

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

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4 ALL HANDS MEETING

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6 THURSDAY

7 OCTOBER 31, 2013

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9 ROCKVILLE, MARYLAND

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11 The All Employees Meeting commenced at 10:00
12 a.m., in the Marriott Bethesda North Hotel and Conference Center,
13 5701 Marinelli Road, Rockville, Maryland.

14
15 NRC COMMISSIONERS:

16 ALLISON M. MACFARLANE, Chairman

17 KRISTINE L. SVINICKI, Commissioner

18 GEORGE APOSTOLAKIS, Commissioner

19 WILLIAM D. MAGWOOD, IV, Commissioner

20 WILLIAM C. OSTENDORFF, Commissioner
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22
23
24

P R O C E E D I N G S

10:02 a.m.

MR. SATORIUS: Good morning.

(Chorus of "good mornings" from the audience.)

And welcome to the 22nd Annual All Hands Meeting of the Staff and the Commission. This is a public meeting. So, I would like to also welcome those members of the public and the media who might be present.

I would like to thank the staff for attending, and thank the Chairman and her fellow Commissioners for taking the time to meet with us and discuss topics that are of great interest to us all. We very much value this interaction and, on behalf of the staff, I thank the Commission for your continued support of this important meeting.

In addition to the Headquarters staff that are here today, the staff in the Regions and the Technical Training Center and locally here at Church Street are viewing this meeting via video broadcast, and our Resident Inspectors are receiving the audio portion of this meeting.

The purpose of this meeting is to facilitate communications between the Commission and the staff, and for the Commission members to share their perspectives on NRC's accomplishments and challenges. The Chairman and each of the Commissioners will begin the meeting with individual remarks.

The remainder of the meeting is reserved for questions and answers. This is an excellent opportunity to interact directly with

1 the Commission regarding Agency policy and strategy matters.

2 There are several microphones throughout the
3 ballroom that are for your use in asking questions. We are also
4 handing out cards, if you would prefer to write your question. You can
5 pass the card to one of those volunteer staff that are populated around
6 the ballroom. And in addition to those cards questions that we will
7 receive, telephone, fax, or emails in from the Region and other sites will
8 be read by our volunteers.

9 So, please, first take a minute to put all of your
10 electronic devices on silent or vibrate.

11 I would like to thank the volunteer readers today who
12 are Kate Raynor, Chelsea Nichols, Stacy Schumann, and Woody
13 Machalek. Thank you also to the volunteer ushers who are helping
14 today, our sign language interpreter, and the Offices of the Secretary,
15 Administration, Information Services, and the Chief Human Capital
16 Officer for their work to organize and provide technical and logistical
17 support.

18 Finally, I would like to recognize the officials of the
19 National Treasury Employees Union who are here with us today.
20 NTEU will have an opportunity to address us near the conclusion of the
21 meeting.

22 It is now my privilege to turn the meeting over to the
23 Chairman.

24 Chairman Macfarlane.

25 CHAIRMAN MACFARLANE: Thanks, Mark.

26 So, good morning.

1 (Chorus of "good mornings" from the audience.)

2 It's great to see so many of you here filling up the
3 seats. There are seats for all of you, that huge crowd standing in the
4 back, there's a lot of seats in the front.

5 (Laughter.)

6 You know, I found as a professor that there's always
7 empty seats in the front.

8 (Laughter.)

9 And I encourage you all to sit in them.

10 So, first of all, I want to start off by thanking you all for
11 your patience and dedication during the recent government shutdown.
12 I know it was sometimes very complicated and sometimes very
13 stressful for everyone, but we got through it.

14 It certainly did disrupt our operations, but it was clear
15 that we were able to continue our mission of protecting our nation.
16 And I'm really proud of how everybody responded.

17 I would particularly like to thank our EDO Mark Satorius
18 and our CFO Jim Dyer, and the other senior managers who worked so
19 hard to minimize the impact and see us through this past month. So,
20 let's thank them.

21 (Applause.)

