

## Appendix A – Recommendations

### I. People

**People Strategy** – Improve the efficiency, effectiveness, and agility of the workforce by managing talent as “One NRC.”

The following recommendations are made to ensure the Nuclear Regulatory Commission (NRC) succeeds in serving the American public by fulfilling its mission efficiently, effectively, and with agility:

- I-1) Ensure the NRC has the right number of people with the right skills at the right time.
  - a) Develop a strategic workforce plan that ensures the NRC is positioned to have the right number of people with the right competencies at the right time.
    - i) Identify and define the functional work and occupations of the current agency workforce (e.g., materials inspections, reactor inspections, rulemaking) and the occupations and positions that support the work (e.g., reactor systems engineers, security specialists).
    - ii) Develop a future state agency workforce and staffing plan (e.g., percent of technical vs. corporate staff, diversity, staff to supervisor ratios, grade structure, entry-level, recruitment plans) to help the agency transform to a more agile organization.
    - iii) Identify and define functional work competencies (e.g. a Manual Chapter 1245 qualified Reactor Operations Inspector requires competencies in regulatory skills and technical knowledge in addition to core competencies in interpersonal skills and general engineering) of future workforce (2020 and beyond).
    - iv) Develop a plan to manage and minimize staffing overages (unfunded positions) and gaps.
    - v) Develop an agencywide tracking system for skills and competencies with a manageable number of competencies.

#### Outcome

NRC has the right people, right grades, right skills, at the right time and the flexibility to adapt quickly to a changing environment; NRC employees are competent, diverse, and engaged.

#### Metric

The gap between critical skills needed and critical skills available will be reduced.

### Resources

Lead: Office of the Chief Human Capital Office (OCHCO)

Estimated start: 1 month after the Staff Requirements Memorandum (SRM)

Estimated time to completion: 7 months

- I-2) Enhance employee agility by reducing the time required to shift employees or their work assignments to meet the demands of a changing environment by the following:
- a) Based on agency priorities developed in I-1.a., develop a plan to identify mission critical and/or safety-related positions considered most important for immediate needs analysis (based on criteria such as highest percentage of workforce characterized by the position or role, criticality of the job functions performed, amount of training dollars targeted toward positions, maturity of the qualification program, etc.).
    - i) Verify or identify job tasks performed by each of the positions being analyzed.
    - ii) Document competency models needed to execute identified job tasks.
    - iii) Compare learning event objectives and content covered by qualification/training programs with needed knowledge and skills to determine gaps between existing training and needed training (i.e., conduct gap analysis).
    - iv) Determine recommendations for revisions to qualification/training curriculum or creation of new learning events that support meeting actual training needs in an effective, efficient manner.
    - v) Develop a plan to measure the efficiency and effectiveness of NRC training and development programs by applying outcome of competency models and by advancing learning transformation vision and goals.
  - b) Based on outcome of I-2.a. determine timeline for developing competency models for other agency occupations and functions.

### Outcome

As new needs or overages emerge in response to organizational workload changes, employees are promptly shifted to accomplish the NRC mission.

### Metric

The time required to shift employees or their work assignments to meet the demands of a changing environment is 30 days or less.

## Resources

Lead: OCHCO

Estimated start: 8 month after SRM

Estimated time to completion: 6 months for I-2.a. only (schedule for I-2.b. to be determined after completion of I-2.a.)

I-3) Increase organizational agility and efficiency through focus on “One NRC” and on outcomes.

- a) Develop or adopt an explicit NRC leadership model (or leadership philosophy) that builds on the agency’s existing culture (Principles of Good Regulation, Organizational Values) and supports agility, to include empowering employees by promoting personal responsibility and accountability along with creative thinking, innovation, and informed risk-taking in all of our activities. Refine the NRC Organizational Values to incorporate those values necessary to support organizational agility or clarify that they are already included under the existing values.
  - i) Build support and understanding for the need for an explicit NRC leadership philosophy and the need to incorporate creativity, innovation, and empowerment into the NRC values.
  - ii) Reach alignment on an NRC leadership philosophy and refined values.
  - iii) Implement a communication plan so that employees are consulted and engaged in the refinement process and understand the need for, and the content of, the NRC leadership philosophy and values.
  - iv) Leverage the “Behavior Matters” initiative to develop workforce understanding of behaviors to support the values.
  - v) Conduct training on topics necessary to support refined values (e.g., exercise of innovation and creativity within the context of risk).
  - vi) Revise Leader’s Academy curriculum to support the explicit leadership philosophy.
  - vii) Develop or revise courses for the general non-supervisory workforce so they understand and possess the skills necessary to be more self-directed consistent with the NRC leadership philosophy.
  - viii) Incorporate candidates’ modeling the leadership philosophy into selection decisions for positional leaders (i.e., first-line and upper level supervisors to include Senior Executive Service).

