

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON PROJECT AIM 2020

(Public Meeting)

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TUESDAY

SEPTEMBER 8, 2015

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ROCKVILLE, MARYLAND

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The Commission convened in the  
Commissioners Hearing Room at the Nuclear Regulatory  
Commission, One White Flint North, 11555 Rockville  
Pike, at 9:30 a.m., Stephen G. Burns, Chairman,  
presiding.

COMMISSION MEMBERS:

STEPHEN G. BURNS, Chairman

JEFF BARAN

WILLIAM C. OSTENDORFF

NRC STAFF:

FRED BROWN, Senior Advisor, Office of the  
Executive Director for Operations

MIRIAM L. COHEN, Chief Human Capital Officer

KRISTIN DAVIS, Chief, Outreach and Recruitment,  
Operations Branch, Office of the Chief Human  
Capital Officer

BRAD JONES, Acting General Counsel

RICH LAUFER, Acting Secretary

MARK A. SATORIUS, Executive Director for Operations

MAUREEN WYLIE, Chief Financial Officer

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

2 9:28 a.m.

3 CHAIRMAN BURNS: So good morning,  
4 everyone. The Commission will receive a briefing  
5 today, to update the progress on the implementation of  
6 Project AIM 2020. It's an important effort for the  
7 agency.

8 As we've said before, we're committed to  
9 right-sizing the agency and looking at making our  
10 operations effective and efficient under the -- with the  
11 resources that we have, and the Project AIM is one way  
12 we're trying to manage that change and that challenge.

13 So we look forward this morning, hearing  
14 from the staff this morning on the progress on the  
15 implementation of Project AIM strategies, including the  
16 proposed plan for rebaselining the work of the agency  
17 and the Strategic Workforce Planning effort.

18 We'll also hear remarks at the end of the  
19 meeting from the National Treasury Employees Union.  
20 But first, any other Commissioners like to make opening  
21 remarks? I'll turn it over, then, to Mark Satorius.

22 MR. SATORIUS: Thank you, Chairman. Good  
23 morning Chairman and Commissioners. Staff is looking  
24 forward to this opportunity for briefing the Commission  
25 on the progress that we've made on Project AIM 2020  
26 implementation.

1                   In today's meeting -- next slide, please.

2           In today's meeting, Maureen and I will be discussing the  
3           background and progress on implementation of the  
4           Project AIM strategies. Fred Brown will describe how  
5           we plan to conduct the rebaselining of agency  
6           activities, and Kristin Davis will provide an update on  
7           Strategic Workforce Planning, and we'll close the  
8           meeting with some next steps.

9                   Next slide, please. Just go to the next  
10          one, please. This is our first meeting with the  
11          Commission since you issued the Staff Requirements  
12          Memorandum or SRM related to Project AIM. That SRM  
13          contained direction to the staff, that we are tracking  
14          as 19 discrete tasks.

15                 All of the tasks now have project  
16          management or approaches, and we are currently actively  
17          working to complete nearly all of them. Only tasks that  
18          are sequenced by resource availability or contingent on  
19          decisions from currently ongoing tasks have not been  
20          started.

21                 We've devoted a lot of time and attention  
22          on Project AIM over the last three months, and look  
23          forward to working it hard over the next several months.  
24          All of this, of course, while assuring that we're not  
25          in any way distracting our staff from our safety and  
26          security mission.

1                   Since you issued the SRM, we have completed  
2                   two tasks and three deliverables have been provided to  
3                   the Commission. Those deliverables are first, the  
4                   overall implementation plan. Second, an evaluation of  
5                   the recommendations received from Ernst & Young, which  
6                   is the last component of the overhead benchmarking task,  
7                   and third, the plan for the integrated agency  
8                   prioritization and rebaselining of agency activities,  
9                   which is the first of three deliverables under that  
10                  task.

11                 We are making great progress on a number of  
12                 other tasks, two of which we will highlight later today  
13                 during Fred and Kristin's presentations. Maureen and  
14                 I would like to take the next ten minutes or so to provide  
15                 an overview of some of the other work that's underway.

16                 Next slide, please. Managing change will  
17                 likely be the greatest challenge that the NRC leadership  
18                 team faces with Project AIM. We will have to cope with  
19                 uncertainty in the fiscal environment, which calls for  
20                 a rapid change from several of our external  
21                 stakeholders. We need to accomplish today's safety and  
22                 security work of the agency, develop more efficient  
23                 processes for our core workload, and transition the  
24                 staff to the new processes.

25                 Parts of the agency will be further along  
26                 the change path than others. We will need to quickly

1 learn lessons and apply those lessons as we move  
2 forward. Effective implementation of Project AIM will  
3 also require the agency and all of us, as individuals,  
4 to be more open to taking some risks, not with safety  
5 or security, or with the processes and procedures we  
6 have developed over time.

7 Innovation is not born in a static  
8 environment, but in places where people can question the  
9 status quo. The NRC can be that place if we are open  
10 to change and innovating together. We also recognize  
11 that anxiety and fear of the unknown are likely to grow.  
12 It is therefore paramount that we adapt our behaviors  
13 and practices in a manner that best positions us to  
14 effectively respond to the shifting environment in  
15 which we must operate. We are asking our employees to  
16 join with us, as we seek to change what work they do and  
17 how they do it. We need their skills, creativity and  
18 trust to allow us to accomplish the regulatory work of  
19 the agency at the same time.

20 One of our greatest strengths as an agency  
21 is our commitment to open and collaborative work  
22 environments. We should use collaboration to clear  
23 obstacles to change. The way in which leaders  
24 communicate with their employees is crucial to the  
25 success of building a desire to participate in change.

26 The way in which a leader or a supervisor

1 reacts to employees in response to organizational  
2 transformation can help us mitigate anxiety and fear.  
3 NRC senior leaders will ensure the success of Project  
4 AIM tasks, taking ownership of the implementation and  
5 being accountable for both change and project  
6 management.

7               Such support has been through leadership  
8 retreats, small team engagements and other case-by-case  
9 requests for innovations. The Office of the Chief  
10 Human Capital Officer or OCHCO has and continues to  
11 provide resources that will help our senior leaders,  
12 managers, supervisors and staff level employees  
13 transition through periods of change, by providing them  
14 with the necessary tools and resources to build change  
15 capacity.

16               As we address the challenges presented by  
17 transformational change, OCHCO will continue to offer  
18 executive leadership seminars, that help us to  
19 strengthen our ability to manage change. Accordingly,  
20 the next executive leadership seminar will focus on  
21 trust leadership, a key component to building the desire  
22 to participate in change, and to actively manage  
23 resistance to change. This seminar is scheduled to  
24 take place on September the 21st.

25               We've provided all supervisors with a brief  
26 guide to managing change. This guide highlights

1 effective strategies for supervisors, to deliver key  
2 messages about Project AIM to their direct reports, and  
3 highlights the key roles of a supervisor in making  
4 change successful, providing a summary of supervisory  
5 behaviors that promote or detract from change  
6 initiatives, and list training resources available at  
7 the agency, both instructional and online, in addition  
8 to reading materials on managing change and difficult  
9 conversations.

10 In the supervisor's toolbox, which is an  
11 online resource for managers and supervisors, we have  
12 provided various tools on how managers and supervisors  
13 can facilitate difficult conversations around various  
14 topics, to include adapting to change and transitioning  
15 into new organizations.

16 We continue to stress to employees that we  
17 are here to support them in their development, as NRC  
18 skills and staffing needs change. We need everyone to  
19 continue skill development, which helps us to enhance  
20 their technical ability as well as hone their ability  
21 to successfully lead others during periods of change.

