

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

+ + + + +

BRIEFING ON PROJECT Aim

+ + + + +

TUESDAY,

MARCH 29, 2016

+ + + + +

ROCKVILLE, MARYLAND

+ + + + +

The Commission met in the Commissioners' Hearing Room at the Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, at 9:31 a.m., Stephen G. Burns, Chairman, presiding.

COMMISSION MEMBERS:

STEPHEN G. BURNS, Chairman

KRISTINE L. SVINICKI, Commissioner

WILLIAM C. OSTENDORFF, Commissioner

JEFF BARAN, Commissioner

1 ALSO PRESENT:

2 ANNETTE VIETTI-COOK, Secretary of the Commission

3 MARGARET DOANE, General Counsel

4 SHERYL BURROWS, President, National Treasury

5 Employees Union

6

7 NRC STAFF:

8 FRED BROWN, Acting Chief Information Officer

9 MIRIAM COHEN, Chief Human Capital Officer

10 JAMES FLANAGAN, Deputy Director, Office of the Chief

11 Information Officer

12 VICTOR MCCREE, Executive Director for Operations

13 MICHAEL WEBER, Director, Office of Nuclear

14 Regulatory Research

15 MAUREEN WYLIE, Chief Financial Officer

16

17

18

19

20

21

22

23

24

25

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

9:31 a.m.

CHAIRMAN BURNS: We'll call the meeting to order.

I want to welcome our panelists, they are from the NRC staff and members of public and those who may be listening in.

The purpose of today's meeting is to discuss the progress on Project Aim implementation.

For the implementation of Project Aim, the Agency expects to achieve greater organizational efficiency and effectiveness and be positioned to respond to future changes in the regulatory environment.

The Commission looks forward to hearing from the staff on updates on the progress of Project Aim recommendations that are designed to find efficiencies and streamline our work processes and regulatory decision making.

And, before I begin, any of my colleagues have anything to say? If not, I'll turn that over -- the meeting over to Victor McCree, Executive Director for Operations.

MS. WYLIE: Good morning.

CHAIRMAN BURNS: Or Maureen Wylie.

MS. WYLIE: We take turns.

Vic and I really appreciate the opportunity to speak with you about this period of change. This is our third Commission meeting focused on Project Aim since your SRM.

As you've heard us say in previous meetings with you

1 separately and together, our safety and security mission remains
2 paramount and we continue our efforts to implement the Commission's
3 direction.

4 On behalf of the staff, we thank the Commission for its
5 work on the rebaselining SECY-16-009.

6 The staff remains focused on achieving the goal of a
7 more agile sized agency for our current and future levels of work.

8 Additionally, I'd like to take this opportunity to recognize
9 a few changes in roles and responsibilities among several of my
10 colleagues here at the table.

11 Fred Brown who is now the Acting Chief Information
12 Officer will provide a presentation today that will focus on his former
13 capacity on Project Aim as the Assistant for Operations.

14 Jim Flanagan, the Deputy Chief Information Officer, will
15 provide remarks on behalf of OCIO.

16 And, we're also pleased to have Mike Weber who
17 brings continuity to the team in his current role as the Director of the
18 Office of Regulatory Research.

19 Next slide, please?

20 So, we'll start with Fred Brown who will describe our
21 upcoming steps on the Project Aim initiative.

22 Jim Flanagan's going to speak specifically to
23 implementation activities within OCIO.

24 Mike Weber will describe how the Office of Regulatory
25 Research is implementing some of the Project Aim strategies and

1 incorporating additional direction we have received from you in the SRM
2 for Project Aim.

3 And, finally, we'll end with closing remarks from Vic.

4 And, I'll turn the presentation over to Fred.

5 MR. BROWN: Thank you, Maureen.

6 Good morning. If I could have my first slide, please?

7 So, demonstrating yet again that I can't follow
8 instructions before I talk about where we are and where we're going, I'd
9 like to take a minute to talk about a little bit about what we've done and
10 how we've done it over the last nine or ten months.

11 In June of last year, you directed us to maintain our
12 focus on our primary safety and security mission while proceeding with
13 a number of specific tasks to make us more agile and more efficiently
14 sized for our current and near-term workload.

15 You were clear in your expectation that we have a
16 detailed implementation plan and that we track assignments and status
17 and measure our success against outcome metrics.

18 We provided you our initial implementation plan last
19 August. Since that time, we have provided monthly updates on our
20 status and our effectiveness in meeting the outcome metrics.

21 The initial plan and the monthly updates are available
22 to our internal and external stakeholders in ADAMS and on our
23 websites.

24 The Project Aim work has been performed by subject
25 matter experts and responsible line managers in the program and

1 corporate offices.

2 The scope of work for each Project Aim task has been
3 defined and assigned in a manner that did not interfere with core
4 mission activities.

5 We sought internal and external stakeholder
6 comments early in the process of developing approaches for several
7 specific tasks.

8 Our approach maximized the impact of the input we
9 received from these engagements.

10 We've had open and effective engagement with our
11 labor partners on most of the Project Aim tasks and I believe that each
12 deliverable has benefitted from the insights provided through that
13 partnership.

14 The steering committee has met either weekly or
15 biweekly since July of last year. They've provided direction to the
16 project team and the working groups on the scope and approach to
17 each of the Project Aim tasks.

18 They actively sought updates from the working groups
19 at key times for each task. They have been very actively involved in
20 shaping the final projects or recommendations to you.

21 They have consistently pushed us to be more
22 aggressive in our openness to change and improvement.

23 To date, all major deliverables have been completed
24 on time or ahead of schedule. We have been very successful in
25 achieving specified outcome metrics and measures.

1 This is not meant to imply that we are done or even
2 close to it. While the Project Aim tasks themselves are being worked
3 to conclusion, there is a great deal of implementation work that requires
4 our continued focus and attention.

5 Next slide, please?

6 I'd like to briefly mention some of the tasks and
7 activities since we last briefed you in December.

8 The Strategic Workforce Plan was issued and is
9 currently being implemented to ensure that we maintain the right highly
10 skilled and experienced staff doing the right work.

11 In the end of January, we provided you for your
12 consideration 151 discrete activities that could be shed, deprioritized or
13 performed with fewer resources. Of these, 29 activities were included
14 in the proposed fiscal year 2017 budget.

15 In February of this year, staff from the offices
16 performed a tabletop pilot of the new procedure for adding, shedding
17 and deferring emergent work. This procedure was a major product
18 from the common prioritization task within Project Aim.

19 Since December, we have engaged both internal and
20 external stakeholders. We held a public meeting on common
21 prioritization and rebaselining in January. We held a session on
22 change activities including Project Aim at the Regulatory Information
23 Conference.

24 Vic and Maureen met with all Agency supervisors prior
25 to sending the policy paper on rebaselining to you in January.

1 And, following the issuance of that paper, supervisory
2 and line management as well as Project Aim team members have been
3 available to meet with the staff about rebaselining and Project Aim in
4 general.

5 Finally, on March 18th, we provided an information
6 paper laying out anticipated workload changes and identifying areas
7 where we plan to focus on achieving greater efficiency in fiscal years
8 2018, 2019 and 2020.

9 Next slide, please?

10 We have now provided you the majority of the
11 rebaselining products, but here are two items that still need to be
12 addressed.

13 They involve security clearances and fitness for duty
14 testing for NRC employees.

15 We will provide you recommendations on these two
16 items by April 6th in a policy paper for your consideration.

17 The Offices of Administration and the Chief Information
18 Officer have nearly completed the improved access to online service
19 requests. This will improve efficiency by making it easier for NRC
20 employees to obtain needed support for meetings and other services.

21 The new one-stop-shop, as we refer to it, will be fully
22 implemented by April 8th.

23 The evaluation of consolidating regional materials
24 program functions has made great progress and the steering committee
25 will make a decision on a proposed path forward as early as next week.

1 Once that is done, we'll be able to confirm that the
2 necessary documentation can be assembled for delivery to you by May
3 31st as currently scheduled.

4 The evaluation for consolidating regional corporate
5 functions is on track to be completed by May 31st. This will be the first
6 task where a major deliverable has slipped its schedule. In this case,
7 the original due date was May 9th.

8 The potential three week delay was closely scrutinized
9 and only approved by the steering committee after weighing the benefit
10 of additional deliberation and coordination on the working group's
11 recommendations.

12 The paper evaluating the potential re-merge of the
13 Offices of New Reactors and Nuclear Regulation is on track to be
14 completed by June 8th.

15 Next slide, please?

16 So, I mentioned earlier that many of the Project Aim
17 tasks have been completed. Some have resulted in recommendations
18 to you and others have resulted in the identification of changes to our
19 internal processes.

20 We are now implementing those actions and changing
21 the Agency in the process.

22 You have approved our proposal to finalize guidance
23 on the creation of Agency-wide Centers of Expertise and to create four
24 additional Centers in the near-term.

