully and respectfully considered.

14 And finally, during the task force meetings and discussions, National
15 Treasury Employee Union representatives collegially provided valuable comments
16 and insights and the task force very much appreciated these inputs.

17 I will now turn the presentation over to June Cai, the Assistant Team Lead
18 for the task force. June?

19 MS. CAI: Thank you, Doug. I will provide you an overview of what
20 we did for data collection, what we found from the data that we gathered and go
21 over the overall set of recommendations.

22 To inform the development and the recommendations, we conducted a

1 series of data collection activities in the fall of 2008. The purpose was to obtain
2 accurate and comprehensive understanding of the current programs and
3 processes the agency had to support internal safety culture and to look for
4 opportunities for improvement.

5 The main source of our internal data was the conduct of focus groups. With
6 assistance from a contractor, we conducted focus groups with a representative
7 sample of staff and first line supervisors.

8 We designed a composition of the focus groups to ensure adequate
9 representation across several key variables, such as discipline, for example,
10 including technical as well as nontechnical employees, grade level, including entry
11 level through senior level employees, and tenure with the agency, making sure we
12 had new employees as well as employees who had been with the agency for a
13 while.

14 In total, we conducted 20 focus groups with approximately 153 individuals
15 from headquarters, all the Regional offices, as well as the Technical Training
16 Center in Chattanooga.

17 As far as interviews, we conducted individual interviews with various levels
18 of managers and supervisors across most offices to gain understanding from their
19 perspective. Next slide, please.

20 In terms of communications and outreach, we conducted a number of
21 activities to publicize our activity and to encourage individuals to provide input to
22 us.

1 A couple of examples. First, we set up an internal website that had
2 information about our activity and was also a way for employees to submit
3 comments and provide suggestions for improvements. And they could do this
4 anonymously if they wanted through this website. We received approximately 40
5 inputs through the website.

6 We also held discussions with several specific employee groups, such as
7 nuclear safety professional and development program participants, first line
8 supervisors, and we also met with some employees who had participated in either
9 the differing views -- differing professional opinions program or non-concurrence
10 program.

11 In terms of reaching out to our stakeholders externally, we held a public
12 meeting on December 4th, last year, and invited a set of external panelists to
13 share insights on the topic of internal safety culture.

14 We had several dozen participants in person and we also used webinar and
15 we had about 50, 60 individuals participate through the webinar.

16 For benchmarking, we benchmarked a total of seven external organizations
17 and these were both private organizations and other government agencies that
18 had a similar organizational focus towards safety as we do to gather information
19 on what they do for their internal safety culture.

20 Internally, we engaged with most of our agency offices to identify existing
21 office levels, programs, processes and practices related to supporting internal
22 safety culture. Next slide, please.

1 So, from the overall data that we collected, we clearly saw that all
2 employees from staff through management levels showed a strong sense of
3 support for NRC's mission and showed pride in their work. This is consistent with
4 results from past surveys such as from the Office Inspector General surveys and
5 other surveys that have been conducted.

6 We also found that the agency already has many existing programs and
7 processes that provide support for a healthy safety culture here at the agency.

8 Although the agency is doing well in many of these areas, the focus of our
9 activity was to identify areas for enhancement, and so that was the approach we
10 took.

11 Based on a review of the data, we identified several high level themes as
12 areas where the agency should continue focus or further increase focus on.
13 These themes are not stand alone. They have aspects and elements that overlap.
14 Next slide.

15 So, now we'll go over the five themes that were identified.

16 This first theme is in regards to lack of clarity and there being some
17 confusion about what the agency means by safety culture.

18 Through our interactions with different staff, we saw that there was not a
19 broader consistent level of understanding about how individuals fit into the agency
20 safety culture, why safety culture is important, or the agency expectations for
21 safety culture.

22 We saw that staff with technical responsibilities seem most aware of the

1 concept of safety culture, although their knowledge levels also varied, but most
2 technical -- most non-technical staff were not certain what the term meant or if
3 safety culture even applied to them.

4 The managers and supervisors we interviewed generally demonstrated an
5 understanding of safety culture and would support a strong safety culture.

6 On the second theme, this theme centers on the importance of
7 communications in a variety of formats.

8 First, inputs from all levels that we collected highlighted the importance of
9 providing clear expectations. Staff want to understand the expectations and
10 standards for their performance in their current work environment.

11 Second, once they understand the expectations, they would like timely and
12 consistent feedback from their supervisors and managers on their personal
13 performance. In other words, how well are they doing in meeting those
14 expectations? And information on the results and contributions of their efforts.
15 So, what was the outcome?

16 And then lastly, they want to understand the basis of decisions, especially
17 where they may have expressed a differing view during the decision-making
18 process. If they offer these types views they want feedback to understand if and
19 how their views were considered. Next slide.

20 Actually, I have one more I wanted to cover on the previous slide, so we're
21 still on slide 11.

22 The managers we interviewed indicated they understand the importance of

1 effective communications in these areas, but that on a day-to-day basis there are
2 often competing demands on their time that can make demonstrating these types
3 of behaviors challenging. Okay, now we're on to slide 12.

4 This next theme we gathered during the external benchmarking we
5 conducted. The agencies and organizations we engage with all described the
6 importance of having strong leaders throughout the organizations who model
7 safety culture behaviors.

8 These organizations also had systems, processes and goals in place that
9 were in line with their stated safety culture principles.

10 This next theme, several of the focus groups and some of the employee
11 inputs we received questioned the effectiveness of the agency's differing views
12 processes and these are the open door policy, the non-concurrence process and
13 the differing professional opinions program.

14 Overall, there appear to be some mixed opinions from the focus groups
15 regarding the willingness to raise concerns. For example, we had about half the
16 focus groups indicating a willingness to speak their minds, but we also had
17 individuals in approximately half the groups describe some reluctance to raise
18 concerns. So, there were some mixed inputs in that area.

19 There were also some continuing perceptions that using these processes
20 may lead to some form of adverse consequence in the work environment. These
21 types of consequences seem more subtle.

22 For example, being excluded or viewed negatively, rather than the types of

1 personnel actions traditionally thought of as retaliation, such as a demotion or
2 reassignment. These types of treatments could also be from peers as well as from
3 supervisors or managers.

4 In general, input from staff indicated they want to understand the basis of
5 outcomes of issues entered into these systems. They would like to know what
6 happens to them once they enter these processes. Next slide, please.

7 This last theme centers on the challenge of communicating and
8 demonstrating the appropriate focus in meeting the potentially conflicting goals of
9 production or timeliness and quality.

10 There was a perception among some participants in some of the focus
11 groups that the agency may be too metrics-oriented versus quality driven in
12 producing work products.

13 We also received some input about the potential to send mixed messages
14 about the agency's regulatory role if production goals are emphasized and if
15 industry groups are perceived to influence the Commission.

16 The data from management generally agree that there's the potential for
17 sending mixed messages in this area and the need for establishing very clear
18 expectations about what's expected on quality. Next slide.

19 I will now discuss how the task force defined internal safety culture and
20 walk through the elements of our proposed framework.

21 The task force found that the definition of safety culture, which the agency
22 has referenced in earlier years, which is by the International Atomic Energy

1 Agency, IAEA, serves well as a generic definition, but that it did not necessarily
2 speak to everyone in the agency's internal audience.

3 We gave significant thought on how to include all employees in the
4 definition. We had extensive discussions and reached agreement on the following
5 statement, as you can see on the slide there.

6 And we considered the statement to be interpretive of the IAEA definition
7 for NRC's internal environment and serve as the aspirational target for the agency.
8 Next slide.

9 This slide presents you the proposed framework.

10 This framework is intended to be inclusive of all NRC employees. Both the IAEA
11 definition and the task force statement describe safety culture as essentially being
12 comprised of two portions: the characteristics and the attitudes.

13 The characteristics of the agency's internal safety culture are shown there
14 on the left and can be described as organizational functions important to a strong
15 safety culture.