22 So, setting aside these most recent events, it has been
23 a very busy year for the NRC. Despite resource limitations that we had
24 as a result of the sequestration, I'm pleased to say that we have had a
25 number of important accomplishments.

26 We have continued to ensure safe and secure

1 operations of our licensed facilities.

2 We have made significant progress in implementing
3 the Fukushima lessons learned.

4 And we are working to comply now with the D.C.
5 Circuit Court's direction to resume our Yucca Mountain licensing work.

6 We are continuing to make progress in completing the
7 Waste Confidence Rule and the Environmental Impact Statement.
8 And though the recent shutdown did force us to postpone five of the 12
9 scheduled Waste Confidence public meetings, we have demonstrated
10 our commitment, I believe, to public engagement by rescheduling these
11 meetings and extending the comment period now to December 20th.

12 We have moved forward with cyber-security
13 requirements for our licensees.

14 We are conducting oversight at the reactors under
15 construction, Vogtle, Summer, and Watts Bar 2.

16 And we are overseeing the decommissioning at
17 SONGS, Kewaunee, and Crystal River 3.

18 And in the coming months we will continue to have all
19 of these activities on our plate and more.

20 We will be continuing to implement radioactive source
21 security enhancements, including making sure that our agreement
22 states are implementing compatible regulations.

23 We also anticipate that we will receive the first Small
24 Modular Reactor design certification applications to review sometime
25 next fall.

26 And, of course, we will be moving through the backlog

1 of work that we have as a result of the government shutdown.

2 You're also probably aware that the lease for Two
3 White Flint North expires on December 14th of this year. So, let me at
4 the outset assure you that, even if there were a change in our Two
5 White Flint occupancy, it would be a very gradual one. And there's no
6 need to worry that you won't have an office on December 15th. Your
7 office furniture will not be put out on Rockville Pike on that day. Okay?

8 (Laughter.)

9 So, we are in the process of working towards a
10 short-term lease and, then, a long-term solution. So, not to worry.

11 The staff has been working diligently with the General
12 Services Administration, the Office of Management and Budget, and
13 the House Transportation and Infrastructure Subcommittee on
14 developing a path forward to reduce the Agency's footprint while
15 retaining the Two White Flint building. And GSA right now is
16 simultaneously working as well on negotiating a lease extension for
17 Two White Flint North.

18 So, like I said, while we don't know what the final
19 outcome will be, we will, of course, keep you fully informed of all the
20 developments. And let me just say that I appreciate the National
21 Treasury Employees Union's active involvement in, and partnership
22 with, the NRC as a member of our Two White Flint Working Group.
23 This partnership has been instrumental in moving the process forward.

24 So, as I said, I have full confidence that our Agency will
25 do a great job in tackling all the tasks on our plate. I do have to note,
26 unfortunately, though, that we may still be impacted by issues that are

1 beyond our control.

2 And you're probably aware of the ongoing budget
3 discussions on Capitol Hill. It is not yet clear whether we'll continue to
4 be impacted by sequestration for another year.

5 Of course, we also face the possibility of another lapse
6 in appropriations and perhaps another shutdown. I don't have any
7 insight on this. I'm just saying that we should be aware.

8 And in the face of these uncertainties, I think the best
9 thing for you guys to do is just to stay focused on your work. Agency
10 management will continue to follow all of these issues closely, and we'll
11 do our best to minimize any impact to our work or to you personally.

12 In the spirit of focusing on our mission and looking
13 ahead, let me take a moment to share some of my priorities for the year
14 ahead.

15 Obviously, continuing to ensure safe and secure
16 operation of our licensed facilities is at the top of all of our lists.

17 In addition, I believe it is important for us to assess
18 how the lessons from our recent experiences with the San Onofre
19 Nuclear Generating Station can inform our future work.

20 I also think we need to work to further ensure that
21 we're considering the entire fuel cycle and paying sufficient attention to
22 back-end issues.

23 I would like to continue to enhance our Agency's public
24 engagement. And to that end, I would like to commend the Waste
25 Confidence Directorate and the Japan Lessons Learned Directorate for
26 their efforts in this area.