25 The draft guidance document is being circulated for

1 concurrence and plans are being developed to establish the Centers
2 once that guidance is completed.

3 As a result of the tabletop on adding emergent work,
4 we identified refinements that are being incorporated into our
5 procedures. These refinements will institutionalize the common
6 priority criteria and simplify the process for updating priorities in the
7 future.

8 This was necessary for the common prioritization
9 process to be sustainable in the long-term.

10 We developed new standards in the area of contract
11 management last fall and we are currently developing implementing
12 procedures as well as tools and reports and performing business
13 process improvement activities within each office.

14 The net effect will be improved efficiency and
15 effectiveness in the development and execution of contracts.

16 As you are aware, we are comfortably on track to meet
17 the fiscal year 2016 full-time equivalent, or FTE, cap. In fact, at this
18 time, we are focused on positioning ourselves for the more restrictive
19 fiscal year 2017 targets, fully anticipating that these targets will be
20 lowered following your decisions on rebaselining.

21 Our ability to move staff from areas of decreasing
22 workload to areas where attrition has created openings is greatly
23 facilitated by the tools and planning captured in the Strategic Workforce
24 Plan.

25 I'm going to end with the most important thing and the

1 thing that's been our greatest challenge. And that's effective
2 communication, especially with our own people during this time of
3 change. This area is one of Vic's focus areas and I'm very aware that
4 each of you have spoken to us about its importance as well.

5 Rob Lewis and Mauri Lemoncelli and the great folks on
6 the Project Aim team as well as those in the offices are very much
7 focused on engagement and effective communication.

8 I believe that the combination of how well we
9 communicate and how effective we are at real engagement and
10 partnering on the actions necessary to reshape ourselves will be the
11 key to our success.

12 And, based on the can-do attitudes and the effective
13 team work that I've observed over the last nine months, I fully expect
14 that we will be very successful.

15 I'll now turn the presentation over to Jim.

16 MR. FLANAGAN: Thank you, Fred.

17 Good morning, Chairman, Commission.

18 As you've heard from Fred, it's critical that all elements
19 of the Agency align to meet the goals reflected in Project Aim.

20 That objective is no less true for the tools that the
21 Agency personnel rely on to get their jobs done.

22 Therefore, the following slides will provide an overview
23 of OCIO's efforts to reshape the delivery of information technology
24 across the Agency all in support of Project Aim.

25 Next slide, please?

1 The two most prominent factors that impact across the
2 information technology are standardization and demand.

3 As the Agency has evolved, we have acquired and
4 delivered technology organically. Consequently, information
5 technology flourished in a variety of forms.

6 Project Aim has reinvigorated the effort to challenge
7 the choices that were made and to recommend more efficient and cost
8 effective ways to support the Agency's mission.

9 In support of that goal, we have begun the effort to
10 realign technology contracts, emphasizing Agency-wide perspective
11 and to seek lower costs for all services.

12 Further, the OCIO team has recommended that a
13 portion of any projected savings be utilized to enhance mission tools
14 and support further efficiencies.

15 Finally, a secure environment supports the ability to
16 focus on improvements. Therefore, we continue to make significant
17 progress in the defense against cyber threats.

18 Specifically, improvements continue in the assessment
19 of major systems and the Agency soon will be implementing a
20 continuous monitoring capability to monitor and deter threats in real
21 time.

22 Next slide, please?

23 One of the keys to successful rebaselining of IT is to
24 find the right approach to standardization that works for our Agency.

25 OCIO, therefore, has initiated the effort to evaluate

1 different technologies, different ways to deliver technology and methods
2 to standardize implementation across the Agency.

3 Examples include standardizing technology contracts,
4 delivering capability uniformly across the Agency and improving the
5 flexibility of contracts to meet future Agency demands.

6 The new Agency infrastructure contract, for example,
7 will incorporate several new technology solutions, significant reductions
8 in cost, improved management controls and will support broad
9 standardization across the Agency.

10 Next slide, please?

11 However, as we increase the level of change related to
12 the technology, we must remember that these changes directly impact
13 our workforce.

14 Here, a similar note, in Fred's conversation before.
15 Each change will affect all of our people on a personal level and may
16 increase their anxiety.

17 Consequently, it is critical that each step of the
18 transformation be communicated effectively and adequate education
19 be available.

20 OCIO has developed an effective communication plans
21 for several current projects and we look to use a similar approach for
22 the upcoming changes.

23 Next slide, please?

24 However, regardless of how well the transition is
25 executed and communicated, the key to long-term success is

1 sustaining the change.

2 To that end, OCIO is also evaluating appropriate
3 changes to planning budget formulation and governance that support
4 the transition to the Project Aim goals.

5 We have also identified enhancements that will
6 increase transparency, catalog all Agency technology investments in a
7 manner that supports appropriate evaluation and ranking and project
8 management artifacts will be improved, after action reviews conducted
9 are all to ensure that all values have been achieved.

10 Thank you for the opportunity to present an update on
11 the information technology response to Project Aim.

12 And, the next speaker will be Michael Weber.

13 MR. WEBER: Thanks, Jim.

14 If I can have slide 14, please?

15 Good morning Chairman and Commissioners. It's a
16 pleasure to be here with you today and to present briefly what we're
17 doing in the Office of Nuclear Regulatory Research.

18 I'm happy to report that Aim is alive and well in the
19 office and I'm going to specifically highlight in my brief remarks three
20 example projects where we are implementing the strategies of Project
21 Aim, working to transform the office.

22 Now, these three example strategies are relevant and
23 current for the work and research, but they're not the only strategies
24 that apply. Obviously, I've chosen these to illustrate how we're making
25 progress.

1 First, preparing the workforce for the future. This is
2 consistent with the Agency's Strategic Workforce Plan that Fred alluded
3 to and I know was provided to the Commission in early February.

4 We're accomplishing the research while we're
5 maintaining the core competencies. These core competencies of
6 which there's slightly over 30 were established back in 1998 working
7 with the Commission as part of Direction Setting Issue Number 22.

8 So, we're looking at those from today's perspective to
9 refresh those core capabilities.

10 Now, this could be challenging in an era where we're
11 dealing with reduced resources, but we need to accomplish the work
12 and maintain those core capabilities and develop expertise to support
13 the Agency for the future.

14 And, we're doing that through Strategic Workforce
15 Planning which, for our purposes, basically comes down to talent
16 management.

17 And, I've listed on this slide several specific
18 substrategies including succession planning, and that's at all levels, not
19 just at the executive level but at all levels of the staff including technical
20 experts and supervisors and that would be done consistent with merit
21 principles.

22 Anticipating future competency needs, I mentioned
23 updating the core capabilities that were previously identified for the
24 Agency.

25 We're accelerating time to competency. In today's

1 demographics, there's a hunger for more rapid advancement. We
2 need to change how we're developing the expertise within the office so
3 that we can qualify experts to support the Agency, not just today, but
4 well into the future.

5 And, one of the best ways to do that is the next
6 substrategy and that's participating in meaningful and relevant
7 research, including going to conferences and presenting technical
8 papers, conducting peer reviews of papers and being out there on state
9 of the art research projects to advance nuclear safety and security.

10 And, the last substrategy is leveraging domestic and
11 international partnerships, another way where we can develop and
12 maintain the expertise that the Agency needs.

13 Next slide, please?

14 The next strategy is rebaselining and, as already been
15 alluded to in the previous remarks by Fred and by Maureen, pending
16 Commission approval, the office is preparing to implement the
17 Commission direction on rebaselining.

18 Now, as the Commission knows, we collaborated in the
19 Office of Research with our partner offices and with the business line
20 leads to first identify a common prioritization for the work across the
21 Agency.

22 And then, we used that common prioritization to
23 identify specific work that could be shed, re-scoped or done more
24 efficiently in providing the recommendations to the Commission back in
25 January for rebaselining.

1 What that translates to for the Office of Nuclear
2 Regulatory Research is about 12 full-time equivalents and about \$5
3 million in contract support. Those are the items in those
4 recommendations.

5 So, to do this work more efficiently, we are focusing on
6 the people. And, that, specifically, translates in rebaselining to
7 reducing staffing, identifying the positions that would be most affected
8 by the sheds that have been recommended by the staff, assessing the
9 capabilities of those staff and their aspirations so that we can best align
10 their expertise and the Agency's needs.

11 And then, if staff are affected, to transfer those staff to
12 higher priority funded work elsewhere in the Agency.

13 Now, as I'll get to in a minute, we also rely on
14 contractors to support the Agency's research mission. And so, another
15 component of rebaselining is reducing contract assistance.