16 The attitudes portion, which is shown on the right, is the agency's express
17 values and principles that underline all activities presented in a consolidated
18 manner. Currently, they do not appear to be well integrated to the task force.

19 There are elements of this framework that can apply to most organizations,
20 but the main emphasis here is on focusing on supporting the NRC's mission.

21 In developing this framework we made the decision to use safety culture
22 characteristics that are aligned with those being provided for your consideration for

1 communicating the Commission's expectations for safety culture to all licensees
2 and stakeholders and that was discussed this morning.

3 We took this approach because there is great value in the NRC using the
4 same standards for its internal safety culture as what is being communicated to
5 our licensee community. Next slide, please.

6 From the set of overall themes I described and with consideration of the full
7 range of data we collected, we also drew upon insights from our own experiences
8 and expertise. We developed the following set of recommendations, which I will
9 now discuss.

10 The first recommendation is to incorporate the task force's proposed
11 internal safety culture framework into the agency's strategic plan and to integrate it
12 with the agency's performance management tools.

13 Although there are elements of safety culture being addressed in many
14 areas and safety culture concepts and expectations have already been
15 communicated by agency leaders, we found that currently there is not overarching
16 framework for defining internal safety culture or a standard set of communications.

17 Implementing this recommendation would set the foundation for clearly
18 defining and communicating the agency's internal safety culture framework and
19 expectations. It would also help demonstrate the inclusion of all employees.

20 Regarding performance management, the agency should monitor the
21 observable and measurable elements of this framework as part of its performance
22 management system, which includes tools such as the operating plans,

1 performance metrics, senior executive service performance plans, employees'
2 performance elements and standards and self-assessments.

3 This will ensure that expectations being communicated on internal safety
4 culture will clearly be directly translated into how individuals and groups are held
5 accountable. Next slide, please.

6 This next recommendation is focused on training.

7 Every employee should have a clear understanding about what safety culture
8 means for the agency. The training should focus on principles and expectations
9 for internal safety culture to increase awareness, as well as on the interpersonal
10 skills that are critical to supporting a strong safety culture.

11 Examples of these types of skills are related to conflict management,
12 fostering creative tension, innovation, collaboration, and team building.

13 Employees also need an improved understanding of the value of diverse
14 views in the decision-making process and the need to effectively communicate the
15 basis of decisions.

16 In addition to this general training for all employees, there should be
17 particular focus on new employees so that they're introduced to the agency's
18 safety culture expectations from the very beginning. For example, starting during
19 the on-boarding process.

20 There should also be a particular focus on first line supervisors because the
21 relationship between staff and their immediate supervisors is critical to a strong
22 safety culture. Next slide, please.

1 Effective problem identification, evaluation, and resolution are critical areas
2 to a strong safety culture. When we look to identify all the ways the agency has
3 available right now for employees to raise issues, express differing views or make
4 suggestions, we realize that there is a variety of disconnect in the system.

5 Some of these examples are the differing views processes, which are the
6 differing professional opinions program, non-concurrence process and the open
7 door policy, the employee suggestion programs, the generic issues program, the
8 Office of Inspector General, the agency's allegation program. We also had the
9 National Treasury Employees Union, the NTEU, the employee assistance program
10 and many offices and programs have office level or program specific systems.

11 In reviewing this range of processes, we do not see a clear or consistent
12 path to resolution. Based on our experiences, we were aware of concerns and
13 problems on the effectiveness of some of these programs.

14 Therefore, we recommend the agency assess the effectiveness of the
15 current set of systems in this area and based on the results develop improvements
16 to address any weaknesses that are identified.

17 We recommend that this evaluation be done against a set of goals which
18 we develop based on our experiences with these types of programs and
19 processes.

20 And these goals are: number one, being able to find information at a single
21 location to assist in identifying the most appropriate process to use.

22 Number two, effective screening and prioritization of issues based on the

1 safety and security significance as appropriate.

2 Number three, communication and transparency of the resolution.

3 Number four, shareability of information throughout the agency.

4 In addition to conducting this evaluation, we recommend a specific focus on
5 improving the current employee suggestions program to encourage employees to
6 share ideas on how to improve the agency.

7 We believe this is particularly important given the large number of new
8 employees who are arriving to the agency who may have good ideas based on
9 their experiences from outside the agency.

10 And then the other recommendation here is focusing on establishing clear
11 expectations and improved accountability for keeping policies and procedures
12 current and in line and for maintaining their quality.

13 This recommendation targets procedures at the office or lower levels to
14 supplement the ongoing initiative to update and maintain agency management
15 directives.

16 The arrival of a large number of new employees has increased the
17 importance of having accurate up to date and usable procedures. Next slide.

18 This last recommendation provides a tie across all the recommendations I
19 discussed previously. Currently, there is not a single person or organization that
20 has responsibility for maintaining an integrated vision and strategy for activities
21 related to internal safety culture.

22 Given the wide variety of improvement initiatives and activities that could be

1 undertaken, we strongly recommend establishing a dedicated position or
2 organization to lead and coordinate efforts in this area.

3 This position or organization would serve as an advocate by conducting and
4 coordinating activities to monitor and strengthen the internal safety culture by
5 performing tasks and activities such as promoting awareness, identifying training
6 needs, evaluating program effectiveness, providing guidance to offices, and
7 recommending improvements.

8 This adviser organization would also focus on supporting a strong safety
9 conscious work environment/open collaborative working environment at the
10 agency.

11 Another important function we recommend for this position would be to
12 serve as a resource to assist employees in selecting and using the most
13 appropriate avenue for raising differing views, making suggestions or addressing
14 mission or work-related concerns.

15 We received input from and had dialogue with the union on this function. In
16 developing the roles and responsibilities for this position, the agency management
17 should work with the union to ensure that the union retains its rights under law for
18 employment or grievance types of issues.

19 We recommend that this adviser work closely with the individual or
20 organization responsible for activities related to the safety culture of licensees to
21 ensure there is consistency in alignment where appropriate between agency
22 safety culture activities.

1 After the task force achieved strong consensus on the need for this position
2 or organization and its functions, we had extended the dialogue about the specific
3 grade level and reporting relationship for this position.

4 As a task force, we were divided on this question. We had 11 members
5 supporting a senior level service, SLS, level employee or SLS led team reporting
6 directly to the EDO, the Executive Director for Operations should be appointed and
7 we had 12 members that supported a more general approach, and with that
8 approach being not providing a specific position level or reporting relationship.

9 The basis for each of these approaches are discussed in further details in
10 the report. In addition there are also some more comments provided by specific
11 task force members on this topic and they're included at the end of the report.

12 On this recommendation, I really want to reiterate the importance of it and
13 the very strong support from the task force as a whole on the need for this position
14 or organization and its intended functions and goals.

15 In summary, I just want to say all these recommendations are interrelated
16 and provide support for and build upon each other. Therefore, to achieve the most
17 effective and lasting results, we recommend that they be adopted as a set and that
18 their implementation be well coordinated. Next slide, please. Slide 20.

19 The agency has a number of existing initiatives and activities that support
20 elements of strong safety culture. We would like to recognize and recommend
21 continual emphasis in three specific areas.

22 The first one is knowledge management. There are many great activities

1 being implemented in the knowledge management area currently. For example,
2 the establishment of NRC's knowledge center which has a growing number of
3 communities of practice and actually our task force had a community practice on
4 that center to share insights from agency subject matter experts and has linkages
5 to various training educational seminars.

6 There were some continuing concerns from some of the focus groups on
7 this area specifically regarding the adequate capture of knowledge from departing
8 employees. Therefore, we recommend continuing focus and knowledge
9 management to address these kinds of concerns.

10 The second is related to the NRC team player initiative. NRC team players
11 are identified for exhibiting behaviors such as promptly raising, fairly considering
12 and respecting differing views. The task force recommends continuing the
13 agency's focus on this initiative.