22 Finally, the Employee Assistance Program  
23 or EAP is a resource that can help employees navigate  
24 through uncertain times. Employees are able to  
25 schedule a visit with an EAP counselor, to seek guidance  
26 or discuss any concerns they may have related to



1       impending changes.

2                   Next slide, please.   Effective change  
3       management   takes   strong   collaboration   and  
4       communications.   To keep the staff informed and  
5       involved, myself, the deputy EDOs and Project AIM staff  
6       have been speaking at all hands meetings with the staff,  
7       as well as all executives and supervisors, to discuss  
8       the need for change and the Project AIM tasks.

9                   Maureen has been involved in these  
10       discussions where possible, to provide an overview of  
11       the federal budget environment, and has presented a  
12       compelling case that NRC's budget will be under  
13       significant pressure.   NTEU is partnering on selected  
14       AIM projects and tasks, and participating in meetings  
15       of the OEDO Project AIM team, to ensure open and  
16       effective communications regarding the project.

17                   Myself, along with Maureen and the deputy  
18       EDOs have met with senior agency leaders on several  
19       occasions, to establish our clear expectation for their  
20       involvement and ownership of Project AIM.   While we've  
21       established a high level of direction and criteria for  
22       each of the individual Project AIM tasks, the lead  
23       offices develop and own the implementation guidance for  
24       that direction and criteria.

25                   By using a combination of the AIM, Project  
26       AIM steering committee and our normal reporting lines,

1 we carefully monitor progress in each of the tasks, and  
2 the degree of ownership and involvement of each of the  
3 agency's senior managers.

4 Our efforts to manage change and maintain  
5 and open and collaborative environment will continue to  
6 be involved throughout the implementation of the  
7 recommendations. We need to lead the staff through  
8 this changing environment.

9 We'd like to now change the tempo a little  
10 bit and talk about the status of a few projects that have  
11 already been started. So I'll turn to Maureen and  
12 she'll address a number of those.

13 MS. WYLIE: Thank you, Mark. Now the next  
14 slide, please. Thank you very much. May I have the  
15 next slide. Okay. So as you're aware, over the last  
16 15 years, our agency has undergone radical change in its  
17 budget environment. We have been as high as 4,000  
18 full-time equivalents. We're currently at just under  
19 3,700 and we see clouds in the budget environment and  
20 likely reduced FTE and dollars in the future.

21 Both the Congress and the administration  
22 are very focused on an efficient government that  
23 delivers cost effective services to individual  
24 citizens, industrial sectors. All of that applies to  
25 us in terms of our regulatory services.

26 We want to be proactive in presenting a

1 budget that articulates our commitment to more  
2 efficient budgeting, and an organizational structure  
3 that is optimized and appropriately sized, so that we  
4 have sufficient personnel to perform our mission, and  
5 be an effective regulator, but also be accountable to  
6 the American people in terms of our efficiency and  
7 effectiveness.

8           So we have already begun taking actions to  
9 limit our full-time equivalent utilization to 3,600 in  
10 2016. That's important, so that we can transition  
11 toward our target of 3,400 FTEs in 2020. As we've  
12 articulated in the past, that target will vary depending  
13 on where we are in terms of our implementation. We  
14 intend to reset that target once we've completed the  
15 rebaselining activity in 2016.

16           The agency plans to use two primary  
17 strategies to help meet the 3,600 target. The first is  
18 to greatly reduce the number of vacancies that we  
19 advertise externally, and then the other is to request  
20 authority for early buyout opportunities for our staff.

21           Not filling vacancies externally allows us  
22 to use attrition to achieve our goals, with the least  
23 disruption to our employees. As we vacate positions,  
24 offices and regions are asked to carefully examine the  
25 work associated with those vacancies, to determine the  
26 best way that the work can be accomplished, including

1       whether that work can be ceased.

2                   The agency will fill an increasing number  
3       through internal reassignments, solicitations,  
4       rotations, additional training and redistribution of  
5       work. I expect, frankly, that there will be very few  
6       positions that will be advertised on the outside.

7                   This approach will allow us to take full  
8       advantage of that attrition effort, while we take a  
9       fresh look at how we need to accomplish our work. We  
10      are in the process of formally requesting from OPM  
11      authority to offer voluntary buyouts and early outs in  
12      two groups of employees at headquarters and at the TTC  
13      in Chattanooga, supervisors at the GG-15 level, and that  
14      does not include team leaders, and employees performing  
15      corporate support functions.

16                  A third group will include senior project  
17      managers at the GG-15 level in NRR, NRO and NMSS. We  
18      believe that this additional offering will allow us to  
19      proceed with a better mix of grades, and a somewhat  
20      smaller number of project managers, which will be  
21      appropriate as we reduced our workload in the future.

22                  We are also making substantial progress on  
23      reducing overhead. Last spring as you're aware, we  
24      contracted with EY to benchmark our overhead functions  
25      and our calculations with similarly sized agencies.  
26      That result was provided to the Appropriation

1 Committees on the 1st of May, as required.

2           Based on the insights from this assessment,  
3 we've provided to you in the FY '17 budget process a  
4 restructuring of our overhead, to make it more  
5 consistent with practices across the federal  
6 government. In addition, we have also assessed the  
7 recommendations that EY made to us in terms of their  
8 feasibility for implementation, and we believe that  
9 we'll be able to take significant additional  
10 reductions.

11           Their recommendations include moving our  
12 transactional workload to a shared service provider;  
13 further centralization of financial management, human  
14 resources and IT; data center consolidation and IT cost  
15 management practices; a review of our IT security and  
16 physical security spending, to make sure that it is as  
17 effective as it can be; and other smaller  
18 recommendations.

19           That assessment of their recommendations  
20 was provided to you on the 28th, and we will consider  
21 these items not just for the headquarters, but as we also  
22 work on the consolidation of regional corporate  
23 support.

24           Another one of the approved Project AIM  
25 recommendations is to improve the transparency and to  
26 simplify how the NRC calculates fee, and to improve the

1       timeliness of when we communicate those fee changes.  
2       We've made some progress in this area already in the FY  
3       '15 Fee Rule.

4               We had a large public meeting in April and  
5       a smaller public meeting in May with industry  
6       stakeholders, to improve transparency, not only to  
7       discuss how we do the calculations, but to articulate  
8       the FY '15 budget and the workload drivers that then  
9       apply to fee.

10              We intend to do another meeting this year  
11       that will also focus on improvements in the fee billing  
12       process itself, and we will also be providing additional  
13       clarity and transparency to work papers. Finally, we  
14       also hope to automate some steps of the '16 Fee Rule.

15              This requirement in the Project AIM SRM  
16       actually drives us toward improvement in the '17 Fee  
17       Rule. But our intent is to provide continuous  
18       improvement around fee calculations, transparency and  
19       timing.

20              We also plan to have a briefing, a public  
21       meeting with industry about our new CAC codes, the Cost  
22       Activity Codes, which are replacing our Technical  
23       Assignment Codes. We are going to simplify that  
24       process for non-fee billing at the beginning of '16, and  
25       we'll be working on fee billing throughout the year in  
26       2016.

1                   Our commitment is that whatever structure  
2                   we use for fee billable TACs is that there will be no  
3                   impact on the ability of our licensees to understand  
4                   what we're providing to them. Mark.

5                   MR. SATORIUS: Thanks. Thanks Maureen,  
6                   and the last Project AIM recommendation that I'd like  
7                   to highlight is that we are now actively improving the  
8                   licensing by strategically making improvements now.  
9                   The staff has dedicated resources to complete actions  
10                  that are over a year old, to eliminate the backlog;  
11                  increase the focus on actions that are nine to 12 months  
12                  old, to ensure they are completed in less than a year  
13                  and do not become a part of the backlog; and to ensure  
14                  -- and ensuring that no actions take longer than two  
15                  years to complete.