16 We plan to complete the work, if approved by the
17 Commission, in the near-term in FY '16, also to re-scope the user needs
18 with our customers and our business line leads so that the work that we
19 are doing and will continue to do is consistent with the new funding
20 levels.

21 And then, to leverage domestic and international
22 partnerships to offset any adverse impacts to the extent that's practical.

23 Next slide, please?

24 The third strategy in my briefing focuses on optimizing
25 contract management.

1 And, as I've already alluded to, contracts are important
2 for the office to complete our research mission. About 40 percent of
3 the work that we do is accomplished through National Laboratories,
4 other agencies, universities and other service providers.

5 And so, optimizing contract and financial management
6 is important to the efficiency and the effectiveness of the office.

7 And, we're doing this through active participation in Aim
8 Strategy 11, that's the contracting officer representative standardization
9 that Fred touched on.

10 Making greater use of job aids such as one-pagers so
11 that our corps who many not do some of these functions on as frequent
12 basis would have prompters or easy refreshers to help them facilitate
13 the efficiency of their reviews.

14 Branch Chief level reporting on all contracts and
15 agreements, thus, enhancing tracking, planning and oversight in
16 accounting of our work.

17 Reviewing acquisition process for further process
18 efficiencies.

19 The picture that you see on this slide represents some
20 of our corps who participated in a Kaizen event in February with Tricia's
21 assistance, behind me, who facilitated that workshop and helped our
22 staff not only to appreciate how they contribute to the success of NRC's
23 mission but also to search out those additional process efficiencies that
24 might make us even more effective and efficient.

25 And then, finally, as the Commission's aware from the

1 EDO and the CFO's memo back in early February, enhancing project
2 tracking and reporting so that we can improve the transparency and the
3 accountability for the work that we do on specific research projects.

4 Next slide, please?

5 Aim is more than the mechanistic implementation of
6 the strategies. And so, lasting improvements will also require us to
7 refine our culture.

8 So, we are focusing on research, our main thing in the
9 Office of Nuclear Regulatory Research, engaging our creative and
10 talented staff in identifying how can we improve how the Agency does
11 research in support of our nuclear safety and security mission?

12 We're doing this in fulfillment of the Energy
13 Reorganization Act of 1974, Section 205 which established the Office
14 of Nuclear Regulatory Research. We're conducting confirmatory and
15 anticipatory research consistent with previous Commission direction.

16 We're responding to the customer needs, both the
17 regulatory offices, the business line leads and the Commission as well
18 as working collaboratively with our domestic and international research
19 counterparts.

20 And, we're redefining research and enhancing
21 efficiency and agility. Changing our culture to accomplish our research
22 mission even more effectively, agilely and efficiently through Project
23 Aim.

24 And, at this point, I'd like to turn it back to our EDO,
25 Victor McCree.

1 MR. MCCREE: Thanks, Mike.

2 Good morning, Chairman, Commissioners.

3 This remains an exciting time at NRC and Project Aim
4 is just one of the many reasons why it's an exciting time.

5 As my colleagues have shared with you this morning,
6 we've made considerable progress since we last briefed you in
7 December. And, we look forward to opportunities like this just to share
8 with you and other stakeholders about the progress we've made and to
9 give you an idea of what's on the horizon.

10 I want to reiterate the appreciation that Fred shared
11 earlier for the yeoman's effort. I characterize it as a yeoman's effort by
12 the Project Aim team, the working group, the steering committee
13 members, some of whom are at the -- many of whom are at the table
14 today, as well as the offices and leaders in those offices, the staff in
15 those offices, who've really leaned forward to advance our commitment
16 to create an Agency, to create an NRC that's right-sized, that's agile for
17 the workload that we have and the workload that we anticipate in the
18 future.

19 As we work to complete the remaining tasks in support
20 of Project Aim, we realize that we're really just beginning this journey
21 and there's much ahead to be done.

22 In advancing Project Aim, we've begun to emphasize
23 the importance of implementing steps to further institutionalize
24 efficiency as well as effectiveness into the work of the Agency.

25 As in any major organization shift, the lasting value, the

1 long-term value will come from refinements in our regulatory approach,
2 in our programs and processes and procedures that better reflect
3 efficiency or the efficiency principle of our -- in our good regulations.

4 And, our goal, as Mike alluded to, is to influence our
5 culture in a very positive way to do three things.

6 One, to create a stronger mindfulness of the impact
7 and costs of our regulatory activities.

8 Secondly, to better leverage the knowledge and what I
9 believe is the innate creativity that people have to promote innovation
10 in our work processes.

11 And, thirdly, to enhance our methods to assess the
12 effectiveness of our current programs so that we can better identify
13 other worthwhile areas to streamline our processes and our programs
14 and to enhance the efficiency of our work.

15 Because people remain our most important asset,
16 we've continued our efforts, as Fred alluded to, to assure that people
17 understand what we're doing, what we've recommended to the
18 Commission and why and how those efforts will put the Agency in a
19 better place.

20 And, we continue to remain open to our external
21 stakeholders so they have a similar level of understanding and an
22 opportunity to provide input to that.

23 Finally, significant work will be required to implement
24 the right-sizing, the workload reductions as well as the efficiencies that
25 we've recently shared with the Commission.

1 While we remain committed to do so in a way that
2 reflects our organizational values and, as a result, I feel confident that
3 we'll succeed as we've over achieved this morning in the briefing to you,
4 we'll certainly remain agile in the time remaining to respond to your
5 questions.

6 And, with that, we're ready for any questions that you
7 have.

8 CHAIRMAN BURNS: Okay, thank you.

9 We'll start the questioning this morning with
10 Commissioner Baran.

11 COMMISSIONER BARAN: Thanks.

12 I appreciate all of your work on Project Aim. We're
13 currently deliberating on the first rebaselining paper, as you know.
14 And, I have concerns about some of the 151 items in that paper, but
15 overall, I thought it was a good product that had a lot of worthwhile ideas
16 in it.

17 And, I want to ask some questions today about the
18 second rebaselining paper and the Strategic Workforce Plan.

19 The second rebaselining paper includes a list of
20 potential longer term efficiencies. The paper doesn't go into a lot of
21 detail on each of these items, but most look like they make sense when
22 I read through them.

23 How are we going to track these efforts? Are they
24 going to be tracked as part of Project Aim?

25 MR. MCCREE: So, Commissioner, we've asked

1 ourselves the same question. And, the steering committee has met
2 several times to discuss an approach we're characterizing as an
3 accountability model to make sure that we know that we first implement
4 the actions and, second, that we can account for how they were
5 implemented and be able to ascertain the efficiencies that we've gained
6 from them.

7 We had an opportunity last week to discuss this with
8 the office directors and regional administrators as well. And, they had
9 several good recommendations to offer.

10 So, I guess the bottom line is, it's extraordinarily
11 important that we have a method that's not overly burdensome but that
12 allows us to be able to track how, where, when we have implemented
13 the results and even conduct an impact assessment. You know,
14 whether we've -- what lessons learned can we draw from the actual
15 implementation of the recommendations.

16 So, we will do that in relatively short order.

17 COMMISSIONER BARAN: And, at what point in the
18 process are the expected or realized savings calculated for these
19 items?

20 MR. MCCREE: So, I think -- and I'll ask my
21 colleagues to join in -- we believe that we'll be able to realize the results
22 from the workload reductions. In fact, we're already anticipating that in
23 our budget recommendations to the Commission for future budgets.

24 I believe the most important step right now is to make
25 sure that the recommendations, that the efficiencies are implemented.

1 And, as we alluded to in the March 18th paper,
2 because a number of the efficiencies involve processes that cross
3 offices and cross business lines, it may be challenging -- it is
4 challenging to predict right now what that -- to quantify what that
5 efficiency is.

6 But, once we realize that the workload has been right-
7 sized, then we can make corresponding adjustments to the resources
8 that we need to carry out that more efficient work process.

9 And, at that point, we'd be able to characterize what the
10 efficiency is.

11 COMMISSIONER BARAN: Okay.

12 Well, most of the items on the list are pretty specific.
13 There's also a more general review of corporate support FTE listed
14 there.

15 And, the paper says that review should be completed
16 in May. What's the corporate support review going to look like and how
17 does it relate to what was done as part of the initial rebaselining effort?

18 MS. WYLIE: So, the corporate offices all participated
19 in the ongoing rebaselining activity. And so, many of the things that
20 you see in that paper are things that are easily stopped or adjusted on
21 a fairly large scale. I mean, I can see the impact, I can stop doing it.

22 The differences that this current corporate support
23 activity is intended to look post-rebaselining and post-workload
24 changes and also to do a very specific review of how we did our
25 processes in 2005 and in light of these workforce changes, what could

1 we, in fact, do?

2 So, there was rebaselining activity in corporate during
3 the process for everyone on a very bottom up level. But now, since
4 we're at a point where there is substantial change to the organization
5 and how it does its work and what work will be done, we felt that this
6 was a good time to do a more overarching and integrated review.