1 And further, it's important that we ensure that we're
2 building a talented and diverse pool of future Agency leaders and
3 working in support of a healthy work-life balance.

4 I want to emphasize the importance of continuing to
5 cultivate an open, collaborative work environment.

6 And finally, we should continue to strengthen our
7 cooperation with international partners and to provide regulatory
8 assistance to countries, with the objective of strengthening nuclear
9 safety and security worldwide.

10 I'm proud of our Agency and the work that we're
11 accomplishing. I'm grateful that we have such a dedicated expert staff
12 working to achieve our objectives and uphold our mission.

13 I encourage you to use this opportunity this morning to
14 ask us your questions. I know sometimes it can be intimidating to
15 speak in front of your peers or in front of a large group, but let me
16 assure you that we take all of this very seriously, and we like to be as
17 responsive as possible.

18 I would also like to remind you that I and many NRC
19 managers maintain an open-door policy. And so, you should feel free
20 to make an appointment and come to talk to us about what's on your
21 mind at any time, not, of course, just this morning.

22 Before I turn this over to my Commission colleagues, I
23 would like to recognize an important event today. Of course, you know
24 it's Halloween, but there's something maybe even more important that
25 today is. Today is Bill Borchardt's last day at the Agency.

26 I know that many of you have heard me say goodbye

1 to Bill so many times that you thought for sure he was gone already.

2 (Laughter.)

3 But today is truly his last day at the Agency.

4 So, Bill, I would like to thank you for your leadership,
5 your wise counsel, your sense of humor, your passion for golf and jazz,
6 and your friendship to all who have known you and worked with you
7 over the years here at the Agency.

8 We look forward to having you back in January, when
9 we can toast and roast you in equal parts at a celebration in your honor.

10 So, won't you all join me in please bidding farewell to
11 Bill Borchardt?

12 (Applause.)

13 Okay. Thank you.

14 So now, let me turn things over to my colleagues, so
15 that they can make a few remarks.

16 COMMISSIONER SVINICKI: Thanks, Allison.

17 Well, the Chairman has done a wonderful job of
18 outlining a number of Agency challenges that we have conquered since
19 we last met in this forum, and that we will be taking head-on in the
20 months to come. So, the real objective here, of course, is to hear from
21 you, and I look forward to an opportunity to do that.

22 But I do sincerely thank you for taking the time out of
23 your day to come over here, so that we are looking at a lot of wonderful,
24 energetic faces and not empty seats. So, I appreciate that.

25 We also have a lot of employees who are tuning in,
26 and I appreciate them taking the time to be a part of this Q&A and,

1 hopefully, some discussion and back-and-forth today.

2 I want to join in the recognition of Bill Borchardt, and I
3 know we will have more formal recognition of his service, his fellowship
4 with all of us, his service to the American public. I had a real honor of
5 voting for his selection as EDO.

6 And, Bill, I outlasted you. I never would have
7 predicted that, that I would still be here on the day you're leaving, but go
8 figure.

9 (Laughter.)

10 And I have worked with now three EDOs in my time as
11 a Commissioner, and it is a heavy, heavy title to carry around, in all
12 seriousness. So, I'm appreciative of any person who is willing to take it
13 on.

14 And, Bill, I thank you for your phenomenal service.
15 And again, I know you're leaving very big shoes for Mark to fill, and I'm
16 sure he'll capably do that.

17 I wanted to do one other recognition that comes very
18 much from where I sit. You know, I have long held the view that
19 Commissioners who come to this Agency from various diverse
20 backgrounds were really only as good as those capable and expert
21 NRC staff who are willing to come and, either on a temporary rotational
22 basis or permanently, come and work in our offices. You know, we
23 come. We're not as familiar with NRC. So, we're really tapping into
24 the vast expertise of this Agency.

25 So, I want to thank those who have been willing to
26 come and spend some time in my office. I assume that my colleagues

1 on the Commission feel similarly. So, thank you for those of you who
2 have had a willingness to do that.