14 Regarding employee health and safety, the task force interpreted safety as
15 it relates to the NRC mission, but saw a clear nexus to employee and workplace
16 safety, which are both critical to the effective functioning of the agency and directly
17 supports an overall environment and culture of focus on safety. Next slide, please.

18 The list of practices we collected in our internal benchmarking has many
19 items that may have value in being standard or adopted by other groups.

20 We do recognize that with a diverse range of office sizes, complexities and
21 functions, some of these practices may not be as effective for some offices and
22 that modifications or adjustments may be needed.

1 Also, the insights we collected from external benchmarking can be
2 evaluated for applicability and so we included the suggestion to do this further
3 review in the report.

4 That wraps up my presentation on the themes and recommendations of the
5 task force. Now, I will turn it over to Mr. Borchardt to discuss the next steps.

6 MR. BORCHARDT: Go to the next slide, please. I would like to
7 congratulate the task force for coming up with a very good list of activities that will
8 help the agency move forward as we try to improve an already robust safety
9 culture, I think.

10 The first item I wanted to briefly mention was the Strategic Plan. In
11 recognizing the value and importance of senior management level endorsement of
12 the principles of a good safety culture, we're going to be looking at ways to update
13 the Strategic Plan so that these concepts are incorporated into the future update,
14 2010 update, to the Strategic Plan and also to look at ways that we can align these
15 fundamental principles into some of the management tools, like performance
16 appraisals for SES managers and operating plans.

17 We don't have a clearly identified how we're going to do that yet, but we
18 think it's a good fundamental principle to re-enforce the everyday practices that
19 you need to have in order to have a good safety culture. Go to the next slide.

20 Clearly, training and communication comes through loud and clear. It's not
21 a surprising finding by the task force, but our organizational values and our
22 mission and the safety culture need to be a focus of that from the day an

1 employee walks through the door on the very first day and every day afterwards.

2 I think we can't afford to pass up opportunities and supervisor training and
3 staff meetings and the All Hands meetings that the Commission has with the staff
4 and in even less formal meetings that we have on a day-to-day basis, that these
5 principles, this receptiveness to ideas, to differing views on how to resolve issues
6 is embraced and people feel free to raise those issues on a day-to-day basis.

7 Unfortunately, the reality is you can talk about it for months and months and
8 months and you only need one bad example to undo all of that good work
9 beforehand. So, it needs to be constantly modeled and re-enforced on a
10 day-to-day basis. Next slide.

11 I think we have a healthier issue resolution process today than we've ever
12 had before, but it's a never ending pursuit. It wasn't too many years ago that
13 headquarters didn't have a non-concurrence process. I think that was a major
14 step forward for us at headquarters.

15 The Regions had that program or something very similar to that predating
16 the establishment of it in headquarters, but that process and others like it that June
17 mentioned, I think, will be examined as a lesson learned from the review that was
18 done.

19 And the agency level approaches and the individual office expectations
20 need to be established because, again, it's really at the grassroots level that this is
21 effective or not effective.

22 So, we can have all the high level agency proclamations we want, but if it

1 isn't translated down to the individual working element, then it really falls on deaf
2 ears and isn't as effective.

3 So, having office level procedures that translate down throughout the entire
4 staff and to all elements of the staff. I think the point was made earlier which is
5 very important. We saw in previous IG culture surveys that there are major
6 portions of the staff that didn't think it applied to them, and we're making a very
7 proactive effort to disabuse people of that view. And this internal safety culture
8 applies to all 4,000 staff members equally. Go to the next slide.

9 We're going to move forward with implementation of this new adviser
10 position. It's being established in the Office of Enforcement. I appreciate and
11 acknowledge the differing perspectives and different ideas that were identified by
12 the task force members.

13 I think they were very well thought out, very well reasoned approaches, and
14 it illustrates that a group of people or individuals can come up with different views
15 and have different opinions.

16 The reason that I'm in favor of it being established in the Office of
17 Enforcement is that, frankly, it's very consistent with the management approach
18 we were trying to use throughout the rest of the agency, not specific to safety
19 culture, but that we have centers of excellence all through the agency, and to have
20 the prime responsibility or the leadership role, the situational leadership within an
21 office is fully consistent with the approach that we're trying to take.

22 We also think -- I also think that there is a very good opportunity to build

1 upon an already strong base of knowledge in the Office of Enforcement. They
2 have the allegation program. They handle discrimination cases, they review
3 enforcement programs on discrimination basis.

4 And so, there's a level of expertise in that office already exists that this
5 position can interact with on a daily basis.

6 I think Cindy will provide excellent leadership in this area as she has in the
7 others, and it will get, frankly, a more effective leadership from being in a relatively
8 small office than it would having to compete with all the other agency activities that
9 the EDO's office has to deal with. Next slide, please.

10 As was also mentioned earlier, the Inspector General Safety Culture and
11 Climate Survey is going to be wrapping up very soon. When the results of that are
12 provided we're going to take a look at that to see if it supplements or in any way
13 influences the activities that we'll be taking as a result of the task force.

14 A couple of months after we get the results from the IG study, we'll provide
15 some information to the Commission with our recommendation on how we can
16 integrate those results and then move forward in a more cohesive coordinated
17 fashion.

18 And that completes the staff's presentation.

19 CHAIRMAN JACZKO: Well, thank you, Bill, and I think that was a
20 good presentation and I think we'll have a good discussion from the
21 Commissioners on a lot of these topics. And it's good to see that these things are
22 being implemented and I think there's a lot of good suggestions in there. And I'm

1 glad to see we're moving forward on them.

2 I think we'll begin with Commissioner Lyons.

3 COMMISSIONER LYONS: Let me start by seconding the thanks
4 that Bill already expressed to Cindy, to Doug, and to June and to the entire task
5 force for the thoroughness of this report. I really compliment you on all aspects of
6 the report.

7 I think this report will go a long ways towards providing a number of
8 approaches to further strengthen safety culture at the agency and I think it sends a
9 very strong message to all the staff of the value that the Commission, the senior
10 managers, all of us, place on internal safety culture.

11 Also appreciate, June, your response this morning when I started some of
12 my questions with wondering about the desirability of having a single safety culture
13 statement applied both internally and externally.

14 And if I understood your comments correctly then and now as you went
15 through it, there really is a common starting point for the two approaches, both
16 internal and external.

17 I can't help thinking that we should be very careful to communicate that
18 there really is that common starting point, because I don't want -- to me, it's just
19 important that it's clear both externally and internally that we start from the same
20 point.

21 We diverge, as you pointed out, June, depending on the particular audience
22 that we're addressing, but starting on the same point, I think, really is important.

1 And before I get into more specific comments, since the IG report came up
2 a number of -- the IG survey came up a number of times, including, Bill, your
3 contributions in the elevator, I have to note that I rode down for this meeting with
4 some of the IG folks and the comment was made about how wonderfully effective
5 your posters were and how the levels of participation have further increased. So,
6 thank you for your forceful words.

7 MR. BORCHARDT: My pleasure, Commissioner.

8 [LAUGHTER]

9 COMMISSIONER LYONS: I guess I'd start my comments or
10 questions with the position of the safety culture adviser. I appreciated the
11 discussion that both Bill and June gave on that.

12 I fully agree that it's appropriate, Bill, for you to decide where that function
13 is; completely comfortable with the decision you've made, and have no problems
14 on that. But a couple of questions.

15 I'm curious whether the task force or maybe whether you, Bill, considered
16 whether that safety culture adviser could have responsibilities both internally and
17 externally.

18 And it's back to the theme I started this morning with June that I do think
19 there's something to be said for treating as much of the internal and external
20 safety culture aspects as are reasonable, treating them roughly the same way.

21 I'm just curious if there was discussion on having that adviser play a very
22 strong role both internally and externally, and both of you sort of hinted that that

1 was at least part of the thinking. But would anyone want to expand?

2 MR. BORCHARDT: Let me ask the task force to address the
3 discussions internal to the task force and then I'll give my view.