7 We expect to have those savings imbedded in the FY
8 '18 budget when it comes to the Commission in May.

9 There will be a report -- a paper done by the working
10 group which is populated by office directors and deputy office directors
11 on the 25th of April so that Vic and I can go through our deliberative
12 processes and budget development and ensure we're in the right spot
13 and then you'll get that paper as a part of the budget package.

14 COMMISSIONER BARAN: Okay.

15 And so, could you give me -- I know you've still got a
16 couple of months of work on this piece, but can you give me like a
17 concrete example of what you're talking about for kind of the longer term
18 efficiencies versus items you saw in rebaselining?

19 MS. WYLIE: So, in the use of financial management
20 example, because I understand those best, we looked very specifically
21 at things that we could stop doing in OCFO for rebaselining.

22 So, the bulk of the savings that my office takes is from
23 stoppage of work.

24 One of the things that we will look at is are there ways
25 that we are processing the reduced number of transactions that should

1 be flowing through the system.

2 As our budget declines, as our work declines, now that
3 we have a smaller number of transactions, are there things that I can
4 do with automation that I currently do with people?

5 And, are there particular items in budget formulations
6 space that now that we've gone through centralization for a couple of
7 cycles that we can do in a more integrated manner and provide a more
8 comprehensive budget going into the budgeting process at the
9 Commission level that will make approval of the programmatic budget
10 in September, October and the December CBJ easier for you?

11 So, much of that needed to wait to see how much we
12 were going to decline before we could really see the potential for further
13 efficiencies.

14 COMMISSIONER BARAN: Okay, thanks.

15 Let me take just a few minutes and ask about the
16 Strategic Workforce Plan.

17 The plan explained that the initial look at overages and
18 gaps showed that we needed a more accurate picture of specific
19 overages and the skill sets of the individuals in those unfunded
20 positions.

21 The staff subsequently developed a consistent
22 definition of what qualifies as an overage. And, I think, based on
23 something that was mentioned in the plan, the staff was going to do the
24 same for gaps, have a consistent definition of gaps by last month.

25 First, let me ask, did that happen? Do we now have a

1 consistent definition of gaps?

2 MR. MCCREE: So, thank you, Commissioner.

3 And, I'll ask Miriam to stand up or give me a lifeline on
4 this.

5 I don't know that we've honed in on a better definition
6 of gaps. I'll give my definition of a gap is literally a gap that we have a
7 need and we don't have the resources or perhaps even the depth and
8 the resources to meet the workload need that we have.

9 I do know that in the paper that we have the Strategic
10 Workforce Plan that, while we identify some areas of work that we need
11 to reinforce, cyber security, probabilistic risk assessment, acquisitions
12 and several others, I would not characterize those as a gap because
13 we have people that are doing that work and we're supplementing it.

14 But, we do anticipate that the workload in that area will
15 increase over time, so there's a need to deepen that resource pool and
16 OCHCO is working with the Offices of Regions to make that happen.

17 But, as to your initial question on the definition of a gap,
18 let me turn to Miriam.

19 MS. COHEN: He did a fabulous job.

20 I think there's just one fine point I would make on that
21 is that there's this a group of deputy office directors that are actually
22 looking now to move people to where offices have short-term
23 requirements, short-term, I don't want to call them gaps, but they're
24 vacant positions that are budgeted.

25 So, the deputy office directors are now moving to look

1 at those folks but we can move people from overage positions pretty
2 much like right now in NRR to vacant funded positions in NMSS. So,
3 we are actually doing that.

4 On the longer term gaps, I think Vic got it exactly
5 perfectly where we have either a projected deficiency or a known
6 deficiency in that area coming forward.

7 So, I can go back now.

8 COMMISSIONER BARAN: Stay right there.

9 MS. COHEN: Okay.

10 COMMISSIONER BARAN: Okay. So, the sense I
11 got when I read the Strategic Workforce Plan is that, for the first go
12 around when you went -- when the staff looked at overages and gaps,
13 particularly on the overage side, that it was more challenging than you
14 were expecting in the sense that, okay, you realized you didn't really
15 have a consistent definition across the Agency of what is an overage.

16 But, also, we weren't as far along on really
17 understanding the competencies and skill sets and skill sets of people
18 who were in unfunded positions. So, you have a better definition now
19 of an overage.

20 At what point are you going to go back through and re-
21 view with the benefit of the new definition?

22 MS. COHEN: Great question.

23 So, with our assistance and colleagues from Chief
24 Financial Officer's office, we're going to be asking offices probably in
25 the June time frame, once we have the results of rebaselining, to go

1 back and update their staffing plans for fiscal year '17 to account for the
2 changes in rebaselining and having this tool that CFO uses to formulate
3 the budget, we're going to actually have a standardized staffing plan
4 tool that will allow us to identify individuals in funded positions versus
5 unfunded positions.

6 Because, in the past, there were 25 different staffing
7 plan tools out there. There was no way to easily aggregate that
8 information to get a common understanding of where the overages
9 versus the funded positions were.

10 So, by having this automated tool and having the
11 results of rebaselining, we will be able to much more systematically
12 determine where those overages are against the supply of available
13 talent in the Agency.

14 Right now, it's much more haphazard. It's not in any
15 systematic way. So, we're hopeful that after this initial cycle, it'll
16 become more of a repeatable process so that we can have that
17 information more readily available and then move people in a much
18 more expeditious manner.

19 COMMISSIONER BARAN: And, where are you right
20 now on the status of this streamlined Strategic Workforce Planning
21 tool? Is that something we -- is ready to go?

22 MS. COHEN: We don't actually have that right now.
23 What we have is we have tribal knowledge about, you know, where
24 people know that there's vacancies in the organization and where
25 people have skill sets to match it.

1 I think there's really a multistage process. One is, this
2 year, we're going to refine the way we develop staffing plans to identify
3 the overages.

4 But, the next more important piece, and Mike alluded
5 to it in his presentation, is identifying the core competencies of
6 individuals so that we know where people have the skill sets to move to
7 where the work is.

8 Right now, it is because someone knows someone had
9 this background and they did it a number of years ago.

10 The core competencies which is also alluded to in the
11 Strategic Workforce Plan, that is a multiyear effort. That could that
12 three, five, six years to actually get the competencies laid out for the
13 vast majority positions in the Agency.

14 COMMISSIONER BARAN: And so, and I'm going
15 long, but let me just ask this one last question related to what you just
16 mentioned.

17 In terms of, at what point do you think we're going to be
18 in a pretty good place in terms of the ability to really systematically
19 match up people who are in unfunded positions with vacant positions
20 that would be a good fit for their skill set?

21 When are we going to -- when do you think we'd get to
22 that point where it's not -- we're beyond just -- and I don't mean to say
23 anything negative about this, but we're beyond just people sitting
24 around the table saying, oh, I have this spot, this person would be great
25 for that spot.

1 When are we going to be at a more systematic way of
2 doing that?

3 MS. COHEN: Well, I would like to get through this first
4 year of using the new tool to be able to come back to you with a better
5 understanding of when that would be.

6 COMMISSIONER BARAN: Okay.

7 MS. COHEN: I think this is going to be the first go
8 around. So, if I can get a short-term pass on that and come back to
9 you in at a potential future meeting, I would feel more comfortable.

10 COMMISSIONER BARAN: Okay, great. Thank you,
11 Miriam.

12 Thanks.

13 CHAIRMAN BURNS: Thanks.

14 Actually, Miriam, why don't you just stay there for a
15 second that way you don't have to get up and down.

16 One of the questions I guess I would have in terms of
17 recognize where we are, we're at the start, I think, with the Strategic
18 Workforce Planning.

19 But, maybe giving me a little more granularity in terms
20 -- and so, how y'all view this when it becomes more mature, and so, the
21 ability of a supervisor somewhere in the Agency to be able to use -- to
22 be able to use it? And, what do we need to do to get there?

23 That may be a little bit repetitive to answer to
24 Commissioner Baran's question, but --

25 MS. COHEN: I think some of you, and I think at one

1 point, I think Commissioner Svinicki mentioned this, you know, at a
2 Human Capital briefing a number of years ago, is we used to have a
3 system that actually when it first came about, was actually well
4 regarded.

5 It was just Strategic Workforce Planning tool that had a
6 lot of competencies in there. The problem we had is that because the
7 NRC views itself as very special and everyone has very unique core
8 competencies, it was overloaded, right, with like hundreds of
9 competencies and you really couldn't really manage it.

10 It also became less in favor because it was used in
11 operating plan space to, you know, do red, yellow, green and people
12 didn't like that.