3 And I am very, very encouraged that under Chairman
4 Macfarlane's leadership we can revitalize some of the opportunities to
5 provide an opportunity to come to a Commission office as a
6 developmental opportunity for the staff here. I think that under her
7 leadership I am confident that we can maybe make that opportunity and
8 program a little more vibrant than it has been in the last few years.

9 So, with that, I will turn it back over to you, Chairman.

10 COMMISSIONER APOSTOLAKIS: I would like to
11 thank all of you for coming today. And most importantly, I would like to
12 thank you for the important work that you do day-in and day-out.

13 In the year since the last All Employee Meeting, the
14 staff has supported the Commission on many important policy matters,
15 such as the Waste Confidence Policy Statement, post-Fukushima
16 requirements for containment vents, and many others.

17 I know that between the federal lack of any pay raise in
18 recent years and the negative comments you often hear in the media
19 about government employees, you may sometimes feel like your work
20 is not appreciated. I want to let you know that you are appreciated by
21 this Commissioner every single day.

22 The Chairman and Commissioner Svinicki mentioned
23 that this is Bill Borchardt's last day today. And I look over there where
24 he is sitting, and I see empty chairs around him.

25 (Laughter.)

26 Bill, don't take it personally. This is what happens

1 when you fall from power.

2 (Laughter and applause.)

3 COMMISSIONER MAGWOOD: It's okay to fall from
4 power; just don't fall from grace.

5 (Laughter.)

6 Well, first, good morning to all of you. It's great to be
7 here again. I think this is the third of these I've been to, but I'm looking
8 at Patty. Is it three or four? Whatever. I lose count.

9 Over the years I've been here, I keep waiting for a
10 normal year. This wasn't it.

11 (Laughter.)

12 But what I think I have concluded, and perhaps those
13 of you who have been here much longer than I have, there really is no
14 such thing as a normal year. Every year has surprises. Every year
15 has twists and turns. Every year has its own story. And this year has
16 certainly had some interesting developments.

17 If you can say one thing about work at the Nuclear
18 Regulatory Commission, you can certainly say that it's never boring.
19 And that's a good thing because I think, for those of us who care very
20 deeply for the subjects and for the issues that we work on, the fact that
21 we have challenges, the fact that we are challenged to think about what
22 we do and how we do it on a regular basis, I think that's a good thing. I
23 think if we ever became too complacent and too comfortable, we might
24 see problems develop, as we have seen in some of our overseas
25 colleagues' organizations. So, I don't think that's necessarily a bad
26 thing.

1 But, that said, I also think that, despite the
2 uncertainties of the present, that the future is actually quite bright. I
3 was having a conversation with Mark just this morning, sort of
4 mentioning the fact that, while there's a lot of uncertainty in a lot of
5 agencies, the NRC is still hiring at a pretty rapid rate. We're still
6 bringing over 300 people onboard this year, and those are people that
7 we need to populate this great Agency, to make sure that we maintain
8 the strong expertise and staff experience that we have had for these
9 many years.

10 You know, I actually had a question in mind yesterday.

11 I remembered a Resident Inspector that I thought could help me
12 answer it. So, I went into my BlackBerry. And I couldn't remember
13 the name. So, I just put in the word "inspect," thinking I'd get a list of
14 Inspectors and I'd be able to figure out who it was from there. And it
15 was just one of those weird things of life that one of the names that
16 came up, because I never throw anything away -- if you know anything
17 about me, I'm a pack rat. The name of an Associate Director for
18 Inspection from NRR came up, some guy named Bill Borchardt.

19 (Laughter.)

20 And I don't know where in the world I ran into you when
21 you were Associate Director for Inspection with NRR, but I'm sure it was
22 a very valuable conversation, Bill.

23 (Laughter.)

24 So, obviously, Bill's exit is one that will be marked in
25 January. He contributed a great deal to the Agency through very
26 difficult times, and he is going to be remembered for that, I think, by

1 many people in this room for a very, very long time.

2 But, Mark, you, of course, will have your own
3 challenges. I can't tell you what they're going to be, but I suspect that
4 they'll be significant. And I think you're up to the challenge. I think I
5 and other Commissioners look forward to working with you through that.