4 MS. CARPENTER: Well, I'll let them do the internal --

5 MR. COE: I could just answer in this fashion. Yes, it was
6 considered. There was discussion about the relationship and the importance of
7 maintaining that connection because of the emphasis that the task force always
8 saw between maintaining the consistency between internal and external.

9 One, in fact, the first of the additional comments in the report expressed
10 more specifically and more directly a view that the task force as a whole did not
11 adopt, that there be consideration given for merging the internal and external
12 functions within one individual.

13 And I'd invite -- as I will throughout this briefing -- invite any of the task force
14 members that are here in the audience to add their own views and comments on
15 that or on any other points that are made.

16 So, yes, it was discussed. It was not adopted as an overall
17 recommendation, and it was expressed as an additional comment.

18 MS. CAI: Yeah, the discussion was whether to combine the two into
19 one individual and where we came out on that discussion was to be broader in its
20 discussion in the report. There should be coordination and how that coordination
21 works out, whether it's one person or a couple of people working closely. We left it
22 up to the implementation, but we do acknowledge that there does need to be very

1 close coordination so that there is consistency and alignment.

2 MS. CARPENTER: And then for implementation, we had actually
3 talked about that. And at this moment in time, since the position is just beginning
4 and there are a lot of recommendations, what I'd like to do is start it off as internal
5 safety culture at this moment and get the momentum built up on the
6 recommendations and focus on that, rather than having this person's position
7 focusing on both internal and external.

8 So having them as two separate positions at this moment in time is, I think,
9 each of them focus on where we're going and then continue to look at this as we
10 go down the road. It might make more sense then to merge them.

11 MR. BORCHARDT: I get nervous any time we're only one deep on
12 any topic, whether it's thermal hydraulics analyst or safety culture.

13 So, my personal view -- and this is one of the reasons I thought it made
14 sense to all be in the Office of Enforcement, that you would have a core of multiple
15 people that could use their collective wisdom and that interaction to come to a
16 better answer than any one person could do in isolation.

17 So, I think it's good that it all be in one group, but I would be cautious about
18 having it only one person. We're focusing on knowledge management an awful lot
19 to try to spread knowledge.

20 I struggle to find reasons why we want to isolate any one topic, safety
21 culture or anything else, to just a sole person.

22 COMMISSIONER LYONS: I appreciate that it was seriously

1 considered, and I also appreciate the point that however it's done there needs to
2 be strong coordination between the internal and external points of view on this.

3 And I also want to just offer maybe my two cents worth on a point that I
4 gather is still being debated on this individual as to whether it's an SLS or a
5 GG-15.

6 For whatever it's worth, I guess, Bill, I would favor making it the Grade 15
7 more from the standpoint that I think this position is going to be a fabulous training
8 ground for individuals to gain a very strong appreciation of this critical issue across
9 the overall agency, and maybe a very good, say, training ground for future leaders
10 in the organization.

11 I worry a little bit if it's made an SLS, if it -- maybe this is a poor way of
12 saying it, but it could be a position for life, whereas I can't help thinking that having
13 a position with some rotation through it at the Grade 15 level could provide a
14 wonderful training opportunity for a lot of future leaders. That's for whatever it's
15 worth; take it or leave it.

16 A comment I wanted to make on one point in the report. There was some
17 concern expressed on the need -- I think it was put as stable turnover rates, and
18 some concerns -- or maybe I read this statement as some concerns -- that
19 managers may not always have technical expertise in the areas they manage.

20 I certainly appreciate the need for managers to have that technical
21 background in the areas they manage, but I'd be very, very nervous if a statement
22 like that were taken to argue against the continuing focus within the agency on

1 rotations of managers and staff to a variety of different assignments.

2 I guess in the time I've been on the Commission, I've been extraordinarily
3 impressed with the effectiveness with which the agency uses rotational
4 assignments and some of you are certainly examples of that.

5 I think the rotational assignments provide very strong growth opportunities
6 for the staff and even if there is perhaps some sacrifice as a manager who is
7 rotated in comes up to speed, at least my view -- I just don't want that statement
8 taken to counter the current emphasis on rotational assignments.

9 And one other comment before my time ends. You talked a little bit about
10 some of the lessons from your explorations with other agencies. You mentioned
11 the importance of -- in those other agencies -- of strong leadership and leaders
12 modeling the appropriate behavior.

13 I just wonder if there's any other particularly strong observations that came
14 from the benchmarking with other organizations.

15 MS. CAI: Yeah, I'm looking in the report. There is actually -- we do
16 have a -- we do have a section where we describe additional high level themes we
17 got from the external benchmarking.

18 I'll just look at the list real quick and it's in the report. It's actually on pages
19 16 and 17. We have the listing there, but we saw a lot about importance of
20 communications at all levels and consistent communications on the expectations.

21 Again, we talked about leadership, having a visible presence and
22 demonstrating those behaviors on a day-to-day basis.

1 Also, having a framework that sets the standards for a safety culture within
2 an organization and aligning goals and accountability standards with that
3 framework.

4 Also, we saw a lot of assessment tools that were used, whether it was a
5 survey or other types of metrics to monitor the health of the safety culture.

6 Also, we saw empowerment of front line staff really giving ownership at an
7 individual level and got some really positive feedback on that one.

8 And then lastly, we also talked to some of the organizations that really did
9 acknowledge that integrating safety culture throughout the organization could be
10 challenging and that it really requires a consistent long-term focus.

11 It's not a one shot deal. It's something you can do in the short-term, but
12 really requires long-term focus, and it really needs to be internalized and
13 demonstrated by all employees within the organization, not just one or two levels.
14 It needs to be at all levels throughout the organization.

15 So, just a quick summary of some of the other highlights, that we got from
16 the external benchmarking.

17 MR. COE: It's also worth noting the differences and those were also
18 important, I think, to note, that each organization defines safety culture a little bit
19 differently within their own context in a way that worked the best for them.

20 COMMISSIONER KLEIN: Well, I think it's -- you all did a great job of
21 this survey, both this morning and this afternoon. I think it is important as we look
22 and hold ourselves as accountable as those we regulate.

1 So, I think it's good, you know, this morning we talked about primarily
2 external safety culture and now we're looking at internal to see how we do -- how
3 well we do ourselves.

4 Obviously, I've spent a little bit of time in the academic world and I see a
5 colleague of mine on the ACRS also in the academic world in the audience. So,
6 Doug, basically -- and I'll let you answer first and then I'll ask June the same
7 question.

8 Since you all did a lot of and effort a lot of data collection, what kind of
9 grade would you give us for our safety culture? Our internal safety culture?

10 MR. COE: Well, that's a tough question to answer. One way to
11 answer it is that through the 24 years of experience that I've had with the NRC,
12 one of the things that brings me to work with a very positive attitude every day is
13 the general atmosphere of professional respect that exists and the professionalism
14 of the folks that we work with here day-to-day.

15 In that sense, I would have to give the agency an A-plus. Not that we're
16 perfect, but that we're pretty good, and there's always room to improve, and we go
17 into specification and that was in fact the emphasis that we gave in our task force
18 report.

19 I would also point to outside organizations that look at us, through the
20 survey results that are done and then assessed by others. And in fact, there was
21 even a recent -- within the last couple of years -- if we want to go to grade levels,
22 the Union of Concerned Scientists rendered a report on the openness with which

1 we express our technical views and circulate those views in the open. And they
2 gave us a B-plus. That's also mentioned in the report. So, that's the best I can do,
3 sir.

4 COMMISSIONER KLEIN: And we don't have to grade the same, so
5 you can grade differently.

6 MS. CAI: Okay. Well, I'm hesitant to give a specific letter grade, but
7 I will share some personal perspectives on my experience through this.

8 I've been on a number of inspections at our licensee facilities at reactors,
9 and looking at safety culture, safety conscious work environment, human
10 performance type issues.

11 And I have to say, I think I'm a bit skewed in my observations on what I've
12 seen because when I get called out, it's usually, you know, the licensee has been
13 having some performance issues.