13 I think where we're moving now with the budget
14 formulation tool that we're going to use for identifying the overages
15 more readily, I think the ability to push that down to the supervisors
16 ultimately in a system that they can use is something that is going to
17 come as we further develop the competency models which are still in a
18 very, very formulative stage.

19 But, we do have tools that many people have at their
20 desktop now that we're not fully utilizing.

21 So, for example, there are parts of iLearn that you
22 could build a competency model in there that you could put down at the
23 manager's level.

24 We have not deployed that. We are still pretty much
25 in the infancy stages of identifying the competencies across all the core

1 mission areas.

2 So, again, going back to Commissioner Baran's
3 question, I think it's a little bit early to sort of get to the point where I
4 have something that a manager could easily press a button and get an
5 answer to.

6 CHAIRMAN BURNS: Okay. But, something we're
7 continuing to work on?

8 MS. COHEN: Yes.

9 CHAIRMAN BURNS: One related question. Not
10 quite yet, I think you'll have an answer on this and then I'll let you go.

11 You know, obviously, in this context, although what one
12 of the things we're trying to do is look at where we need particular
13 competencies, where we need particular skill sets to the extent offices
14 are over in terms of an FTE, another office may be under, move them
15 around or not.

16 But, the bottom line is, as an Agency, we are getting
17 smaller and to be able to achieve that, we have to use some tools.

18 So, one of these tools we used last year and we're
19 looking at this year again, is the voluntary buyouts or voluntary early
20 retirement.

21 And, could you give us, I think just for the audience, it
22 would help to understand where we are, we're looking at that tool, and
23 where we are with that right now?

24 MS. COHEN: Sure. So, we are -- we have submitted
25 the request to OPM last week.

1 CHAIRMAN BURNS: Yes.

2 MS. COHEN: We anticipate an expedited review.
3 This is a much larger early buyout than what we have contemplated in
4 the past. It's open to a wide variety of technical positions in the
5 Agency. It's open in corporate space and in supervisory space.

6 So, we believe that this is something that we can do to
7 help further accelerate attrition in the Agency.

8 And, I think, if you look at the hiring controls that have
9 been in place in the earlier part of '16, that has actually helped really
10 position us well for the start of '17 and being mindful of the changes with
11 rebaselining to get us to the point by the end of '17 where we can
12 achieve those FTE reductions through voluntary means.

13 So, I think we're going to be in good position based on
14 some of the early work that we did in '16 and there's really very, very
15 restrictive movement of individuals in the Agency with respect to only
16 moving people to where there's funded positions and where there's a
17 need.

18 So, for example, as I mentioned, NRR and NMSS,
19 there's a lot of good work between those offices to move the people.

20 But, one thing I would just like to add before I think I get
21 to sit down and, actually, I always enjoy chatting with you, is that
22 through all the years that I've been in the Agency and you were here a
23 long time.

24 And, if you look back at the critical skills that have been
25 looked at over the years, they really have not changed. And so, this is

1 not that complicated of an area.

2 If you look at primarily the positions that we target and
3 hire, there are health physicists, scientists, engineers and, you know,
4 occasionally, there's like a little blip, okay, we need maybe some
5 expertise in PRA or digital or cloud computing.

6 But, by and large, the vast majority of our positions and
7 our critical skills have not changed. So, if you look in terms of moving
8 people to where the work is, I don't view this as a large problem for the
9 Agency.

10 I think the biggest challenge is having the accelerated
11 attrition so that we have ways to move people that are in the overage
12 positions to where the funded work remains.

13 CHAIRMAN BURNS: Okay, thanks. You can -- I'm
14 not going ask another question. I'll others do that.

15 A couple of going Mike, I thought it was interesting in
16 your presentation you talked about looking at the, I'm going to probably
17 get the -- the 30 competent -- was it 30 competencies?

18 MR. WEBER: Core capabilities.

19 CHAIRMAN BURNS: Core capabilities, thank you.
20 And, what was interesting in the comment you made is that those were
21 -- those capabilities were identified as part of the direction setting issues
22 in the 1990s era rebaselining effort.

23 Did you look at those again, this is basically a re-
24 confirmation that those sort of stood this test of time and are really the
25 focused areas for us?

1 MR. WEBER: Yes, we're still in the process of doing
2 that. As Miriam said, many of those core capabilities remain the same.
3 But, we do need to refresh on are there core capabilities that were
4 identified back then that we don't need as much of anymore.

5 Are there capabilities that, as we look into the future,
6 we're going to need more of? And, what's the right size of those
7 capabilities to support the Agency's mission?

8 CHAIRMAN BURNS: Okay, thanks.

9 And, Jim Flanagan, I've got a question for you. I
10 mean, one of the things over the years being here, there's always been
11 this tension between what I'll call boutique or artisan IT and basically
12 using standardized practice.

13 And, that is in your presentation emphasized one of the
14 things where we can gain efficiency is greater that standardization.

15 What do you see as the biggest challenges in terms of
16 communicating that and convincing people of that who are always
17 saying -- who may always add, well, can't we just do this to this program
18 or that program or this type of thing?

19 How do you communicate that? What is your staff
20 looking at in terms of enhancing that greater standardization? Which,
21 I think generally will bring us greater economic type saving.

22 MR. FLANAGAN: Thank you.

23 I think one of the challenges continues to be the
24 culture. We do have a culture that does tend to look at unique needs
25 almost preeminently.

1 However, I will say that over the last two or three years
2 there's been a sustained effort on the part of the budget formulation
3 process and the budgeting process in general to really move closer to
4 a standard model.

5 We've spent a lot of time with each of the regions and
6 with each of the offices to help them understand how their requirements
7 fit into that context and how they can be delivered in a standardized
8 model.

9 In fact, Mike and I have just finished an effort to bring
10 over a significant segment of researchers efforts into a standard
11 operating model within OCIO.

12 So, I think the process is starting. It is a sustained
13 effort. It's something we're going to have to continue with. We are
14 doing a lot more outreach than we've ever done before. We are trying
15 to communicate and over communicate where possible.

16 But, it'll always be an ongoing battle. I think it will
17 diminish over time, but it will always be an ongoing battle.

18 CHAIRMAN BURNS: Okay, all right. Thanks.

19 And, Vic, probably my last question will go to you, but
20 others may want to chime in.

21 One of the things with Project Aim, and I appreciate
22 we're going on about two years, not quite two years since we started,
23 and I think -- I want to express my appreciation for the hard work that
24 every one of the staff has done, both at the management level and the
25 staff level as we contributed ideas and worked through the process.

1 What we're in the midst of now is getting particular
2 deliverables. We have the rebaselining effort, the Strategic Workforce
3 Plan paper. We've talked about some papers coming up and all that.

4 But, I know, Vic, in your comments, you emphasized
5 sort of at the end about creating a mindfulness of the impact and costs
6 of our activities that are leveraging knowledge and creativity, enhancing
7 methods used to assess program effectiveness.

8 Give me, if you would, your vision of how we sustain
9 this in the future beyond particular deliverables that are going to come
10 due over the next six months? How do we make this part of the
11 ongoing process? What do we need to do?

12 MR. MCCREE: So, it's a wonderful question.

13 And, while it doesn't keep me up at night, I feel like I
14 understand what it is and it's wrapped up in those three aspects of
15 cultural change.

16 I don't think there's anyone in the Agency who doesn't
17 recognize that our safety and security mission is the most appropriate,
18 the most important thing that we do. They see it, they hear it, they feel
19 it. We train them on it. We reinforce it. They act on it.

20 I believe we're going to have to get to a point where the
21 language in our efficiency principle of good regulation and, there's one
22 phrase that Commissioner Rogers and his colleagues wrote that
23 speaks to when there are multiple options to advance an issue, they all
24 have merit, it's appropriate that we seek the one that has the minimum
25 cost, the reduced -- that is most affordable, if you would.

1 I believe we need to understand that -- better
2 understand that what we do has an impact on the licensees that we
3 regulate. We ought to be mindful of that and we ought to seek out
4 options where the cost is something that we can best afford.

5 And, I do believe we need to take advantage of the
6 ideas which a number of our people have to better execute the work
7 that's before us and we need to create an environment where they can
8 present those ideas and we can consider them and factor them into the
9 work that we do.

10 And, I believe the leadership team needs to build a
11 capacity within our normal processes. We have a number of meetings
12 and we evaluate the effectiveness of our work. I believe we need to
13 think about and talk about and identify processes that we can further
14 enhance that will create those efficiencies in the future.

15 I believe if we can build that into our normal way of
16 doing business, we'll realize that in the future.

17 CHAIRMAN BURNS: Okay. Well, I encourage the
18 continued work on that.

19 And, again, thank you for the presentations.

20 Commissioner Svinicki?

21 COMMISSIONER SVINICKI: Well, thank you all for
22 your presentations as well.

23 And, Fred, I want to thank you for your very direct
24 contributions to Project Aim as you have now agreed to be CIO in an
25 acting capacity. I think there's some positive attributes to that because

1 you're bringing the very fresh focus on the Agency's Project Aim
2 activities. You bring that mind set with you to CIO where there are a
3 lot of resources expended to support the Agency infrastructure.