6 Finally, I appreciate that many of you have given me
7 condolences for the performance of the Pittsburgh Steelers over the
8 last month or so.

9 (Laughter.)

10 And many of you probably have noticed that I'm not
11 particularly upset by it because I'm still on a baseball high from the
12 Pirates' season where the Pirates made the playoffs for the first time in
13 20 years. And that will probably carry me through to the next baseball
14 season. So, no matter what happens to the Steelers, I will continue to
15 smile and I will continue to be very pleased with that.

16 So, with that, I look forward to the discussion today.
17 And again, thank you for all the work you do on a daily basis.

18 COMMISSIONER OSTENDORFF: Well, good
19 morning.

20 I think this is the biggest crowd I've seen in this room
21 since the fall of 2010, when I came to my first one. It's terrific to see so
22 many people here.

23 Since Commissioner Magwood has already thrown out
24 some trash talk about football -- (laughter) -- and I told him that my wife
25 of 36 years is a huge Redskins fan; I'm a big Dallas fan. I had a
26 chance to talk to Miriam on the way in about her Steeler fan club, how

1 they are faring. And I told Commissioner Magwood several times in
2 the last year that the Cowboys are a very inclusive group; we would
3 welcome him at any time.

4 (Laughter.)

5 It's always fun to come to this and get a chance to chat
6 with people. I had a chance to talk to, I asked Sheryl how Pinto was
7 doing, her dog. I have a dog named Ralph. And so, we exchange
8 stories. And I talked to Cindy Carpenter about her dog, talked to Eric
9 about his family.

10 And so, I think this reiterates for all the Commissioners,
11 when we come over here, that we really are one family, and that at the
12 end of the day, putting aside whatever challenges or differences we
13 may have at work, that we really are human beings at the end of the
14 day and we all have the same values and the same concerns. It really
15 reinforces the uniqueness of working here.

16 Bill, I add my thanks to those of my Commissioner
17 colleagues. Mark and I and you are all graduates of the same
18 institution. I've had a chance to brag on both of you guys at recent
19 Navy home football games in Annapolis. And so, I'm very proud to be
20 associated with you and your leadership roles here.

21 I saw this morning Cindy Jones at the IAEA had a
22 reference to Bill as the EDO Emeritus. Did you guys see that in her
23 newsletter?

24 (Laughter.)

25 That's pretty special, Bill.

26 But, seriously, Bill has done a terrific job here. I know

1 that we are all very proud of what he has done and, also, extraordinarily
2 thankful for his service.

3 I want to also talk real quickly about the shutdown.
4 Chairman Macfarlane made some very appropriate comments there.

5 I was Commanding Officer of a submarine in the
6 mid-1990s when the government shutdown. It was kind of difficult
7 having a submarine, trying to operate that while you have a shutdown.
8 I won't go into that.

9 But I have some appreciation for the challenges of
10 what it takes. And again, I add my kudos to that of others here, to
11 Mark and Jim Dyer and Miriam for their work to really manage this in a
12 very appropriate manner. I think it has been done very professionally.

13 And I applaud, in particular, Mark, your
14 communications to the NRC staff. Every day I saw EDO updates, and
15 I think that's just a hallmark of the communications within the entire
16 family here. So, thank you for doing that.

17 Others have highlighted work. I add my kudos to
18 those of colleagues who have preceded me this morning.

19 I continue to be extraordinarily proud to be associated
20 with all of you. I am going to cite two examples recently, external
21 validators, not that we need those, but I think it is helpful for you to
22 sometimes hear what are Commissioners hearing in our travels, in our
23 interfaces with other parts of government or international organizations.

24 So, everybody here at this table has examples. I will only give you
25 two.

26 Earlier this month I was asked to appear before a

1 congressionally-appointed panel whose charged in the Defense
2 Authorization Act of 2013 to look at governance and some problems at
3 the National Nuclear Security Administration. And this panel had some
4 very prominent individuals; in that group, four former Congressmen, a
5 number of other people that have been involved in the nuclear
6 enterprise for decades.