14 For example, I was out at Davis-Besse before the restart looking at their
15 organizational management issues. I was most recently at Palo Verde as part of
16 the 95003 inspection there.

17 So, what I'm trying to say is I have not been to many sites where I've seen
18 the safety culture as pretty strong, fairly good. My experience is with organizations
19 only looking when there's been real issues.

20 So, in comparison to my experiences with those kinds of licensee facilities
21 and organizational issues I've seen and my personal opinion, what I saw here at
22 the NRC was much more positive.

1 Of course, there are many areas for improvement as we saw as identified in
2 the report, but based on my kind of skewed sample of what I see, I do see it as
3 much stronger.

4 COMMISSIONER KLEIN: Thanks.

5 MS. CAI: But it's not a fair baseline comparison.

6 COMMISSIONER KLEIN: Well, Bill, Cindy had gone through and
7 she talked about some best practices that they had observed. How do we
8 communicate those best practices across various groups within the NRC?

9 MR. BORCHARDT: Well, I mean, we start, really, with the very first
10 course, NRC, What It Is, What It Does when people walk through the door. We
11 start talking about the ability to -- and in fact, the responsibility to raise issues and
12 their own opinions, it's in being built into -- it already exists in the supervisor
13 training program.

14 It gets, I think, every organizational unit that has some kind of a
15 management retreat at one point or another has focused on this as well as our
16 own senior leadership meeting.

17 So, it's hit at every level across the agency and I think the results of this
18 task force and then the IG safety culture survey will be integrated and then there
19 will be another more coordinated outreach throughout the agency so that people
20 are aware of what we're doing in response to the findings and -- because it
21 requires all 4,000 people to participate in the solution. It's not something
22 management does.

1 COMMISSIONER KLEIN: Thanks. Well, Cindy, obviously, I would
2 leave that up to the staff to determine where the position is and what its grade
3 level should be, but assuming that it is located in your office, one of the things that
4 I've heard our EDO say is how do we measure success?

5 And so, obviously, you haven't picked a victim yet that will be doing this
6 activity for the safety culture, but what are some of the attributes you think will tell
7 us how do we know how well we're doing?

8 MS. CARPENTER: Well, first off, you know, as we continue to have
9 the OIG safety culture employment surveys that will be one way. And this position
10 also has within it that this individual will conduct assessments of the agency.

11 And there's also an assessment as part of the allegations program that the
12 allegations, the differing professional opinions program. There's an assessment
13 that's done about every three years, and we actually deferred that right now so
14 that we could get the results of the task force group, the OIG safety culture
15 employment survey and then step back and take a look at all this.

16 So, I think how we'll measure success is, as we go forward this individual
17 then will be continuing to measure how we're doing within the agency, and it will
18 be conducted -- we'll be conducting assessments as we go forward.

19 That will be part of what this individual will be expected to do and that's part
20 of the recommendation in the report.

21 MR. BORCHARDT: I think the Commission will be able to tell
22 because it's not too long ago that we started providing different views within

1 Commission papers where there was a difference of opinion, and we made a staff
2 position, but then we included in the paper that other opinion so the Commission
3 could see that there was a debate and that there was this other view that's being
4 held.

5 So, you'll continue to see those. If those disappear, it's unlikely that all
6 4,000 people agree on any one topic all the time. So, if those disappear, that
7 would be an indication to me that there's something that we need to address.

8 If they continue, I see that as a healthy element of our current process.

9 COMMISSIONER KLEIN: Speaking of that, I always liked at the
10 Pentagon that non-concurrence process because as papers would come up, you
11 would see some differing opinions, but progress didn't stop.

12 Things kept moving and you can see where honest individuals had a
13 legitimate difference of opinion which is fine, but you could still move documents
14 forward and so I think that's a good system.

15 MS. CARPENTER: We thought that was a healthy approach, too,
16 this morning with the external safety culture paper. There were differing views and
17 we could put those forward. We're seeing a lot of non-concurrences and that is
18 good.

19 MS. CAI: If I could just follow up on a point for this individual. We do
20 say in the recommendation description that this individual should look at how the
21 agency could measure and monitor the effectiveness and make recommendations
22 for assessment.

1 And also I wanted to come back to something that Commissioner Lyons
2 said about this position being possibly an opportunity for training for leaders and
3 having people move through.

4 We do talk about in the recommendation that this position -- whoever fills
5 this position should have the knowledge, skills, and abilities related to
6 organizational and safety culture.

7 So, I would just point that out as considering for an approach such as what
8 you're recommending that whoever rotates through it needs to ensure that they
9 have those kinds of knowledge and skills.

10 COMMISSIONER KLEIN: June, during your presentation, you
11 mentioned about the team player initiative. Any success stories from that that you
12 can relate?

13 MS. CAI: Any --?

14 COMMISSIONER KLEIN: Any success stories from that team player
15 initiative?

16 MS. CAI: Well, Renee is here.

17 MR. BORCHARDT: There's quite a few, actually. I have the
18 privilege of presenting those awards. We do it up in the EDO office and Renee
19 might want to speak to this, but she's in charge of that. She organizes it. And the
20 awardees come up and we have 20 or 30 people in the conference room and so
21 it's a nice short ceremony, but a good recognition.

22 So, we have not only the person who is getting the award, but the person

1 who nominated the individual who is most often a co-worker, I think, so it's really a
2 great team building activity in itself.

3 COMMISSIONER KLEIN: Well, as we look forward to improving our
4 own internal safety culture, do you see any significant barriers to implementation
5 of any of the recommendations that have been made to date?

6 MR. BORCHARDT: I don't really. I mean, I think they're a stimulus,
7 if you will, to continue in the same basic direction that we've been trying to head
8 for quite a while. So, I can't think of any barriers.

9 COMMISSIONER KLEIN: Thanks.

10 CHAIRMAN JACZKO: Commissioner Svinicki?

11 COMMISSIONER SVINICKI: Thank you. I want to add my thanks to
12 all the members of the task force. I appreciate your willingness to take this on and
13 I think you've done a tremendous amount of work so far.

14 And I'm also very eager and reading the report whetted my appetite to see
15 the next look that we're going to do, which Cindy was talking about when we have
16 the OIG survey results. And we're going to revisit this again because I think focus
17 groups and a survey can deliver different perspectives and insights.

18 So, it's going to be interesting to compare and contrast those results and
19 see where that might lead us, so I'm very eager. And I was fully supportive of this
20 revised structure given the timing of things, but I think it will be interesting to revisit
21 this again in a number of months.

22 I wanted to turn to a couple of topics that were already mentioned. There

1 was, I think, Bill, you said the communications theme was not surprising and there
2 are findings and recommendations that aren't surprising.

3 There were a couple of things that struck me, though, that I don't know that
4 I would have predicted would be in there as issues.

5 One of which was the turnover in first line supervisors and the issue of what
6 is their technical expertise and background. And Commissioner Lyons already
7 talked about this, but I wanted to second what he said is that we need to balance
8 the frequency of rotating versus the many benefits that the NRC gets.

9 And I would add that if as an organizational value we promote diversity,
10 which we do, if we want to have the senior SES ranks here be more diverse than
11 they are today, the rotational policy is really a way that we build up that expertise
12 so that we will be grooming the future leaders to represent a very diverse
13 population of employees. So, I second what he raised and add that additional
14 perspective to it.

15 Another issue that was indicated that it was a strong theme of the focus
16 group. That is the words that were in the report. But it had to do with office
17 procedures being outdated or not being kept up to date frequently and I thought for
18 a second it was surprising because it's a very specific issue.

19 But then I thought we have so many new employees, and I think that when
20 they want to understand how do I go about doing some procedure and what
21 they're told is someone goes into a stack and pulls out something and blows the
22 dust off it, and says well, this is the official procedure, but I can tell you perhaps we

1 do it a little differently.

2 So, I can really understand why that would be -- it's frustrating to find that
3 we want you to do it a certain way, but maybe we don't keep it up to date.