4 But, I just wanted to thank you for the contributions that
5 you've had -- you've made and you've handed that off to your successor
6 very ably.

7 And, I'm sure, over the course of Project Aim, others
8 will have opportunities to have a more central role than perhaps they
9 have at the current time. And, I think that that will be to the good of
10 what Victor's talked about in terms of getting us to be a cultural change
11 as well.

12 And, the more people that have to have some very
13 direct involvement, I think it's a way to institutionalize that new mind set.
14 I think that will be very beneficial.

15 Maybe I'll start where Chairman Burns ended. I was
16 going to ask some more narrow questions. But, I do think, Victor, that
17 your message about taking Project Aim and turning it into a
18 memorialized mind set of how we go about things is consistent with a
19 footnote to Enclosure 1 which show these longer term efficiencies in the
20 second follow on rebaselining paper.

21 It says, recognizing the need for continuous
22 improvement, the staff will continue to seek opportunities to realize
23 additional efficiencies.

24 So, on the one hand, you do want to have it
25 institutionalized in a mindset. On the other hand, you have, as

1 Chairman Burns has talked about, a discrete set of activities that we've
2 approved, we're implementing and we'll also, as Commission Baran
3 mentioned, want to look at the effect and impact of changes that we've
4 made.

5 We want to, of course, do that in relation to the
6 significant, some of these have greater impact and significance than
7 others.

8 The other thing in human nature is often when we
9 streamline a process, you find, if you go back to the people directly
10 involved in that process, that they were so comfortable with having
11 something, but all of a sudden, there's an ad hoc thing that, like, well,
12 yes, we got rid of that process, but now I write a memo to Joe and that's
13 how we do it.

14 And so, it's human nature to have other work arounds
15 that crop up.

16 So, I think -- I don't know what the sweet spot is on
17 monitoring the impact or even unintended consequences of changes.
18 But, I think it is -- it takes just people's kind of management judgment
19 and expert judgment to know how much is enough.

20 But, I do think some checking back in when you think
21 that you substantially modified or eliminated something and people are
22 so creative and ingenious that, if they're comfortable with something,
23 they will institute it sometimes in a different form. So, I think that that's
24 worthwhile.

25 I think that we have done a lot of the things most

1 obvious to us as we looked about and began the Project Aim process.
2 I don't mean to discourage anyone, but I think it gets harder. And,
3 again, the more successful you are in the early phases of a multiyear
4 transformation like this, that almost makes it harder because you've got
5 to get to the tougher things, the things less obvious.

6 And, I appreciate it, again, Victor, that you're closing
7 thoughts captured that.

8 One of the things I learned early here in working and
9 looking at allegations that are submitted at regulated facilities is that if
10 there is going to be a layoff or downsizing at a nuclear power plant or
11 another facility, often, as the regulator, we are not surprised. We take
12 seriously, but we are not surprised to see an uptick in submittal of
13 allegations.

14 A way I think that that might manifest in a regulatory
15 agency is in an agency that has been very public about the fact that in
16 the future, it will be different, but it will be smaller, is that you can
17 perhaps have a tendency to have a less strict adherence to all of the
18 established policies on making sure that our regulatory actions are
19 commensurate with the benefit and the costs that are associated with
20 those actions.

21 And, Victor, your statement about creating stronger
22 mindfulness of the impacts and costs, benefits is not listed there, but I
23 know that that's inherent in impact of regulatory activities.

24 I think it's difficult when people are living in a very real
25 environment where they're concerned that, as we look at Strategic

1 Workforce Planning maybe their position will be deemed to be an
2 overage area or something like that.

3 I think what you can see is a proliferation of a lot of
4 compliance, proposed compliance issues that do not have safety
5 significance and even an acknowledged lack of safety significance.

6 So, I think that's going to be a challenge for you. I'm
7 encouraged that it's already on your mind because I think that the best
8 thing we can do is be honest about the fact that people will have anxiety
9 about being matched to work.

10 The other thing I want to comment on, I know we've
11 had Miriam Cohen come to the microphone quite a bit, but I know that
12 with her long experience in the field of human capital, she and others
13 are also aware of the fact that it's -- we acknowledged early on and as
14 an organization that we thought there were disconnects between
15 people, resources and forecasted work.

16 As we have developed a first cut of the Strategic
17 Workforce Plan, we have verified or validated at some level that there
18 is a disconnect between people, resources and work and forecasted
19 work.

20 So, I think that, as we bring that into alignment, we will
21 see different types of organizational behavior.

22 And so, we need to be bringing our -- we've done a lot
23 of training on the way we communicate with each other, communication
24 is where Fred began in his presentation.

25 And so, I know for the steering committee and really all

1 managers in the Agency, it's something that we realize if we don't do
2 that well, it's going to be really difficult to do the other aspects of Project
3 Aim well.

4 Something that, as a Commissioner I've been asked
5 about, we'd had a couple of hearings on our FY '17 budget. We are
6 being asked about FTE targets.

7 And so, the Strategic Workforce Plan, I think, took a
8 first cut and I won't cover the territory that Commissioner Baran covered
9 because that was covered very well on the Q&A about what's our state
10 of fidelity and knowledge on that, is there a feedback loop? How are
11 we going to better inform this?

12 I think it was Fred made reference to an FY --
13 achievement of the FY '16 FTE goal and then progress towards an FY
14 2017 FTE target.

15 I have to admit, I'm not sure what targets we're using,
16 if they're the original Project Aim target. There was a chart out to 2020,
17 but that was not informed by any of our work on Strategic Workforce
18 Planning.

19 And so, in a hearing that we had in February, I think it
20 was, I was asked or the question was posed generally about our 2020
21 or FTE target or our over Aim goal.

22 And, I testified to a correction that, well, we did have
23 some initial targets, but we -- none of that was informed by processes
24 that we have done or have ongoing.

25 Could somebody talk about what our -- are we using

1 the 2017 FTE target that was in the original Project Aim report? Is that
2 the target we currently work to?

3 MR. WEBER: No.

4 COMMISSIONER SVINICKI: Okay. Mr. Weber,
5 would you like to take that so that Miriam does not have to come to the
6 microphone?

7 MR. WEBER: I'm prepping my colleagues.

8 But, you know, when we developed that, that was
9 based on a financial analysis that looked retrospectively and then also
10 projected into the future based on what we knew at the time.

11 Since then, of course, we've continued to refine the
12 basis for that. So, as you now saw, we provided significant workload
13 changes in this most recent rebaselining paper.

14 We didn't have that information at the time.

15 COMMISSIONER SVINICKI: Is there a number for
16 '17? Fred, was that your presentation?

17 MR. BROWN: Yes, ma'am.

18 So, the number in the paper was 3,400 FTE projected
19 at 2020. What we've done in our planning for fiscal year '17 is to
20 assume that the Commission will support all of the reductions proposed
21 which gives us a new target number which is actually below 3,400 in
22 '17.

23 COMMISSIONER SVINICKI: Okay.

24 MR. BROWN: Thirty-three, forty-four FTE and that's
25 what Miriam and the offices are working towards and planning space,

1 obviously, subject to change and subject to an appropriate process.

2 So, it's just a target that we have in mind.

3 COMMISSIONER SVINICKI: Okay. And, I noticed
4 you used goal for '16 and target for '17. And, I appreciate that
5 distinction because it is a little bit of a work in progress.

6 Victor, did you want --

7 MR. MCCREE: The only thing I wanted to add to that,
8 I know you started that -- within that line of comment of Strategic
9 Workforce Planning. And, one of the reasons why we are
10 implementing and continuing to implement the stringent hiring controls,
11 seeking to really up buyout authority and working very -- with great
12 fidelity with the deputy office directors, deputy regional administrators
13 and the Strategic Workforce utilization team to make sure that we're on
14 a path to be able to achieve that target, if you will, the 3,340 target at
15 the end of -- by the end of 2017.

16 MR. WEBER: And, if I could add just one other thing.

17 COMMISSIONER SVINICKI: Yes, sure.

18 MR. WEBER: The Commission obviously never
19 approved or bought into that long-term target that the staff identified.
20 So, that really was a forecast.

21 Now, you all ultimately decide where the Agency's
22 going to go and then, of course, we await guidance and direction from
23 the Congress in the form of the approval of the 2017 budget.

24 COMMISSIONER SVINICKI: And, I appreciate that.
25 That was some of, I think, my testimony was just to clarify that the

1 Commission had reserved judgment on the 2020 number and it was
2 simply because we just felt we didn't have the information.