7 And I'll tell you that I had a number of questions of me
8 as a witness that were about NRC regulation. And I won't go into the
9 details, but I will comment. The recurring theme for this group was the
10 professional reputation of you and how highly regarded you are in doing
11 the nation's business for regulating nuclear safety in this country. All
12 12 members of this panel made comments or nodded their head,
13 basically, at different times, confirming their understanding, awareness,
14 and appreciation for what the NRC staff does.

15 The second example, overseas. Again, we have
16 many of these. I will just share one. I was in Romania at the end of
17 September, visited a Romania nuclear power plant, and had a lot of
18 interface with their regulator. And I was a bit taken aback with one of
19 the Romanian regulator staff persons who quoted verbatim NRC Reg
20 Guides.

21 And I'm saying this because I was taken aback, but it
22 was from the standpoint that these other regulators have such
23 tremendous regard for the high quality, the technical foundation, the
24 objective confidence of your work. And that's just one example. All of
25 us see that time and again in our interface with international regulators.

26 So, you should all be very proud of what you're doing.

1 I know that all five of us are very proud of what you do every day.

2 So, thank you for your continued service. We look
3 forward to your questions later on.

4 CHAIRMAN MACFARLANE: Great. Thank you.
5 Thank all of you for your remarks.

6 COMMISSIONER APOSTOLAKIS: Well, I'm just a
7 little bit surprised that Commissioner Ostendorff was surprised that the
8 Romanian --

9 (Laughter.)

10 I read the Regulatory Guides every night.

11 (Laughter.)

12 COMMISSIONER OSTENDORFF: George, there's a
13 support group we can get you to.

14 (Laughter.)

15 CHAIRMAN MACFARLANE: And, George, there are
16 press here.

17 (Laughter.)

18 COMMISSIONER APOSTOLAKIS: Well, I do.

19 (Laughter.)

20 CHAIRMAN MACFARLANE: All right. Now it is your
21 turn. So, I'm going to turn it over to all of you to ask questions and for
22 us to have a conversation.

23 QUESTIONER: Five reactors have announced
24 cessation of operations this year. Are you aware of any additional
25 reactors closing?

26 CHAIRMAN MACFARLANE: No, I am not aware of

1 any additional reactors announcing decommissioning. I don't know if
2 any of my colleagues have any awareness. No? No. But, no matter
3 what happens, we'll be ready to manage it.

4 QUESTIONER: Good morning.

5 Would you please provide an update on the migration
6 strategy of the Office of Regulatory Research back to the White Flint
7 campus?

8 CHAIRMAN MACFARLANE: I would love to give you
9 a date and a time and a place, but that is still in process, as we figure
10 out strategies for reducing our footprint in general with the GSA, in
11 combination with GSA, and as we work on finalizing a lease extension
12 and the plan for the three-building campus.

13 So, unfortunately, I can't give you a detailed answer
14 right now, but it's all very much in play. We are in contact with OMB
15 and with GSA. And there's a small group of folks who have been
16 working very hard and very diligently to make sure that we have a good
17 plan in place.

18 I personally would like Research back here sooner, so
19 I can call you into my office right away.

20 (Laughter.)

21 QUESTIONER: Good morning.

22 The staff works very hard to deliver products to the
23 Commission on time and on schedule. Yet, very often, the
24 Commission takes an extraordinarily long time to vote. Can you
25 explain why this is so?

26 CHAIRMAN MACFARLANE: It's a good question.

1 (Laughter.)

2 I don't think we always take an extraordinarily long
3 time, but sometimes we do. And, you know, partly, for me, I am going
4 to speak personally, and I am going to turn it over to my colleagues to
5 give their perspectives.

6 You know, sometimes there is a prioritization. We
7 have a whole slew of things that we are dealing with. And sometimes
8 other things will come up at that moment.

9 For instance, the Yucca Mountain decision sort of
10 dropped out of the sky in August, not completely unexpected, but it
11 could have happened anytime for quite a while, and it happened at a
12 certain time. And, you know, that adds to the workload. So, there are
13 issues like that.