4 And as I thought about some of these specific outcomes and how things
5 that were highlighted, it got me to thinking about something that we've talked
6 about quite a bit, which is the creation of the safety culture position.

7 And what I wanted to understand a little bit better is how these actionable
8 items that came out of the task force's work, such as we need to relook at office
9 procedures in keeping them updated, how -- would the new position, would they
10 be responsible -- I mean, what kind of portfolio -- obviously, this is something that
11 offices need to address.

12 So, and this is, I know, very mechanical, but Bill or anyone who could help
13 me understand going forward, and it's a little bit ironic, too, because another thing
14 that was identified was that there are a lot of systems for identifying issues and, in
15 fact, so many that sometimes employees don't know which of the many
16 mechanisms to turn to.

17 And I thought to myself, this is another case where perhaps there will be
18 specific actionable items out of this task force. How will we even track those? Will
19 we establish another system for tracking these individually? So, that's a little bit
20 ironic that there might be yet more things to track as a result.

21 But I don't know if you want to help me understand the creation of the
22 position a little bit better?

1 How would they trap into and address broad organizational improvements such as
2 that?

3 MS. CARPENTER: I guess the way I envision it now is that this
4 adviser, this position would work with the other offices, for the offices to take
5 perhaps -- NRR for example -- to work with NRR to look at their procedures, to
6 provide expectations, and those expectations would either come from us or come
7 from the EDO's office. We would prepare those.

8 But to work with the offices and, you know, give advice on how they might
9 go -- what are different ways, what are some best practices this might be done.
10 But we would work cooperatively with the other offices to work with that, you know,
11 when the budget time comes around.

12 Maybe it's a reminder to that you do need to budget for this effort here. So,
13 we would work with the other offices and leverage their resources.

14 It wouldn't be that we would be doing that ourselves, but the expectations
15 would be there. It's budget time, please include it there. You know, these
16 procedures, this is what we're hearing, that these are out-of-date.

17 Suggestions about well, this office did it this way. Here's some best
18 practices on how you might accomplish something like that. So, that's how I would
19 envision they do that.

20 COMMISSIONER SVINICKI: I think that exposes a potential
21 concern, which is expectations for this position need to be clear, because you
22 don't want to have expectations on a position that they don't really have portfolio or

1 authority to effectuate those results.

2 So, I think that will be something to be considered as you move forward, if
3 we will have an expectation of this position taking on some of these issues and
4 they're across the organization.

5 So, that will be something, obviously, Bill has been very thoughtful in his
6 comments about how to best structure this, and it is consistent, Bill, with, as you
7 said, you're establishing an organizational philosophy where you are placing
8 competencies and positions in the organization, so you're not having the EDO
9 shop kind of sit separate and apart and try to run everything from there.

10 So, I appreciate that it is very consistent with what you've been
11 establishing, but, again, you never want to set somebody up in a position where
12 they won't have the tools to move forward on what we're asking them to do.

13 MR. BORCHARDT: I think this position is going to be a resource to
14 the offices. I could envision having 17 different offices; have some kind of more
15 detailed implementing procedure.

16 This position establishing a foundation and a fundamental outline for how
17 best to accomplish that lets us have 17 at least consistent implementation
18 procedures, rather than having 17 independent projects that require a lot more
19 effort on each office's part.

20 So, I think the offices are going to be very receptive. It's the way we do
21 things in a lot of other areas as well.

22 So, this is not a position that's going to create necessarily a burden for

1 everyone else. It's really a resource savings and a resource to be utilized by those
2 other offices. I think it's a very positive step.

3 COMMISSIONER SVINICKI: I think that takes me back to a
4 comment you made a little while ago which was very reassuring to me. You said
5 you would not recommend setting any discipline separate and apart whether it be
6 thermal hydraulics or safety culture.

7 And that's something that as I read the report was very important to me that
8 if this safety culture isn't something that is, you know, internalized, it needs to be
9 permeating throughout the organization. And I worried a little bit that there was a
10 lot of discussion about the establishment of the adviser position.

11 And I don't want that to take away from the fact that this needs to be a part
12 of -- well, and it is in the report, the message that this applies to every employee
13 and it can't be something that they compartmentalize and say, well, you know,
14 there's an individual in OE who takes care of that and I don't need to worry about
15 it.

16 So, I appreciate your comments about not setting it off in separate and over
17 time having it become more insular. I don't think that we can compartmentalize
18 our approach to this.

19 And I wanted to close with something that -- maybe I'm in that group of new
20 employees that wasn't crisp on what safety culture is because when I first met with
21 the task force representatives I said, you know -- the first thing that comes to mind
22 is these employee health and safety, maybe more occupational types of issues.

1 And, you know, I was quickly informed that it is a much different topic than
2 that, but there is at least reference to these issues in here. And I want to just
3 acknowledge that I think that NRC in the last year has really been looking at some
4 very fundamental issues about, you know, if an employee has a medical issue,
5 and unfortunately we have had this occur, can we get emergency responders in
6 the building? What is our own posture in terms of being able to just deal with the
7 way we conduct ourselves safely day-to-day.

8 And I know it's not the broader theme of safety culture, but I still think it
9 matters. And if this were a reactor site, that would be part and parcel of our safety
10 mindset every day.

11 So I do think we need to be looking out for each other from an occupational
12 standpoint. If there's water there's rain some day and it's on a marble floor,
13 something like that. I don't think we should lose sight of that because then we can
14 translate that into these broader themes.

15 But I think we've been doing some good work on training -- identifying
16 employees who are trained in CPR so that other employees can find them.

17 And so, I just want to -- I know it's a very tangential issue, but I just want to
18 put in a pitch for, I think, a sustained focus on that is really important and its a part
19 of kind of being a community of professionals looking out for each other.

20 So, I don't know if anyone wants to comment on that.

21 MR. COE: I would only add that the task force consciously
22 considered the points that you've raised and very consciously made the

1 determination that it was synergic to address employee health and safety
2 concerns and there was a clear nexus in an overall sense to what we were trying
3 to achieve.

4 MR. BORCHARDT: I think you're aware that we did a lessons
5 learned review of the medical event that happened at EBB and there's a number
6 of corrective actions being taken and it received a very high level of enthusiastic
7 support from the staff as we follow up on this.

8 COMMISSIONER SVINICKI: And I do mean to be complimentary.
9 That's some of the work that I'm reflecting on and I think there's been an effort to
10 expand that. They did look at EBB because that's where the event occurred, but
11 looking across our unfortunately many satellite locations now. So, I think we've
12 tried to apply that more broadly, and I'm just complimenting and supporting a
13 sustained effort in that area.

14 Not that there's any specific deficiency, but we need to always keep our eye
15 on that. Thank you.

16 CHAIRMAN JACZKO: Thank you, Commissioner Svinicki. I think
17 those are some good points and I wanted to turn back to an issue that you had
18 raised at the beginning, I think, which is the synergy between focus groups and
19 surveys.

20 I think they are useful, probably most useful when they're together. You
21 can sometimes get a survey and you get an answer and you realize that the
22 reason you got the answer when you start talking to focus groups is because

1 people didn't understand the question or as I think has been in the case here,
2 we've previously had a lot of support offices or administrative offices that have not
3 indicated an awareness of things like the differing professional views program
4 because they never thought it was part of their mission. So, I think that's an
5 important point.

6 With that in mind, were any of the issues that came up in the focus groups
7 communicated to the IG as they prepared their surveys so that some of these
8 things could be explored in a little more depth in the survey? And were they
9 discovered in time to be able to do that?

10 MR. COE: Yes. The report in draft form was provided and made
11 accessible to the Office of Inspector General and they did obtain that. And as I
12 understood it, they found it valuable and useful for their uses.

13 CHAIRMAN JACZKO: Good. Well, I think that's useful, so it will be
14 nice, then, I think if we have both of these items together to really inform a lot of
15 these issues as we go forward.