- ix) Assess the NRC's organizational structure to determine whether staff to supervisor ratios can be increased, and whether layers of the hierarchy can be eliminated.

#### Outcome

NRC employees understand and begin to live the new values and empowerment and creativity is increased.

#### Metric

Long-term metric - Increase the Federal Employee Viewpoint Survey (FEVS) positive response to the following questions (5 years out):

- Question 30: Employees have a feeling of personal empowerment with respect to work processes. In 2010, the agency had a 68.8% Positive Response to this question. In 2014, the Positive Response declined to 57.6%. This represents a 16% decline over the last 5 years.
- Question 32: Creativity and innovation are rewarded. In 2010, the agency had a 62.7% Positive Response to this question. In 2014, the Positive Response declined to 47.7%. This represents a 24% decline over the last 5 years.

#### Resources

Lead: OCHCO

Estimated start: 1 month after SRM

Estimated time to completion: 10 months

- b) Explore greater reliance on centers of expertise to provide leadership, best practices, research, and support in particular focus areas across the agency. Currently, the NRC is utilizing centers of expertise across certain business lines in areas such as vendor oversight, electrical engineering, allegations, force on force inspections, and fire protection licensing reviews. Based on the evaluation, expand reliance by establishing additional centers of expertise.
- i) Consider consolidating specialists into additional or expanded centers of expertise, including but not limited to:
  - 1) Decommissioning
  - 2) Security (transfer radiation source security and security for research and test reactors back to the Office of Nuclear Security and Incident Response (NSIR))
  - 3) Seismic and flooding evaluations
  - 4) Environmental reviews
  - 5) Rulemaking
  - 6) Operating experience and generic communications
  - 7) Criticality safety evaluations

- 8) Advanced reactor technology
  - 9) Technical specifications
  - 10) Human factors
  - 11) Allegations (expanded across multiple regulatory business lines)
- ii) Prioritize the potential centers of expertise and determine which ones should be completed in Fiscal Year (FY) 2015, FY 2016 or later. The timing of consolidation should reflect the action's level of complexity across diverse business lines and be consistent with the agency's plans for a future potential merger of the Office of Nuclear Regulatory Regulation (NRR) and the Office of New Reactors (NRO) at the appropriate time.
- iii) Develop reorganization plans for potential centers, with associated pros and cons, for consideration. Clearly identify roles and responsibilities, including those needed for setting priorities and making decisions. Consider necessary tools or training needs. Incorporate lessons learned and best practices from current centers that are working well.

Outcome

Improved workload distribution, enhanced collaboration, improved knowledge transfer, and enhanced agility.

Metric

In the long term, process time associated around the centralized set of skills would improve.

Resources

Lead: Office of the Executive Director for Operations (OEDO), NRO, NRR, Office of Nuclear Material Safety and Safeguards (NMSS), and other partner offices

Estimated start: 2 months after SRM for FY 2015 focus areas; 5 months after SRM for candidates beyond FY 2015

Estimated time to completion: 3 months

- c) Develop a transitional plan that describes the approach to conduct a merger of NRO and NRR at the appropriate time, along with any associated organizational changes in Region II. The plan will describe key criteria and factors that need to be considered, interim actions that will be undertaken as key milestones are achieved, and potential future events that could accelerate or decelerate the timing of the merger.

Outcome

The NRC understands the drivers and actions to be taken to successfully merge NRR and NRO at the appropriate time.

### Metric

Positive feedback from employees in affected organizations that workload is balanced and reasonable, staff are fully engaged, stakeholders are aware, and the merger, when it occurs, is relatively seamless.