16                 We've also established additional metrics  
17                 to drive our performance. As of July, we've reduced the  
18                 backlog from 112 actions to 57 actions, a 50 percent  
19                 decrease since initiating the strategy in November  
20                 2014. In addition, performance in completing  
21                 licensing actions in less than one year has improved  
22                 overall since implementing the staff's effort in this  
23                 area.

24                 This timeliness metric had declined to 83  
25                 percent last spring. Around that time, we initiated  
26                 initial improvement efforts and the allocation of

1 additional resources to the operating reactor business  
2 line. By July, timeliness had increased to 90 percent,  
3 with our annual average performance in FY '15 currently  
4 at 87 percent of actions completed in less than one year.  
5 So with that, I'll turn over the presentation to Fred.

6 MR. BROWN: Thank you, Mark. My first  
7 slide, please. I'd like to start by talking about a  
8 couple of guiding principles. The next slide, please,  
9 that don't apply just to rebaselining and common  
10 prioritization, but to all the tasks.

11 So first is transparency. Mark mentioned  
12 the overall implementation plan that we've provided to  
13 you. Each of our monthly updates now tracks that. All  
14 of those documents will be publicly available in ADAMS,  
15 so that not only the Commission but external  
16 stakeholders can see what we're doing, what our  
17 milestones are and that we're meeting those working  
18 towards our end dates.

19 The next thing is engagement as well as  
20 partnering. Mark mentioned that we're partnering with  
21 the NTEU. There's a tremendous amount of engagement  
22 with senior managers, line managers, subject matter  
23 experts and the staff that's occurring throughout the  
24 tasks, and I can say with a great deal of satisfaction  
25 that the dedication of the mission, the commitment to  
26 this difficult environment and seeing us successfully



1 through it has been outstanding across the board.

2 So on the next slide, I'll move to a  
3 discussion of common prioritization and rebaselining.  
4 It's really not that complex conceptually. We start by  
5 identifying what the work we do is and obviously we know  
6 the rules that we're -- rulemaking that we're doing, the  
7 licenses we issue, the oversight we provide.

8 We're actually going a level deeper into  
9 how we produce those products. What are our internal  
10 processes and procedures, because that's where we need  
11 to find efficiencies going forward, to be able to  
12 produce the same products at a lower cost in the future.

13 Once we've established that level of detail  
14 in what we're doing, we're prioritizing using the  
15 mission of the agency, the principles of good regulation  
16 and our values as the basis for prioritizing across all  
17 of the work of the agency, and from that we'll move into  
18 the shed process, both immediate, near term and  
19 longer-term, and continuing improvement, which I'll  
20 mention starting on my next slide.

21 For our approach, we do want to find  
22 immediate gains. So for efficiency improvements,  
23 we're looking for those areas that we know what we do  
24 now, and we have a definitive alternative that we can  
25 put in place in the near term to achieve efficiency gain,  
26 in some cases within our authority to do and some cases

1 requiring Commission approval.

2 Anything where we see the opportunity for  
3 process improvement, but where we'll have to do an  
4 in-depth business process reengineering or a more  
5 in-depth review to find the alternative, will not be  
6 handled through rebaselining, but it will be identified  
7 and tracked through Project AIM 2020. So while you  
8 directed us for rebaselining to focus primarily on  
9 fiscal year 2017, there's a longer term aspect of this  
10 as well.

11 Referring or talking a little bit about  
12 expectations, guidance and criteria, Maureen and Mark  
13 and the Steering Committee gave me some pretty clear  
14 direction on how aggressively to pursue rebaselining  
15 and common prioritization. We spent the last month  
16 engaged with the offices and a working group, to develop  
17 the implementing guidance to do that. The benefit of  
18 doing that is that the offices own the guidance.

19 They're the ones that will be implementing  
20 it. They'll have a much better idea of how to proceed  
21 starting next week, as we really get into the nuts and  
22 bolts of rebaselining and common prioritization.

23 Throughout this, we're leveraging the  
24 input of our stakeholders. We're in the third week of  
25 a one month comment period that was applicable both to  
26 the staff, who we've requested provide us with ideas of

1        what we can do less of and improve our efficiency, as  
2        well as the public.

3                So I personally received between 40 and 50  
4        recommendations from the staff, and in a public meeting  
5        this week or last week, we received about 20 suggestions  
6        from the industry and we look forward to many more in  
7        the remaining week of the comment period.

8                So on the next slide, for objectives,  
9        really we can think about this project in kind of three  
10       areas. The first is an add shed procedure that we will  
11       have finished in early December. It will improve our  
12       agility going forward and our effectiveness in looking  
13       at new work or emergent work as it comes in the door.

14               We use the same prioritization scheme that  
15       we've used for existing work, and we'll be better able  
16       to see whether we should shed existing work to take the  
17       new work on, and if so, what the consequences of that  
18       will be. So more foresight in addressing new work.

19               Three things in budget space efficiency  
20       space. The quick savings within fiscal year '16 for the  
21       things within the staff's control, to stop doing as soon  
22       as we identify meaningful alternatives. And then  
23       consistent with the staff requirement memo, a lot of  
24       focus on fiscal year '17, the implementation plan for  
25       the current estimates.

26               So no later than early April, we'll be

1 identifying for your consideration changes for fiscal  
2 year '17, and that information, those insights will be  
3 available to the staff in the development of the fiscal  
4 year '18 budget proposals in your deliberations on  
5 fiscal year '18.

6 And then longer term for those process  
7 improvements that we don't know what the answer is yet,  
8 but we know there's an opportunity those would typically  
9 we would expect see change in fiscal years '19 and '20.

10 Then the final output goes into the area  
11 that Kristin will be talking about in just a minute,  
12 iterations of Strategic Workforce Planning as we  
13 identify our work going forward.

14 So my final slide, while I'm confident and  
15 optimistic with where we're at, I would be remiss not  
16 to mention that there are some challenges in doing this.  
17 We generally like a lot of specificity in our guidance  
18 and criteria and direction, given the variance across  
19 our business lines and the fact that we're also looking  
20 at all of our corporate activities.

21 We found that an informed, intelligent  
22 approach with flexibility is going to get us better  
23 results than a rigid do this, this, this. Also in terms  
24 of the rigor and resource expenditure. I think just as  
25 we look at our internal processes for licensing and  
26 oversight and rulemaking, we see a point of diminishing

1 return, where we can get 90 percent of the benefit with  
2 maybe 70 percent of the effort.

3 I think the same applies for this activity.  
4 So our goal is to give you a high quality recommendation  
5 in a very timely way, without diverting the staff from  
6 its core mission in the coming months. But it will not  
7 be perfect. It will be very good. Finally, I would be  
8 remiss not to acknowledge that we're a risk-adverse  
9 organization. It's the nature of what we do.

10 So changes and giving things up are  
11 difficult, but I think the staff is engaged very  
12 aggressively in finding ideas for more efficient  
13 operation going forward. So I'm realistically  
14 optimistic and hope to be able to provide you a lot of  
15 good updates, all of which show that we're meeting our  
16 milestones going forward. With that, I'll turn it to  
17 Kristin.

18 MS. DAVIS: Thank you Fred and good  
19 morning. I'm pleased to have this opportunity to  
20 update you on the status of Strategic Workforce  
21 Planning. The last time we spoke about this initiative  
22 was at the Commission briefing on human capital and  
23 equal employment opportunity back in July. That  
24 briefing centered on change and our overall vision of  
25 moving the agency into the future.