16 One of the ones I did want to touch on a little bit is maybe perhaps get
17 some more specifics is are the use of the various differing opinion processes that
18 we have, whether it's non-concurrence or differing professional opinion program or
19 other open door policy, all those kinds of things that are out there.

20 Reading through the report it seems like in the focus groups there were
21 some comments that did raise concerns or issues about the implementation of
22 those programs.

1 And maybe anyone who wants to could comment a little bit on how in
2 particular those issues are going to be looked at and addressed as we go forward.

3 MS. CARPENTER: Well, let me start. You know, the differing -- and
4 Renee is here, and that is -- remember I said there is an assessment that we do
5 need to do. But Renee was actually on the task force, so she's aware of those
6 issues.

7 And also, you know, the IG was aware that there were some issues, and as
8 staff did the IG, safety culture and the climate survey, there were a number of
9 questions on that also.

10 So, those questions and those issues that were brought up then are going
11 to be fed back into the differing views program and we'll be taking a look at that
12 and assessing how we should go forward and what changes we might need to
13 make.

14 We do have an update to the management directive on the differing
15 professional opinions program, and we never did finalize the non-concurrence.
16 We wanted to have some experience on that, also.

17 So, we're going to be taking all these in, and as we look at what the task
18 force came up with as we look at the outcome from the IG safety culture and
19 climate survey and then also this assessment that we'll be doing, we'll be factoring
20 those in and seeing how we can improve the programs.

21 So, all those pieces are there and we're capturing all those.

22 CHAIRMAN JACZKO: Well, it certainly is an important program, and

1 it's one that I think all we can ever do is make it better, and it certainly, I think, is --
2 puts us much farther along than any other federal agency and having those kind of
3 mechanism for people to raise concerns.

4 And certainly at the Commission level, we are seeing -- I see them and I
5 think that's good and anything we can do to improve them I think will only be
6 helpful to the agency.

7 Another issue that had come up that I think was an interesting one was the
8 balance, I think, or sometimes the focus on metrics. And I think, June, you
9 touched on that as one of the themes and how we communicate that quality is just
10 as important of a metric as, you know, timeliness and obviously, safety is really the
11 overarching focus.

12 And I was noticing that and as I was going through some of the transcripts
13 from the meetings there was an interesting comment I think from one of the
14 participants in one of the panels that you had who was the, I guess, Chief Safety
15 Officer for Baltimore Gas and Electric in their natural gas division; not on the
16 nuclear side.

17 And he made a comment that every meeting starts out with a safety focus,
18 even to the extent that they make everybody there back their cars into the parking
19 spots because that's a safety issue.

20 And it was an interesting comment in that they start their meetings off that
21 way and talk about safety and make it a focus. And then in contrast, we heard
22 some concerns about how, you know, we talk a lot about metrics and performance

1 in that way and that that can sometimes create a bit of confusion.

2 So, again, maybe if you could touch a little bit more on the specifics to how
3 we will continue to re-enforce with our staff at all levels that our primary focus is on
4 safety and that that should be the most important issue.

5 MR. BORCHARDT: That's clearly a management responsibility to
6 re-enforce the quality and our safety mission. It's not a timeliness mission. It's a
7 safety mission.

8 On the other hand, though, there is a logical tension between needing to
9 get work done, driving towards a resolution and not letting issues just linger
10 forever. We want to get the closure to issues.

11 I think as just a very recent example within the last few days, I believe, Eric
12 Leeds, the Director of NRR, sent to the Commission the most recent update on the
13 status of, I think, it was power uprates. And in that, if you read through that, you'll
14 find that there were a number of cases that failed to meet the metric for timeliness.

15 But for each case, there was an explanation for why that was the case.
16 Sometimes it was a deficient application submitted by the licensee; sometimes it
17 was a failure of the licensee to respond in a timely manner.

18 And in all those that I found to be perfectly justified explanations, there's no
19 criticism back to NRR from the EDO's office or from the Commission regarding
20 failure to meet that timeliness.

21 Now, that doesn't mean I'm going to let Eric not keep applying pressure to
22 his staff to keep trying to make progress, but when there's a good basis and it's

1 not our fault that we failed to meet the metric, that's a perfectly acceptable
2 rationale.

3 There would be a concern, though, if we issued an evaluation that was
4 defective, right? And that's the constant reminder. It's the quality and safety
5 responsibility that's always paramount, but we're not going to take our eye off of
6 the production ball completely.

7 MS. CAI: Yeah, and as far as related to the specific
8 recommendations, there's two that address that.

9 One is the training piece. So, especially for the supervisors, communicate
10 the importance of how to appropriately show that balance and communicate that
11 balance and how the messages could be taken different ways. So, it's the training
12 piece, especially for supervisors.

13 And then the second one is the first recommendation of incorporating safety
14 culture and the framework into the agency's performance management tools. So,
15 looking at performance appraisal system and seeing how individuals and also at
16 the organizational level can be assessed regarding quality and focusing on quality,
17 and where improvements could be made on what exists currently.

18 CHAIRMAN JACZKO: Well, I think those are good answers, and I
19 think key in all of this, of course, is communication and continuing to communicate
20 those expectations clearly, I think, is important.

21 And as we got the feedback, I think it certainly provides us with some
22 information that we probably have some work to do in making sure we are

1 communicating the right message effectively throughout the agency.

2 And it can be easy sometimes for that message to get garbled a little bit
3 and get miscommunicated and I think that's where communication can help
4 ensure that.

5 I think, Bill, as you described it, that we're putting the focus in the right place
6 and keeping it where it should be.

7 The final issue, I guess, I would just turn to then, I think, is a point that
8 Commissioner Svinicki made as well, which is I do think certainly when we talk
9 about safety culture, we think of it a lot in terms of what we do as an agency and
10 what we do in terms of how we interact with our licensees in making sure the
11 reviews we're doing and all those activities are focusing safety in the right way.

12 But I certainly would agree with her that I think -- and as the task force
13 indicated -- there is an important aspect of personnel safety here and of just the
14 work environment and the place that we have and the experiences that people
15 have. All of that does in the end contribute to that safety culture and I think it's
16 certainly an important piece of it and an important attribute.

17 And as I hear more, I think, Doug, you talked about it, about the
18 professionalism and the professional respect that employees have for each other.
19 And a lot of that comes down also to awareness of people's own personal
20 happiness and safety and their well-being. And I think that's a hallmark certainly
21 of the agency and something that's ingrained in our culture regardless of what we
22 call it.

1 So, it's always a positive thing and something that I think we only want to
2 continue to enhance where we can.

3 With that, I didn't have any more comments. I don't know if we have any
4 more comments from any of the other Commissioners.

5 I think at this point, then, we'll recognize I think Alex Murray will make some
6 comments on behalf of the National Treasury Employees Union.

7 MR. MURRAY: Testing one, two, yes. I'm not sure I really need the
8 microphone as most of you know.

9 First, thank you very much. I really appreciate this opportunity. Myself and
10 the NTEU, National Treasury Employees Union. We're very grateful for this
11 opportunity to speak regarding the Internal Safety Culture Task Force report.

12 For the few people who don't know me, I think there might be two in here,
13 my name is Alex Murray. I'm a Vice President at the NTEU, Chapter 208.
14 I'm also on the Executive Board. In my day job, I'm a senior reviewer in the Office
15 of Nuclear Material Safety and Safeguards.

16 I have worked for quite a few large organizations, including the NRC, and
17 have been in industry -- I have crawled around nuclear power plants. I have been
18 burnt by acids. I have talked to people who expressed safety concerns when I
19 was both in private industry helping out one of our sister agencies and also here at
20 the NRC.

21 First, I would like to say I have provided comments to the safety culture task
22 force report on behalf of the NTEU. These start, I believe, on about page 27 or so.

1 Even though these comments are attributed as my personal comments, they are
2 actually the official comments of the NTEU.