### Resources

Lead: OEDO, NRR, NRO, and partner offices

Estimated start: 6 months after SRM

Estimated time to completion: 12 months

- d) Evaluate further consolidation of the regional materials program to determine whether further consolidation would be more efficient. The Materials Program for Regions I and II was successfully consolidated into Region I in 2006.

### Outcome

Enhanced coordination, effectiveness, and efficiency in achieving the mission.

### Metric

The short term metric is the completion of the evaluation. If the evaluation determines that a consolidation should be implemented, the long-term metric is a reduction in resources as a result of efficiencies gained from centralized practices.

### Resources

Lead: NMSS

Estimated start: 5 months after SRM

Estimated time to completion: 6 months

- e) Evaluate the corporate support functions in the regions to ensure they are appropriately resourced and identify if any savings can be reached through standardization or centralization of specific functions. The evaluation should reflect upon the lessons learned from the Transforming Assets into Business Solutions initiative.

### Outcome

Enhanced coordination, effectiveness, and efficiency in achieving the mission.

### Metric

The short term metric is the completion of the review/evaluation. The long-term metric may be a reduction in resources as a result of efficiencies gained from streamlined or centralized practices, if implemented.

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Resources

Lead: OEDO and Office of the Chief Financial Officer (OCFO)

Estimated start: 5 months after SRM

Estimated time to completion: 6 months

## **II. Planning**

**Planning Strategy** – Transform the planning and budgets of the agency by modernizing the budget formulation process and re-baselining the work of the agency.

The following recommendations are made to ensure that the planning and budgets of the NRC will allow for the needed flexibility to succeed under a variety of operating environments:

### **II-1) Improve the Planning and Budget Formulation Process**

- a) Benchmark with other agencies and seek external validation from a third party to clearly define and justify overhead as well as identify the variable components of Corporate Support.

Outcome

Overhead is well-defined and reasonable and accepted by our external stakeholders as appropriate.

Metric

What is ultimately determined to be defined as “true” overhead will represent no more than a certain percentage (e.g., 33%) of the total agency budget. The appropriate level will be determined during the benchmarking process.

Resources

Lead: OCFO

Estimated start: 1 month after SRM

Estimated time to completion: 7 months

- b) Clarify agency priorities and use office and agency add/shed procedures to ensure effective and efficient use of the staff’s time and resources.

Outcome

Develop agency common prioritization to inform execution and budget formulation to be included as an appendix in the proposed budget to the Chairman/Commission.

Metric

The agency common prioritization is approved and applied to the budget formulation process.

Resources

Lead: OEDO

Estimated start: 3 months after SRM

Estimated time to completion: 3 months

- c) Utilize foresight methods and stakeholder engagement to get a more informed estimate of the future to ensure the agency is prepared. This substrategy develops a process that would be implemented on an annual basis as part of the planning and budget formulation process and in support of the quadrennial revision of the Strategic Plan.
  - i) Provide report with scenarios, trends, and drivers shared internally on an annual basis.
  - ii) Monitor external reports that provide insights about the future, including significant trends and drivers, best practices, and interagency initiatives.
  - iii) Engage external stakeholders to gain perspectives about the future to inform strategic planning, High Level Planning Guidance, and budget formulation.

Outcome

The NRC's plans and budgets support a more adaptive and agile agency response to significant, unforeseen changes in the workload and external environment; the NRC's budgets are broadly supported by external stakeholders and accomplish the NRC's safety and security mission.

Metric

Foresight methods are used to inform the budget formulation process.

Resources

Lead: OEDO

Estimated start: 3 months after SRM

Estimated time to completion: 3 months

II-2) Re-Baseline the work of the Agency

- a) Conduct a review of the work performed across the agency and confirm the basis for the work (the requirement(s) that the work is intended to fulfill, whether it is required by law (including judicial mandates and regulations), or Commission direction). Work that is not required could be shed to help make the agency more lean and reduce future



budgets. With the growth that occurred from FY 2005 through FY 2010, new activities may have been added to the agency's workload and budget that are no longer required or to a lesser degree. This activity would be performed by the staff, with assistance from an outside entity.

#### Outcome

The agency will become more efficient as a result of clarifying the basis for agency work.

#### Metric

The re-baselining effort results in the reduction of resources that are not required to achieve the agency mission.

#### Resources

Lead: OEDO

Estimated start: 1 month after SRM

Estimated time to completion: 9 months

### **III. Process**

**Process Strategy** – Improve agility, flexibility, effectiveness, and efficiency by focusing on outcomes and streamlining processes.