26 Since that time, we have taken several

1 steps to make that vision a reality. Before I speak  
2 about the status of activities which are underway, I  
3 wanted to take some time to focus on the goal and the  
4 objectives of workforce planning, as well as our defined  
5 process for implementing them.

6 Next slide, please. Simply stated, the  
7 overall goal of workforce planning is to ensure that the  
8 right people with the right skills are in the right place  
9 at the right time. More specifically, to achieve this  
10 goal, we must be able to analyze the current agency  
11 workforce, define a desired future state agency  
12 workforce, compare the two to identify staff surpluses  
13 and gaps, and develop and implement strategies to  
14 alleviate those surpluses and gaps.

15 Although the process seems  
16 straightforward, I believe that anyone who has done it  
17 will agree it can be very challenging. So if it's that  
18 challenging, I think it's important for us to remember  
19 why we're doing it.

20 We do workforce planning in order to  
21 successfully make current and future staffing decisions  
22 that are based on our organizational mission, strategic  
23 direction and objectives, budgetary resources and a  
24 known set of desired workforce skills and competencies.

25 Workforce planning keeps us focused on our  
26 long term objectives, and provides a road map to execute

1 strategies to meet those objectives. At the same time,  
2 it helps us to avoid short-term decisions that may  
3 result in long-term problems.

4 Like the famous quote paraphrased from  
5 Lewis Carroll's *Alice in Wonderland*, "If you don't know  
6 where you're going, any road will get you there."  
7 Workforce planning ensures that we know where we want  
8 to go.

9 Next slide. So how do we take our goal and  
10 objectives and actually create that path forward? We  
11 begin by defining the Strategic Workforce Planning  
12 process model, to methodically move us in the right  
13 direction. As I researched various models, I found  
14 very little difference between them. Some looked  
15 slightly different. They have five, seven, nine even  
16 eleven steps.

17 But that doesn't seem very important, as  
18 the basic steps and the basic processes are much the  
19 same. I believe the key lies in implementation.  
20 Regardless of which model you follow, you must be able  
21 to implement. So the model we're using is based on the  
22 Office of Personnel Management model, but refined to  
23 better meet our needs.

24 Our model actually has seven steps, which  
25 you can see on the slide, but they may be a little  
26 difficult to read. So they are strategic alignment,

1       analyzing our current workforce, determining our future  
2       workforce needs, determining gaps and surpluses,  
3       developing an action plan and executing that action  
4       plan. Of course, we will continue to monitor, evaluate  
5       and revise our process, as the environment changes or  
6       as course corrections are required.

7               So where are we now? As we look at the  
8       workforce planning process model, the activities  
9       involved in Step 1 have for the most part already been  
10      done as part of the Project AIM 2020 effort completed  
11      earlier this year, and they continue to be done as part  
12      of implementation efforts.

13             This gives us a framework and a long-term  
14      forecast to execute our agency mission and achieve  
15      leadership alignment.

16             Next slide, please. We have built upon the  
17      work already done by developing a project plan and a  
18      communications plan to outline our workforce planning  
19      project activities. I think it's important to note  
20      that our communications plan activities align with the  
21      bigger picture Project AIM communications plan.

22             This ensures that stakeholders are kept  
23      informed, and that we are delivering a consistent  
24      message across the many AIM initiatives.

25             So Step No. 2 is where our real work begins,  
26      as we work to understand our current workforce. We have



1       approached this task by analyzing office staffing  
2       plans, to determine where we have surplus resources or  
3       potential resource gaps.

4               From there, we are asking offices to inform  
5       these surpluses and gaps with an understanding of how  
6       their resources may potentially evolve over time. For  
7       example, if an office currently shows a surplus of five  
8       individuals in a particular work area, that office may  
9       have imminent reorganization plans, and may also know  
10      of a couple of losses, which could reduce that surplus  
11      from five down to two.

12             Later efforts would then focus on the two  
13      instead of the initial five. Once this effort is  
14      complete, the agency will have a better understanding  
15      of the overall magnitude of our surplus and/or gap  
16      situation. The time line for completing this part of  
17      the effort is November.

18             Next slide, please. At the same time we  
19      are working to define our desired future workforce.  
20      The Project AIM 2020 report detailed at a high level  
21      expected workload changes over the next five years.  
22      The challenge for us is translating these workload  
23      shifts into office-specific workload adjustments and  
24      resource needs.

25             We will be asking the business line leads  
26      and offices to analyze these shifts, to determine how

1       their resources may be impacted. Once the current and  
2       future workforce requirements have been determined, we  
3       will be able to identify areas where we have not only  
4       short-term surpluses and gaps, but long term as well.

5               At this point, we will identify possible  
6       strategies that could be implemented, to align the  
7       workforce to our current -- our current workforce to our  
8       future workforce needs. It is expected that these  
9       strategies will include a host of options, such as  
10      retraining, redefining positions and even hiring, to  
11      name just a few.

12             I envision that each situation will require  
13      an evaluation of the strategies best suited to meet that  
14      particular need, and implementation of those strategies  
15      will take place in the appropriate forum. As you can  
16      see, we still have a lot of work to do.

17             Next slide. So I would like to leave you  
18      with a few key messages which are crucial to the success  
19      of workforce planning. First and foremost, strategic  
20      workforce planning is not easy. I already mentioned  
21      that translating the high level workload shifts into  
22      more specific adjustments is a challenge.

23             In addition, I believe that aligning  
24      workforce planning with the other Project AIM  
25      initiatives may be a challenge as well. There are  
26      several other efforts underway which will not be

1 completed by the time this workforce planning project  
2 concludes. The results of these other activities and  
3 initiatives, things rebaselining and Centers of  
4 Expertise, could dramatically impact the workload and  
5 resource needs of a particular business line in the next  
6 few years. So strategic workforce planning will not be  
7 exact.

8 I think it's important for everyone to  
9 understand that workforce planning and working our way  
10 through the steps of this model is not a one and done  
11 activity. These other initiatives, plus unknown  
12 changes to our environment and evolution of our  
13 resources, will require that workforce planning be a  
14 repeatable process, that can continue to inform our  
15 agency needs well into the future.

16 I would like to thank you again for this  
17 opportunity to update you on the status of workforce  
18 planning, and to assure you and the staff that we are  
19 aware of resource constraints across the agency, and we  
20 are working to define a modest and repeatable path  
21 forward that can be accomplished within those available  
22 resources.

23 I will now turn the briefing back over to  
24 Mr. Satorius and Ms. Wylie.

25 MS. WYLIE: Thank you, Kristin. As we  
26 close, Mark and I would like to highlight some upcoming

1 milestones. In mid-September, the offices will start  
2 the actual work on common prioritization and  
3 rebaselining. In addition, we'll complete four  
4 additional tasks by early December.

5 First, the staff has evaluated the  
6 acquisition process, to clarify roles and  
7 responsibilities of the contracting officer's  
8 representatives' standardization processing,  
9 improving quality and process time. As a result, the  
10 core process standardization initiative  
11 recommendations report will be completed on the 1st of  
12 October. Mark.

13 MR. SATORIUS: Second, the staff is  
14 reexamining the processes and practices associated with  
15 NRC's assessment of the risk to its information systems  
16 in accordance with the Federal Information Security  
17 Management Act or FISMA. We will complete the report  
18 with recommendations by October the 16th.

19 MS. WYLIE: Third, by November 9th, the  
20 evaluation and recommendations related to the NRC  
21 Centers of Expertise will be completed and submitted to  
22 the Commission for review and approval.