14 I am dedicated to trying to get us to be as timely as
15 possible, though. I think it is important that we do act in a timely
16 manner.

17 But let me ask my colleagues, who wants to jump in?
18 Anybody? Yes, go ahead.

19 COMMISSIONER OSTENDORFF: Yes, it's a fair
20 question. I would just tell you that there are on some votes -- and I'm
21 going to use one example, because I think sometimes context is
22 helpful. I'll give you two examples.

23 So, the filtered vent strategy vote was an
24 extraordinarily complex paper with a lot of interface, a lot of discussion
25 outside the context of that paper in order to form a well-informed
26 decision for a Commissioner vote.

1 Part 61, very complicated, extraordinarily complicated,
2 and a lot of interfaces.

3 And I realize it's frustrating for you that are waiting to
4 receive votes at times. I believe this Commission of five people is
5 doing its very best to thoughtfully and carefully evaluate before we put
6 pen to paper. And I think we are doing that. It's not as fast as any of
7 us would like, but I think it's perhaps at the end of the day getting to
8 where we -- and I'm going to speak for the rest of us here; I think it is
9 safe to do that -- I think the time we take to craft a vote is time we
10 believe it is necessary to take.

11 CHAIRMAN MACFARLANE: Anybody else want to
12 jump in on that one?

13 COMMISSIONER SVINICKI: Yes, I guess I'll jump in.
14 It is evident from the vote sheets that I actually last on a number of
15 matters that come before the Commission. And you might say, "Well,
16 she's the longest-serving member of the Commission. So, why is
17 that?"

18 But, you know, I'll speak for myself, but I wouldn't be
19 surprised if my colleagues feel the same way. When I sign my name
20 to that vote sheet, that means that I understand what's in that matter
21 and I'm approving it or disapproving it. So, I need to have the time to
22 acquaint myself with the complexity of what you do.

23 Now I can't out-expert all of you because you've spent
24 your careers on various topics, but I have to at least honor enough of
25 your hard work that I acquainted myself at some level. So that, when I
26 approve or disapprove something, that it reflects something; it's

1 meaningful. It means that I looked at what you did, evaluated,
2 understood it at the non-expert level that I could understand it.

3 And it's not just technical issues; it's legal issues as
4 well. I know I have one colleague who has a law degree, and at times
5 the Commission has had more people with legal expertise on it than
6 now. But I will say that, in our judging role, our adjudicatory role, we
7 are expected to be able to make some pretty nuanced decisions about
8 very complex fact patterns and legal matters.

9 I am working right now on deliberate misconduct and
10 willful ignorance. For the first time, this Commission wants to
11 incorporate for people we might accuse of actions, if it's not just that
12 they took a direct action, but they could also perhaps have
13 demonstrated willful ignorance or willful blindness.

14 You know, I sit there and I look at that, and I say, if we
15 are going to accuse someone, protecting the rights of that accused
16 person is really important. So, I'm going to take the time to look at
17 case law, to look at model jury instructions, to really understand, you
18 know, if we're going to have some sort of action against somebody, are
19 we striking the right balance?

20 And so, I am amazed myself with the diversity of things
21 that Commissioners are expected to deliberate, to muse upon and think
22 about, and factor into their decision-making. But, when I sign my name
23 to something as having approved it, I am going to be accountable for
24 answering why.

25 COMMISSIONER APOSTOLAKIS: I agree with what
26 my colleagues have said, but I will add one thing. I take longer to vote

1 when I disagree with something that the staff is proposing because I
2 believe I owe it to you to explain the reasons why I disagree. So, that
3 takes a little longer. I want to discuss it with my staff, with the staff that
4 wrote the SECY, and my colleagues. So, that is sometimes a delaying
5 factor.

6 COMMISSIONER MAGWOOD: Well, I guess I'll bat
7 cleanup. See, I'm still in baseball mode.

8 (Laughter.)

9 Oh, by the way, congratulations to the Red Sox fans.
10 I hope you choke on it.

11 (Laughter and applause.)

12 One thing I would add is I agree with all the comments
13 you have heard, but let me give you a couple of perspectives.