3 I'll just close with this thought and, at the end of this
4 meeting, I think the Chairman will recognize our representative from
5 NTEU.

6 So, I know that we have a good partnership with, and
7 Fred mentioned it specifically, with our labor partners here at NRC.

8 I'm surprised I've lasted as long as I have in
9 Washington because I'm just not a fan of euphemisms.

10 What I think is that we need to speak really honestly
11 and respect each other. You know, I know we've always called this
12 right-sizing, but very early on, we acknowledged that we had prepared
13 and staffed for an amount of work that didn't materialize.

14 So, I don't like using euphemistic terms like that. So,
15 I think that communication will be key and I think, you know, let's not
16 kind of pull our punches with each other.

17 I think sharing as much information as openly and as
18 up front, which I'm not suggesting you're not doing that, I just think that
19 that becomes really critical.

20 I don't know if Commissioner Ostendorff will say
21 anything, but he and I knew Project Aim before it was Project Aim. We
22 sat in a closed management discussions and other things where it
23 became clear that when we looked at staffing and resourcing that we
24 needed to make adjustments here at NRC because of all the changed
25 circumstances in the external world.

1 And, I don't want to speak for people who aren't on the
2 Commission any more, and Commissioner Ostendorff can verify this or
3 not, but our key driver as members of the Commission, we didn't design
4 all elements of Project Aim, but if adjustments needed to made, we
5 wanted NRC to devise those adjustments before patience was lost and
6 others devised the solutions for us.

7 And so, I don't want to add, in addition to all your work,
8 a sense of urgency. But, there is some sense of appropriate urgency
9 to this. We are, as the Chairman mentioned, a couple of years into this
10 thing with acknowledged misalignments between, you know, people
11 and work.

12 At some point, others will devise those solutions more
13 quickly for us. So, I ask that we bring as much fidelity to correcting and
14 moving forward. That's why I appreciated Commissioner Baran's
15 Q&A. When are you going to have tools? When are we going to have
16 better fidelity on that?

17 And so, I just close with that request.

18 Thank you.

19 CHAIRMAN BURNS: Thank you, Commissioner.

20 Commissioner Ostendorff?

21 COMMISSIONER OSTENDORFF: Thank you,
22 Chairman. Thank you all for your briefs. Thank the Project Aim team
23 behind you and for all the people that have been working on this.

24 I've got several questions I'm going to leverage also my
25 colleagues here because they've asked some -- all of them have asked

1 very thoughtful questions as they always do.

2 But, I'm going to pick up and maybe a little bit with
3 Commissioner Svinicki's line of commentary and questions.

4 And, I'm going to make two comments -- one comment
5 and one question.

6 And, Mike Weber appropriately acknowledged that the
7 Commission never approved the 3,400 number and I cannot
8 overemphasize that that has created an aura of it's a done deal that I
9 think has been unhelpful for the Agency. That is my perspective in
10 numerous conversations, internal and external.

11 Secondly, I want to ask Victor a question so Miriam
12 doesn't have to come back up, but it may be more in Miriam's category.

13 But, have we directed any reassignments of NRC
14 personnel? Can you talk about that?

15 MR. MCCREE: Miriam, if you would. I believe the
16 answer to the latter is yes.

17 As for the aura around 3,400, I --

18 COMMISSIONER OSTENDORFF: I'm not asking
19 you to comment on that, if you want to fine, but I'm just telling you
20 realistically as somebody who deals with people outside of this building
21 on a regular basis and internally, I think it's a problem as to how it's
22 been talked about internally to the organization.

23 MR. MCCREE: Then I need to get better educated.
24 I know that, as far as the steering committee, the Project Aim Steering
25 Committee is concerned, that number has not driven or effected or

1 influenced in any way the recommendations that we've made to the
2 Commission in any of the products you've received or those that are
3 forthcoming.

4 For me, that's the most important test of the impact of
5 that target.

6 MS. COHEN: So, the answer is yes, we have done
7 management directed reassignments. I mean, I think I was up here at
8 a prior meeting. We had individuals that came from NRO that moved
9 to NRR. Those were management directed reassignments. We
10 worked collaboratively with NTEU on that process.

11 Those same processes are going to be used to move
12 people from NMSS to NRR. So, it is ongoing.

13 And, in fact, I would like to actually mention that some
14 people that understand where rebaselining is going and where the
15 Agency has to be are actually voluntarily offering themselves up to
16 move to where the work is.

17 COMMISSIONER OSTENDORFF: Well, just, since
18 you're there, so that's good news because I think this is reality.

19 I want to give you just an anecdote. My son lived in
20 New York City for a number of years, came back home after six years
21 and was working in downtown D.C., now living at home for a while.

22 Took the metro this morning and I said, Jeff, what are
23 going to be doing today at work? He's working for a large real estate
24 company downtown. And, he said, dad, I'll do whatever they tell me to
25 do. He's a college graduate.

1 Commissioner Svinicki was getting to that point about having some
2 candid conversations with people.

3 And, about two or three years ago, we've had at
4 several Commission meetings under the human capital EEO heading,
5 discussions that OCHCO, Jody Hudson, have been these -- having
6 difficult conversations, these types of communications with employees,
7 not in the context of Project Aim, but rather in performance evaluations,
8 honest feedback on how things are going. And so, it's just so important
9 to have those and to be honest.

10 And, I'm glad -- I'm encouraged by your answer,
11 Miriam, but I think this is going to be, perhaps, a greater issue going
12 forward the next two years than it has been the last six months is my
13 personal experience.

14 Okay, I'm going to go on to a different topic here.

15 Fred, I want to add my thanks to those of others for
16 your leadership here. I want to ask you a couple of questions on
17 rebaselining.

18 So, three weeks ago, I had a chance to sit down with
19 Bill Dean and had a very detailed periodic with him in his NRR hat.

20 But, he shared with me NRR's work to look at future
21 work. And, the numbers that I recall for FY '16, about 570 in NRR.
22 And then, the FY '18, I think around 430, something like that. It was a
23 pretty significant dec based on changes of workload.

24 Now, I know that in the paper we got last week that
25 sometimes it's difficult to match up offices with business lines. And, I

1 know that there's not a one for one correspondence here.

2 But, I guess, and it kind of goes to Commissioner
3 Baran's comment and questions on corporate support. I'm trying to get
4 a sense as to how consistently there was a rebaselining effort done with
5 some top down direction across the offices.

6 Can you maybe talk about that for a moment?

7 MR. BROWN: Yes, sir.

8 So, as we -- in the guidance and criteria for
9 rebaselining, one of the things that we recognized was the efforts last
10 summer to ensure that our corporate percentage of costs was
11 comparable to other federal agencies based on the EY study that we
12 had done.

13 And so, we had done that in the August time frame.
14 And, the guidance and criteria, we very specifically directed that, after
15 going through rebaselining, we not undo the work to have a cap or
16 target for corporate costs.

17 So, corporate costs were fully imbedded in the
18 rebaselining activities, in participation in the steering committee and the
19 working group and by the offices.

20 We did not establish a hard target or any kind of
21 specific direction setting, you have to meet a number anywhere
22 because we were really focused on the activities.

23 As we went through the process, I believe that we
24 actually did maintain the kind of ratio that we had talked about. And, if
25 you look in the details below what we've provided at FTE reductions in

1 offices, it's interesting that for an office of a size around 200, which
2 would be NSIR research, three of the four regions, Admin, OCIO.

3 At the end of the day, the FTE reductions and the
4 rebaselining paper are within plus or minus one of each other across all
5 of those areas.

6 So, the -- but in the -- but the larger corporate offices
7 have reductions directly comparable in FTE to the program offices that
8 went through rebaselining.

9 We didn't establish that. That was organically what
10 happened through the process.

11 COMMISSIONER OSTENDORFF: I'm not really sure
12 I'm following you because I'm looking at the March 18th paper. I don't
13 think it's in here.

14 MR. BROWN: No, it's not, sir.

15 COMMISSIONER OSTENDORFF: Okay. So, we --
16 can you provide the Commission separately then? Because we've not
17 seen that.

18 MR. BROWN: I'd be happy to provide the tables to
19 you.

20 COMMISSIONER OSTENDORFF: Okay. All right.
21 Jim, let me go to your area, please.

22 We've talked over a number of periodics the last few
23 years on the importance of centralized procurement of information
24 technology services. Are we there?

25 MR. FLANAGAN: I believe we are there, actually. I

1 think the upcoming outsourcing contract that we will be putting out later
2 this year will take us even further down that path.

3 We're trying -- there's still some minor areas, credit
4 card purchases and things of that nature that go through different paths.
5 But, by and large, I think with the great cooperation from the admin
6 group and others, we've been able to achieve a centralized view of IT
7 procurement.