23 MR. SATORIUS: And finally by December the  
24 8th, the Commission will receive an add shed procedure,  
25 including common prioritization lists. This will make  
26 a total of six out of the 19 tasks completed by the end

1 of the calendar year.

2 As we continue to make progress on the  
3 implementation of Project AIM, and on a very aggressive  
4 schedule, I want to reiterate that the NRC remains fully  
5 focused on accomplishing the agency's safety and  
6 security mission.

7 As we have recently observed in several  
8 real responses and emergent exercises, along with  
9 inspections with significant findings, progress in  
10 licensing and briefings for the Commission and the  
11 performance of NRC employees remains at a high level in  
12 accomplishing our mission. So we're happy to answer  
13 any questions that you may have now.

14 CHAIRMAN BURNS: Okay, thank you, and we  
15 begin this morning with Commissioner Baran.

16 COMMISSIONER BARAN: Thank you. Thank  
17 you for your presentations and all the work you're doing  
18 on the various activities involved with Project AIM. I  
19 want to start and take just a few minutes to talk about  
20 accountability and governance of this process.

21 Obviously, there are a lot of moving parts  
22 here with Project AIM, and I want to make sure that at  
23 this table, we all have a common understanding of who's  
24 responsible for what. To execute Project AIM, there's  
25 a Steering Committee that's co-chaired by Mark and  
26 Maureen. We have a Project AIM team to provide support

1       for the effort.

2                   Office       directors       and       regional  
3       administrators obviously are going to play a role in  
4       providing the oversight and support and other  
5       activities. Mark and Maureen, can you just take a few  
6       minutes and talk about how these structures and these  
7       folks interact, how they're going to work together, and  
8       ultimately who has responsibility for ensuring that  
9       each Project AIM initiative is successfully  
10      implemented?

11                   MR. SATORIUS: Well, I'll start. Maureen  
12      and I have responsibility for those activities, and we  
13      take it to heart and spend quite a bit of time working  
14      towards that end.

15                   I'll just say as we were trying to  
16      establish, even while the Commission was still  
17      discussing how the SRM should look like, we were already  
18      thinking about what level of governance should we have.  
19      What should we have to make sure that --

20                   We wanted the line organization to have, to  
21      have a stake in it, and they are those that are best  
22      suited to run projects and programs. So if we are  
23      relying on the line organization to lead that effort,  
24      that governance should probably be through the DEDOs  
25      that each of the line organizations report to.

26                   So that's the reason why we have all those

1 members on the Steering Committee, is to use our current  
2 hierarchical type of reporting governance to be sort of  
3 the starting point for Maureen and I to be able to take  
4 responsibility. I don't know if you wanted to add  
5 anything.

6 MS. WYLIE: Sure, thank you. We also  
7 tried to learn lessons of previous activities. We  
8 wanted to make sure that those that best understood what  
9 the work needed to be and how perhaps the work process  
10 is needed to change, would have control over that.

11 We discussed this in senior leader  
12 meetings. We got very robust feedback from the office  
13 directors. You know, my name is on the paper for this  
14 type of process. I need to have ownership of that. So  
15 we actually reconfigured how the Steering Committee  
16 would work, to ensure that office directors would have  
17 the control they thought was necessary.

18 So of course Mark and I are accountable, but  
19 we also want to make sure that the people who own the  
20 work have a true stake in it. The Project AIM team is  
21 intended to facilitate the work. It is not or perhaps  
22 to her the cats, as Fred seems to do quite ably.

23 But the idea is to make sure that everybody  
24 has the same access to resources and support for project  
25 management, for integration, so that we get people who  
26 are very familiar with the Project AIM recommendations

1 out there, available, working with the team, to make  
2 sure that we get overall a very high level of product.

3 And Fred really serves as a focal point.  
4 You can have everybody accountable for their piece, but  
5 you still need to have one person whose job it is to see  
6 both the big picture and the small detail, and Fred's  
7 been handling that effort quite ably for us.

8 MR. SATORIUS: Fred, is there anything you  
9 want to add, since you are that focal point for much of  
10 this?

11 MR. BROWN: I'll stop while I'm ahead sir.

12 COMMISSIONER BARAN: Well, thank you for  
13 that. I think that's helpful, and so with respect to  
14 -- if we take kind of an example here on rebaselining,  
15 it sounds like, and you correct me if I'm wrong, you  
16 talked about this at some length Fred.

17 What's happening at this stage is or what  
18 will be happening in the coming weeks is with the input  
19 from line management and office directors and regional  
20 administrators, a common process, criteria are being  
21 set up, that would then be applied all across the agency,  
22 and it's going to be general enough to allow for that,  
23 but specific enough to actually be useful and provide  
24 some guidance.

25 And then it's going to kind of aggregate up  
26 as -- as the lines and the offices do this rebaselining



1 look. Is that right?

2 MS. WYLIE: That's correct.

3 COMMISSIONER BARAN: Let me turn to  
4 something else, which is, you know, over the past month  
5 or so, there have been a number of all hands meetings,  
6 as Mark mentioned, agency-wide announcements that  
7 talked about early retirement options, buyouts and  
8 potential reductions in force.

9 I just want to take a minute and give you  
10 all a chance to talk with the folks who are here, talk  
11 with our employees who may be watching this online or  
12 might be watching it later tomorrow. You know, what  
13 should they know about the status of these possibilities  
14 at this point, because some of these things are scary  
15 or they create a lot of uncertainty.

16 What do people need to know? What's the  
17 latest information about these possibilities?

18 MR. SATORIUS: Well I think one thing that  
19 -- and we struggled with this over time, because as we  
20 learn more, we learn that there's a lot that we don't  
21 know and a lot of things that are in the air. We  
22 probably are not going to know what our budget situation  
23 looks like until October the 1st at the earliest.

24 So I think the thing that we're trying to  
25 do with some of our communications with our staff is to  
26 -- is to give them some indication that there are

1 vulnerabilities out there, and we put together an EDO  
2 Update that kind of went through those vulnerabilities.  
3 But that it's not set in stone or anything, that we just  
4 don't know.

5 We've been working a lot with our first line  
6 supervisors at the branch level and the second line  
7 supervisors at the division level. I think one of the  
8 things I said you need listen to your people and put your  
9 finger on the pulse of what's going through their  
10 minds, and lead them through this change in these  
11 turbulent times.

12 So we've taken multiple approaches to try  
13 and be open and transparent to the extent that we can,  
14 with the caveat that we really don't know a lot of  
15 details.

16 MS. WYLIE: And government employees in  
17 general have had five years of uncertainty. It's very  
18 challenging to try to read tea leaves. So part of what  
19 I've been trying to do as I go around and talk to all  
20 employees meetings is to ask them to try. There is  
21 uncertainty, it could be any one of a number of  
22 alternatives, long CRs, short CRs.

23 So it's very challenging for a workforce  
24 that is as focused as ours to be in this period of  
25 ambiguity. We also want people to have enough warning,  
26 so they can make their own decisions in a timely way.

1       That's one of the reasons we put out the EDO Update, to  
2       talk about early outs and buy outs before we had gone  
3       through the process.

4               These are challenging decisions to make.  
5       You need time to air them with your family. You need  
6       time to consider what that next opportunity might be.  
7       So even in uncertainty, the advantage we're trying to  
8       give employees is as much information as we have, when  
9       we have it, so they have as much time as they can have  
10      to consider it.

11             COMMISSIONER BARAN: With respect to the  
12      early outs and buy outs, at what stage do you think we'll  
13      have a better sense of whether we're authorized to do  
14      that?