The following recommendations are made to improve our work processes:

III-1) Improve the transparency and simplify how the NRC calculates and accounts for fees, and improve the timeliness of when the NRC communicates fee changes. When the NRC published the 2014 Fee Rule, many commenters raised concerns regarding the lack of clarity in the work papers presented to justify fees. Identify the specific reasons for the stated fee changes and determine necessary changes to any future presentation and communication of fee changes to the industry. Also, assess alternative methods of allocating fees, including looking at whether flat fees should continue to be applied to materials licensees, and if the use of flat fees should be broadened to other NRC license categories, regulatory activities and applicants to provide a simple and predictable billing process.

#### Outcome

Fee rule publications clearly demonstrate and justify fee amounts.

#### Metric

The short-term metric is the completion of the project work. In the long term, the NRC will review comments and other feedback during the FY 2015, FY 2016, and FY 2017 fee rule development to determine if the agency's fees are more transparent.

### Resources

Lead: OCFO

Estimated start: OCFO is currently engaging with a commercial entity on fees assessments and revising the FY 2015 fee rule work papers for transparency and clarity.

Estimated time to complete: September 15, 2016, for FY 2017 Fee Rule.

- III-2) Improve licensing by conducting a business process improvement review of the operating reactor licensing process and make associated improvements to enhance the predictability, timeliness, and efficiency of the reviews, while ensuring and measuring the effectiveness and quality of the reviews.

Note: The staff has initiated a focused effort to manage the backlog and conduct process improvement initiatives intended to improve the efficiency of the licensing process outside of Project Aim 2020. The BPI review under this strategy is planned to take place in a timeframe that will allow NRR resources to remain focused on completing the current initiatives and addressing the backlog challenges (i.e., after 2016).

### Outcome

The operating reactor licensing review process would have enhanced predictability, timeliness, effectiveness, efficiency, and quality of reviews.

### Metric

Documented improvement in key parameters for the quality, responsiveness, efficiency, and timeliness in the processing of operating reactor licensing reviews.

### Resources

Lead: NRR

Estimated start: FY 2017

Estimated time to completion: 9 months

- III-3) Improve processes by streamlining, standardizing, and clarifying roles and responsibilities:

- a) Evaluate and improve the acquisition process to clarify the roles and responsibilities of the Contract Officer Representative (COR), standardize processes, and improve quality and process time.

### Outcome

Clearly defined roles and responsibilities of the COR, standardized processes that improve process time and consistency, and increase the agility of the staff.

### Metric

Improved process time determined by the project and reported at the Quarterly Performance Review (QPR).

### Resources

Lead: Office of Administration (ADM)  
Estimated start: 3 months after SRM  
Estimated time to completion: 6 months

- b) Improve efficiency of processes by expanding the use of mobile information technology solutions across the agency.

### Outcome

A mobile technology-enabled workforce that benefits from increased productivity.

### Metric

Increase in the percentage of mobile workers at the NRC, coupled with effectiveness and efficiency improvements in key regulatory processes, such as inspection, licensing, and rulemaking.

### Resources

Lead: Office of Information Services (OIS)  
Estimated start: 3 months after SRM  
Estimated time to completion: 12 months

- c) Eliminate multiple request systems and paper forms by developing and implementing a streamlined “One-Stop-Shop” solution for OIS and ADM requests for services and support. This strategy would identify, evaluate, and define the requirements for such a solution.

### Outcome

Improved customer service and reduction in administrative time spent by staff.

### Metric

Launch of the new OIS and ADM request for services and support system with metrics to be reported at the QPR.

### Resources

Lead: OIS and ADM, working with partner offices  
Estimated start: 1 month after SRM  
Estimated time to completion: 9 months (Initial launch)

- d) Re-examine the processes and practices associated with the NRC’s assessment of the risks to its information systems in accordance with the Federal Information Security Management Act (FISMA).

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### Outcome

More effective and efficient processes to ensure adequate protection of technology resources.

### Metric

Noted process effectiveness and efficiency improvements and improved employee understanding of the risks and FISMA requirements.

### Resources

Lead: Computer Security Office

Estimated start: 1 month after SRM

Estimated time to completion: 3 months