8 COMMISSIONER OSTENDORFF: Do you expect
9 any future FTE savings in your area based on some of the centralization
10 efforts and other efficiencies?

11 MR. FLANAGAN: I think across the Agency, yes. I
12 think it's difficult to see that part of the future right now, only because
13 we expect that these contracts will require a shift of resources from
14 technical oversight to contract oversight if we're going to get the most
15 savings out of it.

16 Frankly, in the IT space, the biggest savings is going to
17 come from the contracts themselves. We're expecting a substantial
18 savings in labor alone, but also savings in the efficiencies by
19 substituting technology and making other radical changes in the
20 demand side to ensure that we're not over procuring or over purchasing
21 elements of the support contract.

22 So, that's really where the largest savings will come in.

23 Are there going to be savings in IT? Absolutely. We
24 continue to follow a curve that looks at creating greater efficiencies
25 within the organization. We expect that organization to be further

1 refined in the next year.

2 So, I would expect to see some significant changes in
3 head count. But, the real significant savings, and they've already
4 started, actually, they are projected in our fiscal '17 budget and then
5 further enhanced in the projected '18 budget.

6 That's where the savings are going to be in the
7 procurement of the outsourced services.

8 COMMISSIONER OSTENDORFF: Okay.

9 Thank you. Thank you all.

10 CHAIRMAN BURNS: I'm going to ask Sheryl
11 Burrows, President of the local chapter of the National Treasury
12 Employees Union to come up to make remarks.

13 MS. BURROWS: Good morning, Chairman Burns,
14 Commissioner, EDO McCree, NRC leadership, managers and Bargain
15 Unit employees.

16 I'm Sheryl Burrows, President of Chapter 208 of the
17 National Treasury Employees Union, NTEU, which is the exclusive
18 representative of NRC Bargaining Unit employees.

19 I am joined here today or on the webinar by several
20 NTEU officers and stewards who, along with other volunteers, are
21 partnering on working groups that provide the Commission with
22 recommendations to further the Project Aim initiatives.

23 I am pleased to note that NTEU feels this partnership
24 is working well and we have been provided many opportunities to
25 engage in meaningful discussions with Agency leadership as well as to

1 provide input from the various -- to the various working groups.

2 I greatly appreciate this opportunity to provide a few
3 remarks on behalf of our Bargaining Unit employees regarding Project
4 Aim, described here today as a cultural change.

5 NTEU believes that to the extent that our leadership
6 defines what the future should look like, aligns our employees with that
7 vision and inspires them to make this happen despite the obstacles that
8 face our Agency, this will, indeed, be a cultural change, one that has
9 the potential of producing extremely useful new approaches to how the
10 Agency does its work, and equally important, how it engages its
11 employees in that work.

12 I'd like to frame my comments this morning with my
13 thoughts about a video I recently watched. The video captured a life
14 threatening event where a fishing boat was caught up in surging waves
15 that were pushing the boat and its crew dangerously close to jagged
16 rocks where a lighthouse stood.

17 Those in the lighthouse were trying to help by casting
18 as much light as they could on the rocks that the boat was attempting to
19 avoid.

20 The crew was working feverishly to accomplish life
21 saving activities brought on, in part, by initially not being aware of the
22 hazard and steering too close to the rocks.

23 This miscalculation was intensified by the external
24 forces, the pounding waves which pushed the boat towards the rocky
25 shore and likely disaster.

1 This image is not unlike what our Agency has been
2 experiencing and reacting to, both internal and external forces over the
3 last few years.

4 The image underscores the importance of having the
5 right people in the right places with the right skills.

6 It also illustrates that some of the people were so
7 involved in efforts to save the ship that they were not even aware of the
8 light being cast from the lighthouse to guide them.

9 This scene highlights the importance of the crew
10 understanding their roles. Additionally, the crew must be agile enough
11 through on the job experience as well as specific training to take on
12 additional responsibilities that may be necessary to preserve the ship
13 and there is no room for silo oriented culture in this scenario.

14 This example underscores the importance of using the
15 light cast on the dangers confronting the captain and crew so that they
16 are aware of exactly what they are up against and must overcome in
17 order to successfully steer their boat to safety.

18 In my scenario, the captain and everyone on the crew,
19 from the cook to the crew members in the engine room, must
20 understand the urgency of this situation. The tools they need to
21 undertake, their duties must be in place. The processes they use to
22 ensure they are communicating, even as they are struggling against
23 tremendous odds must be useful.

24 Everyone must know what they're supposed to do. It
25 is also extremely important in this scenario that there's a culture that

1 supports mutual respect and trust.

2 Recall that a little more than a year ago in a meeting
3 with you on TABS, I commented that a shipwreck on the shore is a
4 lighthouse to the sea.

5 NTEU still believes that the Agency should use lessons
6 learned from the TABS to illuminate Project Aim initiatives to avoid the
7 problems the Agency encountered with TABS.

8 Today, the Agency is facing an urgent situation. Our
9 leadership and the Project Aim team have been communicating to
10 make this case. Workloads have changed, budgets have been
11 reduced and technology is advancing.

12 NTEU's role is to assist the Agency to make their
13 efforts successful. We owe no less to our Bargain Unit employees, our
14 crew, if you like.

15 NTEU's efforts in that respect have been to ensure that
16 the Project Aim initiatives address an unambiguous mission and have
17 clarity of roles and responsibilities, adequacy of processes and
18 procedures and appropriate training all within an environment of mutual
19 trust and respect.

20 NTEU will continue to stress that the NRC leadership
21 and supervisors must regularly and consistently communicate to
22 employees their new roles and responsibilities within a changing NRC.

23 NRC employees must have the training and necessary
24 resources to successfully perform their work.

25 They must also be able to ask questions and report

1 problems pertaining to their work without fear of retaliation.

2 Their human needs must be attended to, including their
3 workspace and work schedules.

4 They should be appreciated when they are doing the
5 heavy lifting including management directed reassignments that
6 respond to the Agency's immediate needs.

7 And, regardless of their title, series, grade or any other
8 factors, they are treated with dignity and respect.

9 As the Project Aim initiatives are implemented, our
10 employees deserve leaders who plan not only for the moment, but
11 strategically for the years to come in an environment that is filled with,
12 and will continue to be filled with change.

13 That our leaders are aware that tides will change and,
14 as leaders, their job is to carefully chart the course of their ship,
15 ensuring that it avoids treacherous rocks.

16 Our leaders must be strategic thinkers so that when
17 unexpected events arise, they, their crew and their ship are prepared
18 and able to work together to return to safer waters.

19 Our leadership has promised a communication plan
20 specifically addressing change management and NTEU looks forward
21 to seeing this.

22 Going forward, we are told that the Agency will not be
23 doing business the same way we've done it in the past. Using a
24 lessons learned approach should inform our leaders and managers that
25 they will need to be open to innovative ideas and look at best practices

1 to guide their decisions.

2 Our leaders should not simply reflect on the high
3 scores of the Federal Employee Viewpoint Survey that indicate the
4 NRC has a very engaged staff, they must also pay serious attention to
5 the negative scores that indicate there is work to be done regarding
6 trust and the negative consequences associated with raising safety
7 issues either through the non-concurrence process or through the
8 differing professional view process.

9 This is especially true when you compare the FEVS
10 results from the GG-13s and 14s versus management. In some cases,
11 the gap of these scores is 20 points or more. If this gap is not
12 addressed, Project Aim, as a cultural change, will not happen.

13 Project Aim endeavors to transform the NRC. During
14 this transformation, NTEU believes it is essential to focus on the way
15 that we treat each other.

16 What will this new NRC look like? Answering this
17 question is critical to any cultural change because it opens up vital
18 question about our Agency's leadership philosophy, our shared values
19 and our work culture.

20 NTEU will strive to support our Bargaining Unit
21 employees' needs as we continue to partner with the Agency on the
22 implementation of Project Aim initiatives.

23 We encourage all Bargaining Unit employees to help
24 us as we continue to represent your interests.

25 For those of you who are already active in our Chapter,

1 thank you. And, for those of you who are not, there has never been a
2 better time to change this. We need you input. We need your
3 support. Together we are stronger.

4 Thank you.

5 CHAIRMAN BURNS: Thank you, Sheryl.

6 I thank you all again for your presentations this morning
7 giving us an update where we are on Project Aim.

8 We've made progress. We have continued progress
9 to make in terms of some of the upcoming papers that we'll be seeing.
10 And, as Vic alluded to, in terms of the notion of a cultural change that
11 embodying and embracing a way of looking at the way the Agency does
12 its work in the future.

13 And, we look forward to continuing the interaction on
14 this.

15 And, with that, we are adjourned.

16 Thank you.

17 (Whereupon, the above-entitled matter went off the
18 record at 10:59 a.m.)

19

20

21

22

23

24