15             MR. SATORIUS: I think in a couple of  
16      weeks.

17             COMMISSIONER BARAN: And just kind of in  
18      closing, I think the basic assumption everyone has, that  
19      as we go through this effort to identify efficiencies,  
20      reduce the number of FTEs ultimately we're carrying,  
21      taking a hard look at resources and expenditures and  
22      priorities, and everyone I think said it. We've got to  
23      keep our eye on the ball, which is our main mission, of  
24      protecting health and safety, and I know everyone's  
25      committed to doing that.

26             Talk to me a little bit, talk with us a

1       little bit about how do you make sure that happens? You  
2       know, it's easy to say yeah, we're going to keep our eye  
3       on the ball, we're going to keep focus on the right  
4       things. But now I've got all these additional  
5       responsibilities I didn't have before to rebaseline and  
6       contribute to these processes.

7                   How are we going to do it? How are we going  
8       to make sure it happens?

9                   MS. WYLIE: Well, the first place I think  
10      you start is you take an extra effort to outreach to  
11      those who are closest to our staff members, know what  
12      makes them tick, know them as individuals, and can lead  
13      them through the branch chiefs. This is a key place for  
14      the branch chiefs, the first line supervisors. They're  
15      the closest to our staff, can keep them focused on what's  
16      important, our safety and security mission.

17                  So and if we think we're -- as a leadership  
18      team, if we think we're communicating enough about that,  
19      we need to communicate even more.

20                  COMMISSIONER BARAN: Thank you. Thanks,  
21      Mr. Chairman.

22                  CHAIRMAN BURNS: Thanks. I just had --  
23      I've said a couple of instances I've had to talk to  
24      various offices or employee groups in the agency, and  
25      perhaps an advantage or disadvantage for me from a long  
26      period of time at the agency beforehand, is that I still

1       remember some things but not before I came back.

2                       But one of the things that's sort -- the era  
3       that we are in actually struck me as -- it strikes me  
4       this is very much like the early 90's for this agency,  
5       and I say that because in the early 90's, you had all  
6       but a few plants that were in the current fleet coming  
7       to -- had received their operating license.

8                       Actually I think Watts Bar I was one of them  
9       that had not gotten there and we're looking at the final  
10      decisions on Watts Bar II, as I speak.   So you're at the  
11      end of the building of the fleet, like you are here right  
12      now.       We have some uncertainties about new  
13      construction.

14                      You had the very early generation of  
15      reactors, some of the things like Maine Yankee or Yankee  
16      Rowe coming to a point, although maybe a little later  
17      in that decade coming to closure.   So you had a  
18      decommissioning of fleet, as we see today.

19                      We came -- we're coming to the end of the  
20      implementation of the post-TMI requirements, as we are  
21      today with a lot on a faster track, I would argue, with  
22      the Fukushima-Daiichi requirements.   So as I say,  
23      there's a lot of feel for me, in terms of memory, in terms  
24      of where we are today, of the early 90's.

25                      What this is, is this transition point in  
26      terms of thinking about workload, thinking about what

1       the agency needs to be focused on. Now a lot of the  
2       context we talked about, we were talking about Project  
3       AIM here in the context of what we see as sort of the  
4       handwriting on the wall, a smaller resource  
5       availability from the standpoint of what we expect the  
6       Congress to appropriate, and needs in terms of where  
7       workload is in certain areas.

8               But one of the things I also want to  
9       emphasize, I think with respect to Project AIM, is that  
10      even if this were in a glide path up, there are things  
11      here that we are doing that we need -- we should be doing  
12      in any event. The question, for example, particularly,  
13      you know, we faced a lot of questions on our fees and  
14      how we're calculating our fees.

15             The question of TAC codes that goes back to,  
16      I think, probably when I was deputy general counsel, in  
17      terms of the multiplicity or the ever-proliferating  
18      number of TACs, and how we track budget expenditures.  
19      So there are a lot of -- there are a number of things,  
20      and I don't mean to pick on the CFO on that.

21             I think they're the same way, how we  
22      integrate across offices, in terms of licensing,  
23      accomplishing those types of work. There's a lot of  
24      things there, that apart from the environment we have  
25      here in terms of the resource constraints, that are not  
26      only good things to do, but things we should be doing,

1 in terms of the effectiveness of the agency and then the  
2 responsibility in terms of its resources.

3 So and again, I wanted to just start out  
4 making that emphasis with respect to how having -- how  
5 I see in terms of us going forward with AIM. And partly  
6 this -- and again to emphasize too is that one of the  
7 things that we, you know, it's hard to do.

8 It's hard to do when we don't know, you  
9 know, all the forecasts and the industry has got to --  
10 and I know we engage with the industry and I think they  
11 do the best they can, in terms of looking at the  
12 environment in which they are, which they find  
13 themselves, in terms of understanding what our workload  
14 will be.

15 And that, you know, again that helping --  
16 helps us go forward. But you know, as I say, I think  
17 as we've heard from all the speakers, it is a challenging  
18 time. I think in some respects it gives us great  
19 opportunity to look at things and look at how we can do  
20 -- how we can do better, how we can integrate across the  
21 agency better and the like.

22 A couple of questions I had, and I may put  
23 this to Kris, in the context of the Strategic Workforce  
24 Planning. It's really an OCHCO question and maybe also  
25 a CFO question. Maureen made the point in terms of the,  
26 you know, potential hiring in the coming years, you

1 know, a smaller window or smaller opportunities, all  
2 that.

3 One of the concerns I have, and having gone  
4 through this in the general counsel's office, where one  
5 of the -- where a real challenge was where we weren't  
6 hiring in the 90's and we paid for it in the mid-2000's,  
7 was the continued pipeline. Again, and maybe you can  
8 speak, Kris, to the entry level program, the NSPDP.  
9 Here I've got the acronym, but I won't be able to pull  
10 out of my brain the Nuclear Safety Professional  
11 Development Program there.

12 What do we do to continue fostering and  
13 using that, because again, one of the things I see is  
14 we're in a generational shift, and I hear this. I heard  
15 this at Penn State when I was there last week. I heard  
16 this going out to plants.

17 How do we continue basically nurturing  
18 those programs, because the need for in the context of  
19 our workforce, the need to continue to grow staff who  
20 are going to be here or who may be here 20 years from  
21 now, when I certainly don't plan to be here? How do we  
22 do that in the context of Project AIM and the Strategic  
23 Workforce Planning?

24 MS. DAVIS: I think that's actually  
25 something that we struggled with a little bit in  
26 outreach and recruitment as well. As the agency's



1 trajectory is going down, how do we ensure that we have  
2 that pipeline of people into our future?

3 What we're doing is we are still continuing  
4 on with the NSPDP and the summer program. The vacancy  
5 announcements actually opened last week, and that will  
6 inform who we hire into the NSPDP in fiscal year '16.  
7 For fiscal year '15, we just hired I think it's 25  
8 individuals.

9 So we're looking at about the same number  
10 for fiscal year '16 in our projection. That will be  
11 informed better as we continue on with rebaselining and  
12 Centers of Expertise, etcetera. So that number could  
13 go up or down a little bit.

14 I think that what we're going to focus on  
15 though is where we see potential long-term gaps. The  
16 NSPDP program is a significant way to fill those gaps.  
17 If the gap is five years out, you have five years to get  
18 somebody up and trained. So instead of hiring all  
19 full-performing professionals, you would be growing  
20 your own, to ensure that as we attrit in the agency, that  
21 we're able to keep up with that in our critical skill  
22 needs at the same time.

23 CHAIRMAN BURNS: Thanks. Maureen.

24 MS. WYLIE: One of the challenges that I  
25 think all federal agencies had in the 90's is that the  
26 contraction was so rapid that it ended up being sort of

1 a cutting off of hiring, rather than an opportunity to  
2 restructure your work and make changes in an  
3 organization at all levels. So essentially thinning  
4 rather than just pruning.