3 I want to say first off, the NTEU's impression of the report is this is a very
4 good report. The safety culture task force report points out, finds a lot of issues,
5 both positive and negative that the staff deals with on a day-to-day basis and
6 discusses with members of the NTEU, both people who have more official
7 responsibilities like myself, but also people who are just members of the NTEU.

8 I have to say I encourage the staff to read all of the report, not just the
9 summary, because there's a lot of very good information in it. I want to just briefly
10 take a minute and just mention some of this because I don't think the full flavor of
11 this report has come out in this meeting except for the past few minutes. It is a
12 very good report.

13 It finds there are some safety culture concerns.

14 Okay. We need to address these. I specifically want to mention some of the
15 concerns which come out in theme number four.

16 These have to do with some of the differing views, the non-concurrence
17 process, the differing professional opinions program, et cetera. These brought
18 out -- I believe it's in Appendix G of the report -- a lot of the feedback from the staff
19 in the focus groups which is reported in Appendix G is quite negative. Now, we
20 have problems.

21 Well, if I raise an issue, it might have negative consequences for my
22 organization or for me personally. It might not be direct retaliation, but I might be

1 left out of meetings. Or my travel voucher, instead of taking two days might take
2 two weeks or things like this, or more concrete concerns. I'll mention a couple of
3 those in a second.

4 I also want to mention a little bit about theme number five, okay, which
5 brings out this emphasis of production over all other aspects. Again, this is
6 coming from the staff level.

7 Several -- I shouldn't say several -- about half of the focus groups brought
8 out this concern. They feel pressured that they have a choice, they can either
9 meet schedule and if you meet schedule, generally there's some reward
10 associated with that.

11 But if they try to do a quality job, whether it's a review, write-up, document
12 of some type, what have you, they feel they will get somehow penalized down the
13 road because they may not meet the scheduled metric.

14 This is a concern which has been expressed. When people found out I was
15 on this task force and associated with it, I had five people in the space of six
16 weeks come up to me and express concerns just on that. We're being told to
17 meet schedule. It's schedule over safety. And that comes out in some of these
18 focus groups which are summarized in this Appendix G.

19 I also want to point out that Appendix B has some historical information on
20 safety culture, which have been done by various different groups -- safety culture
21 at the NRC, I should say -- which have been done by different groups over the
22 years.

1 These include previous OIG surveys. These include some other different
2 task forces. All of these have found that the staff has some concerns about safety
3 culture, whether it's just bringing up general issues, whether it's bringing up
4 specific issues; even very important safety issues, the staff has found and has
5 reported quite frequently back to the NTEU, hey, you know, we're being pressured
6 here. The safety culture is not right.

7 So, again, that is in Appendix B of the report and I would encourage you to
8 look into that.

9 I'll even mention a couple of examples of safety culture concerns of that I
10 have directly observed which are not in here. The Advisory Committee on Reactor
11 Safeguards, ACRS. They write letter reports. Now, these are recommendations.

12 I want to emphasize that, but I can count on more than one hand recent
13 examples where they've used terms like "we see no basis in either the licensee's
14 approach or the staff determination of acceptability of that approach." That's not a
15 good safety culture.

16 What happened was this was an ACRS recommendation, but to meet
17 schedule metrics, the system -- all of us -- went ahead and proceeded with the
18 licensing actions anyway, without putting in conditions or, if you will, even holding
19 up the situation.

20 I'll even mention I'm aware of several instances. Again, I work in a smaller
21 part of the NRC, maybe five instances where staff have either been redirected to
22 work at other things or told to leave the agency because of raising significant

1 issues.

2 Some of these have been procedural. Some of these have been safety, big
3 safety issues. And the employees that I know of them and some other people
4 know them; these are competent people with 20 years plus experience. It's a
5 handful. Not many, but it speaks negatively to the safety culture.

6 And previously, I think it was Commissioner Klein asked what grade would
7 the agency get on safety culture. Again, I want to emphasize, this is a very good
8 report, but if I read the report and I look at whether themes -- particularly themes
9 four and five are brought up -- I look at Appendix B where essentially we still have
10 the same problems with safety culture-like issues, which were identified 10 years
11 ago.

12 I look at Appendix G where there are a lot of negative input from the staff
13 who have used some of this -- these processes, I would give the agency at best a
14 C.

15 We have a lot of work to do. We need to work together and address these
16 safety culture issues.

17 And finally, let me just go on a little bit about that. Okay. We do have this
18 problem. Maybe problem is too much of a word to use. Concern about how we
19 need to improve safety culture.

20 We need to move forward. The NTEU provided some specific
21 recommendations in a paper in the back of the report. I would say these basically
22 fall into three main categories, and I'll just quickly mention those.

1 First, we need to emphasize and reward technical safety regulatory
2 excellence first. It has to be safety over schedule. We have to do that. It can't be
3 the other way around. That's what the staff is telling us in these focus groups
4 which are summarized in the report. We have to do that.

5 Second, we have to empower the staff. You heard that from Doug and
6 June earlier on. Very important. We have to get back to basics. The staff do the
7 reviews. We have to make the staff an integral part of the system. How can that
8 be?

9 Well, one very simple way is concurrence. Many times myself personally
10 and also people come to me and say, "Hey, I've contributed so much to this report
11 or to this licensee activity and I am not on the concurrence process. In fact, I
12 didn't even know that it's already sitting on the office director's desk for signature."
13 Oh. That is not empowering the staff. We have to change that.

14 One suggestion would be, hey, if people, staff members make significant
15 contributions to any report they should be de facto, the first people who concur.
16 Not just the program manager, not just the branch chief or another manager. It
17 has to start with the staff and they have that first direct responsibility, that direct
18 power over it.

19 And I would say the third item that I will add is we have to require
20 independence. There is not enough independence in our processes. We've
21 heard about the non-concurrence process. Well, yes, I can nonconcur and it goes
22 up with a different opinion or with the approved document whether it's a licensing

1 action or some other statement or position. But no one separately reviews that.

2 Does it make sense?

3 It's always, well, gee, we're putting our managers in a -- if you will -- a
4 conflict of interest position, which we should not do. They have to decide, well, I
5 can meet the schedule and go with this opinion that I have here, and everything is
6 hunky-dory and, you know, we'll just append this different opinion somehow and
7 just report it or not do anything about it. Or I can take the time to review it, but I'll
8 be late on my metric and I'll get dinged on my performance at the end of the year.

9 So, we're putting that manager in a very difficult position. This is specifically
10 a big problem with the DPO process because usually the deciding official is
11 usually the deputy or office manager, and they are the same manager who also
12 has the responsibility, usually, of the licensing action. So, they have inherent
13 conflict of interest.

14 We would not allow this to occur or be tolerated at one of our licensees.
15 Why do we tolerate it here? We need to rethink how we correct that.

16 I could even mention one last item which is timeliness. We know we have
17 to update our procedures and our management directives and improve things. If
18 my memory is correct, there's actually a task force working on this, and it might
19 take five years to completely update all the management directives.

20 I would hope, I understand things take time. And again, I mentioned safety
21 over schedule or as we say in England, safety over schedule, but five years to
22 make significant improvements in our safety culture seems a bit long.

1 So, I would encourage, again, as we go forward in trying to improve --
2 implement the recommendations from this report and improve the safety culture of
3 the agency that we look to ways and means to do this in a reasonable time frame.

4 And with that, I will close and once again I thank the Commission and the
5 task force members for this opportunity. Thank you very much.

6 CHAIRMAN JACZKO: Well, thank you, Alex, and, again, I want to
7 thank everybody for their hard work and their really good work on this report. And
8 I think there certainly are a lot of positives and some areas where we can improve
9 on.

10 And I think as we go forward at the NRC, we will improve in areas where we
11 need to and we'll continue doing the things well that we do well. And I look
12 forward as we continue to work and improve the safety culture that we have at this
13 agency.

14 So, again, I thank everybody for their hard work and for a good day of
15 meetings. Thank you.

16 (Whereupon, the meeting was adjourned.)

17