5 The request that we have for early outs and  
6 buyouts is targeted at the upper end of the agency. So  
7 it increases our knowledge management challenge, and  
8 we're cognizant of that. But it's -- the easiest thing  
9 to do is simply stop hiring. It's actually healthier  
10 for our organization's long-term effectiveness to try  
11 to make that organizational change at the upper levels,  
12 and not just cut off hiring completely at the bottom.

13 CHAIRMAN BURNS: Okay, thanks. All  
14 right. Without, you know, sort of maybe prejudging any  
15 type of thing, maybe you could describe some of the  
16 suggestions or ideas that you've heard from the public  
17 meetings that we've had so far. I recognize this is  
18 still works in progress and how they fit in, but it may  
19 be interesting just to hear what kind of ideas we're  
20 getting from employees, as well as from outside the  
21 agency.

22 MR. BROWN: Yes sir. So kind of two bins.  
23 One are specific activities that we should defund or  
24 stop doing, so they're -- especially from the public  
25 there were a number of rulemaking activities that they  
26 questioned the benefit of the resource expenditures.

1                   So specific activities and then a process  
2                   activities as well. Ironically, there's some overlap  
3                   between what we heard from staff and what we heard from  
4                   the industry. Three that come to mind in the area of  
5                   regulatory guidance with a five-year update for all of  
6                   our reg guides, which is the process that we currently  
7                   have in place.

8                   Both the staff and the external -- and  
9                   external stakeholder commented that that might not be  
10                  the best use of resources and it might create other  
11                  inefficiencies. An area that's a little -- needs more  
12                  review before there's certainly any decision, but risk  
13                  tools. The SPAR model that we use to validate,  
14                  independently validate the outputs of licensees PRAs.

15                 There's been suggestions that we may not  
16                 need to continue to spend the resources for that  
17                 independent validation, given the quality of the  
18                 licensee's tools, and that's come both internally and  
19                 externally. And then a third area in the operating  
20                 reactor oversight arena, the idea of giving credit for  
21                 facilities that have had a long, successful area in a  
22                 given baseline inspection program.

23                 Maybe cutting back the baseline to  
24                 recognize that extended period of good performance has  
25                 been mentioned both internally and externally. So  
26                 specific activities like rulemakings, as well as

1 process changes are both coming up.

2 CHAIRMAN BURNS: Okay. Thanks very much.  
3 Commissioner Ostendorff.

4 COMMISSIONER OSTENDORFF: Thank you,  
5 Chairman. Thank you all for your presentations. I'm  
6 going to add a note to, similar to the Chairman's  
7 comments about the environment to just make a couple of  
8 comments.

9 I heard from presenters here at this panel  
10 the phrase "clouds in the budget environment." I heard  
11 "a challenging or difficult environment" phrase being  
12 used. A little bit more doom and gloom than I would use  
13 to characterize the situation, just as a Commissioner.

14 I think there's been radical changes in the  
15 environment, what's happened in the industry, and I just  
16 don't want our staff or the public to think that this  
17 is a bad news environment for us as an agency. I think  
18 it's a great opportunity to make an even really good  
19 agency even better, and that we need to use this  
20 opportunity to do just that.

21 What was not mentioned that I feel  
22 compelled, since this is a public meeting to mention,  
23 is that the environment has changed significantly on the  
24 industry side. When I got here almost 5-1/2 years ago,  
25 there were 26 reactor applications being reviewed in  
26 NRO.

1                   That number's down to like 10 or less.  
2           There's significant staff work that Cathy Haney and team  
3           were working with in NMSS with Yucca Mountain licensing.  
4           The number of operating reactors was 104 compared to 99  
5           today.    So many fact of life changes that are  
6           appropriately causing us to take a fresh look at how we  
7           do business, what the proper sizing is.

8                   Even in the absence of any Congressional  
9           interest or quote, I'll use your phrase not mine,  
10          pressure, we ought to be doing this anyway.   I do not  
11          see this as being something that is being driven by  
12          external forces.   I think it's being driven internally  
13          for the right reasons.

14                   I know Mark, you and I sat down in your  
15          office, the three months that you took over GDO, this  
16          December of 2013, the first week.   I remember we talked  
17          about this, and what is the correct size of the agency  
18          going forward.   We had long talks and this predated the  
19          establishment of Project AIM.

20                   And when I look at some of the efforts that  
21          have occurred in my time as a Commissioner,   I guess I'm  
22          very optimistic that the staff and the teams here will  
23          use this in a very constructive fashion, to make this  
24          agency even better.

25                   So I felt compelled because of a little bit  
26          of the tone of the panel here first to make a comment,

1 similar to what the Chairman had said about let's look  
2 at deficiencies. There's been good reasons to be  
3 optimistic. I've seen, as Mark mentioned, the decrease  
4 in licensing backlog in NRR. I met with Bill Dean the  
5 week before last, had a really good discussion with him  
6 on that topic, and real progress has been made already,  
7 separate and distinct from Project AIM.

8 I look at Glenn Tracy's very frugal and  
9 agency-wide look at shifting personnel from NRO to NRR  
10 to help with Fukushima action items, and I see the strong  
11 NMSS-FSME leadership result in, I think, a successful  
12 merger. So I think we need to look at this maybe also  
13 in a very positive light as we go forward.

14 Twenty-five years ago, when I was working  
15 between my executive officer and commanding officer  
16 tours in the Department of the Navy at a senior personnel  
17 planning job for the nuclear Navy, and we significantly  
18 changed, because the Cold War was ending, the number of  
19 nuclear operators. We moved from 100 attack submarines  
20 in 1992 to probably around 53 or 54 today.

21 Nobody would argue that the attack  
22 submarine force today in the Navy is worse than it was  
23 in 1992. I'd argue it's far better, and we're not  
24 talking about changes along those magnitudes here at the  
25 NRC. Navy had 975 ships in 1972. That number is 275  
26 plus or minus three today. Navy is extremely strong.

1       So I just think messaging, and Commissioner Baran was  
2       hitting his in some of his comments.

3               I think there's a great opportunity here,  
4       and that we should not pass that up. Kristin, I want  
5       to get a question or two in your area, because I think  
6       quite frankly what you and Miriam and Jennifer are doing  
7       in OCHCO are perhaps one of a more challenging parts of  
8       the Project AIM execution stage.

9               I wanted to ask you in the context of what  
10       Fred is doing to orchestrate the rebaselining effort,  
11       how do you see the rebaselining effort as impacting your  
12       Strategic Workforce Planning gap analysis? Primarily  
13       the timing and the chicken and the egg type of problem  
14       here.

15               MS. DAVIS: It does seem to be the chicken  
16       and the egg. I think that our initial part of the  
17       project on SWP will be concluded before the rebaselining  
18       effort is over. So that's why it's important that  
19       whatever process we institute, it be modest enough and  
20       repeatable enough, because when rebaselining is over,  
21       it will have to be done again, and then when Centers of  
22       Expertise, that analysis is done, it will have to be done  
23       and again and again and again.

24               So most successful organizations do their  
25       workforce planning process annually. I see it as  
26       coinciding with perhaps your staffing plan approval

1 process. You take your short-term operational look,  
2 you take your long-term strategic look at the same time.

3 For us though, I think it's going to have  
4 to be done more frequently, as we go through these  
5 initiatives.

6 COMMISSIONER OSTENDORFF: Okay. Let me  
7 stay with you Kristin and ask a separate, distinct  
8 question, and that is the ability to move personnel from  
9 one office to the other, and the transferability of  
10 skill sets. Can you comment at a high level on OCHCO's  
11 prospective philosophy on moving personnel from one  
12 area to another in the organization? Well, if Miriam  
13 wants to comment.

14 MS. DAVIS: Thank you, Miriam.

15 COMMISSIONER OSTENDORFF: We love to have  
16 Ms. Cohen up here.

17 CHAIRMAN BURNS: Miriam, just for the  
18 record, just identify yourself and position.

19 MS. COHEN: Miriam Cohen, Chief Human  
20 Capital Officer. I think actually Commissioner, you  
21 actually acknowledged some of the good work that's  
22 already been done, between Glenn and Bill Dean's  
23 organization. We identified a need in one part of the  
24 organization and there were discussions about  
25 opportunities.

26 There was active engagement with the union,



1       and I think that those reassignments actually, you know,  
2       they were very effective. I think that the interesting  
3       thing about what we're going to do moving forward is,  
4       and I think when you listen to Kris' response to how do  
5       you deal with rebaselining in concert with Strategic  
6       Workforce Planning.

7               I think you have to remember, and I think,  
8       you know, you and the Chairman have been here I think  
9       the longest, is that over time, the agency's critical  
10      skills actually have not changed that much. I mean if  
11      you go back in time, you look at the positions that we  
12      recruit most heavily for, they haven't changed since  
13      I've been, you know, in the organization.

14             We will always need engineers, we will  
15      always need scientists. In those hard to fill  
16      positions where we haven't had the capacity, we've gone  
17      out through the graduate fellowship program, you know,  
18      to get expertise in PRA and some other disciplines.

19             So I think actually we're in a position of  
20      strength, because I think wherever there are going to  
21      be overages identified, most of those people are going  
22      to be fungible with hopefully minimal training to the  
23      new jobs that will appear on the horizon.

24             So I feel very confident that despite the  
25      timing on what finishes first, chicken, egg and that  
26      whole thing, I think that we just have to demonstrate

1 more of our agility and flexibility in moving in a more  
2 timely manner.

3 COMMISSIONER OSTENDORFF: Thank you,  
4 Miriam. This is not rocket science, and a lot of it  
5 involves communications and just talking to people,  
6 look them in the eye and say here's what we're doing and  
7 why, and here's how I'm going to help you to move forward  
8 constructively.

9 Here are the tools, here's additional  
10 training we'll provide and so forth. But I -- having  
11 been in other jobs elsewhere before coming here, where  
12 I've seen similar, actually much more massive  
13 restructurings done than we're seeing here, it's -- it's  
14 not a Ph.D. dissertation type thing. It's pretty  
15 straightforward, exercising common sense, good  
16 judgment, but also proper leadership across the board.  
17 I'll stop there. Thank you.

18 CHAIRMAN BURNS: Okay. Thanks  
19 Commissioner. Anything else. I want to invite Sheryl  
20 Burrows, the chapter president for the National  
21 Treasury Employees Union forward.

22 MS. BURROWS: Good morning everyone. I'm  
23 Sheryl Burrows, president of NTEU Chapter 208. Chapter  
24 208 is the exclusive representative of the bargaining  
25 unit employees here at the NRC. I am joined today by  
26 Marie Schwartz, our executive vice president.

1                   There has never been a greater need for  
2                   partnership between NTEU and the NRC than there is now,  
3                   with the development and implementation of Project AIM  
4                   2020. It is critically important at this stage that the  
5                   union and management are discussing the challenges that  
6                   accompany an initiative of this magnitude.

7                   Implementation and impact, the union's  
8                   focus, will be driven by the decisions that are made  
9                   early in the planning stages of the initiative. NTEU  
10                  established a working group to ensure that we are  
11                  involved at this early, critical time.

12                 Our working group is composed of volunteer  
13                 union members, who understand the importance of this  
14                 initiative and have a keen interest in how Project AIM  
15                 2020 will be implemented. All of our working group  
16                 members have day jobs, yet they carve out time to review  
17                 documents, listen to their colleagues' concerns, and  
18                 attend the many required meetings.

19                 We appreciate and thank their managers, who  
20                 recognize the importance of this work and support their  
21                 employees' involvement in this partnership.

22                 NTEU should be partnering these  
23                 activities, nonetheless, we appreciate that the Project  
24                 AIM team, led by Fred Brown, has made genuine efforts  
25                 to work with us, steering us to points of contact and  
26                 useful information that the agency is developing, so

1       that NTEU is in a better position to contribute at the  
2       partnership table.

3               A short time ago, the AIM team asked NTEU  
4       what activities we wanted to be involved with. The  
5       areas that we listed focus on the implementation and  
6       impact of the initiative. But NTEU is working with the  
7       Project AIM team in the offices at this earlier stage,  
8       because we know we cannot become involved too early.

9               NTEU has focused and will continue to  
10      stress three components that should be actively  
11      addressed in those actions that the agency plans to take  
12      as a result of Project AIM. These are roles and  
13      responsibilities should be well defined and clarified;  
14      processes and procedures should be clearly defined, so  
15      that our employees have a clear understanding of how to  
16      accomplish their work effectively and efficiently; and  
17      finally training.

18              Provide training that ensures our  
19      employees are equipped to do their current work, and  
20      also helps our employees to prepare for future of the  
21      agency and for their career development.

22              NTEU also noted that at the public meeting  
23      on September 1st, several stakeholders offered comments  
24      specifically addressing roles and responsibilities and  
25      processes. These stakeholders also said that they'd be  
26      submitting additional comments when the public comment

1       period closes September 15th.

2                       From discussions at several meetings, NTEU  
3       knows that these three areas are being considered as the  
4       agency moves forward, but they must be specifically  
5       called out. For example, these components should be  
6       considered in the rebaselining and prioritization  
7       efforts which, as we heard this morning, are an integral  
8       part of everything that follows.

9                       NTEU believes that the who, what and how of  
10       rebaselining and prioritization efforts must be  
11       specifically called out, and included as part of every  
12       actionable item. These are too important to be left as  
13       implicit assumptions.

14                      The Project AIM 2020 report points out that  
15       employees are the agency's most important resource.  
16       NTEU could not agree more. In spite of these uncertain  
17       times, NTEU employees continue to be engaged as they  
18       accomplish the agency's safety mission.

19                      Impact and implementation, no matter how  
20       benign or malignant, is only acceptable when it's driven  
21       by strategic thinking that includes a focus on the roles  
22       and responsibilities, resources and training, while  
23       embracing our NRC values.

24                      This strategic focus ensures that no matter  
25       what the future brings, our employees will be prepared  
26       to engage this future. Going forward, it is vitally

1       important for NRC and the union to ensure that all  
2       employees are treated with the dignity and respect they  
3       deserve. Thank you.

4                   CHAIRMAN BURNS:     Thanks, Sheryl.     I  
5       appreciate the efforts of the union in this project.  
6       Well thank you again to the staff for the presentations  
7       this morning. This is the first of periodic briefings  
8       we will have.

9                   Unfortunately, Commissioner Svinicki was  
10      delayed in being able to get back to Washington, but I'm  
11      sure she'll look forward to the discussion at our next  
12      meeting, as we're always looking at our papers and all  
13      that.

14                   So again, I encourage both management and  
15      the staff to stay engaged on this, and I think as my  
16      colleagues have said, there's a lot of, you know, a lot  
17      of good work I think that we need to do for the agency  
18      in moving forward, and I appreciate all the efforts to  
19      do that. So with that, we're adjourned.

20                   (Whereupon, the above-entitled matter went  
21      off the record at 10:44 a.m.)

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