14 First, my observation is the Commission actually works
15 pretty efficiently through most votes. I think that when votes come to
16 us, we work through them. And some happen more quickly than
17 others; there is no question of that.

18 As Commissioner Ostendorff pointed out, filtered
19 vents, for example, was one that was extremely complicated and one
20 that we spent a lot of time dialoguing with each other, talking to outside
21 experts, talking to staff. I can't even count how many meetings I had
22 with people on filtered vents. So, that was the good example of one
23 that took a while, but these things take as long as they take sometimes.

24 There is, however, the occasional paper that
25 languishes. And I think that is something we ought to give some
26 thought to. There are these occasional papers that come to the

1 Commission, and we just don't take action on them. Is that because
2 we're not interested in the subject? No, I think it's more a prioritization.
3 It simply isn't an issue that is of urgency. Other things come up, and
4 we keep pushing it away.

5 I think we need to look at that and see if there is a way
6 of assessing what's sitting out there where we haven't taken action.
7 And if we don't want to take action on it, we ought to just send it back to
8 the staff and just terminate the action.

9 So, there are a few, not many, but very few examples
10 where that does happen. And I think it's fair that we try to be more
11 disciplined and try to deal with those.

12 QUESTIONER: Now that the budget for awards and
13 training have been decreased, coupled with the offices losing their
14 ability to decide and funnel training priorities, what other new initiatives
15 or mechanisms are being used to incentivize staff?

16 CHAIRMAN MACFARLANE: That's a good question
17 for which I don't have a complete answer. So, I might turn to Mark and
18 ask him to jump in here.

19 MR. SATORIUS: Yes, that is a very good question,
20 and it's something that does not go undiscussed for very long amongst
21 the senior staff at the Office Director and EDO level.

22 As we look into challenges, one of the things that the
23 four Commissioners and the Chairman asked me when their interview
24 process was going on for selecting Bill Borchardt's replacement is,
25 "What are some of your priorities that you see on the horizon in the next
26 three years or five years?" And along with maintaining highly-qualified

1 staff was also the challenges that I see over the next several years,
2 especially in being able to identify those high-performers and
3 acknowledge their high performance in a manner other than money.

4 So, while the fact of the matter is the budgets have
5 been reduced, I think there are ways. I think a lot of people, while
6 money is good to have, a lot of people are very satisfied to be
7 acknowledged in having done a good job, and can acknowledge at the
8 office level or at the Division level or at the Branch level.

9 So, my challenge out to the leadership of the Agency
10 has been to get innovative and share those ideas with each other, so
11 that we can certainly not replace the absence of monetary recognition;
12 we can still demonstrate recognition of good jobs done by good people.

13 CHAIRMAN MACFARLANE: Great. Thanks.

14 Just a coda to that is that, when I had the opportunity
15 to visit Region II earlier in the summer, I know that they were actively
16 working on a couple of programs to deal with this. So, I know the
17 Regions are also very concerned about this issue.

18 QUESTIONER: Can you share any specifics on the
19 Agency's preparations for a possible funding lapse in January?

20 CHAIRMAN MACFARLANE: Well, I think we did a
21 pretty good job preparing for this last funding lapse and getting through
22 it. And we have done sort of a quick -- what do you call it? -- a hot
23 wash. There is all this language that I have learned since I've arrived
24 at the Agency, and hot wash is one of them, one of those terms. So,
25 there was a hot wash on lessons learned from the shutdown and
26 startup or shutdown termination.

1 And I know that we are doing a longer look at this, a
2 month-long look, or something like that. So, after a month or
3 so -- there is a more detailed look being done to make sure that we
4 have figured everything out.

5 So, you know, I think we put a lot of thought -- and I
6 won't actually take any credit for this myself at all. The management of
7 the Agency, the EDO, the CFO, and their folks really took a very careful
8 look at the shutdown and the startup, and I think that they did a good
9 job.

10 We have a plan in place now. That doesn't mean that
11 it won't be difficult or painful or stressful, but I think we're prepared at
12 least.

13 QUESTIONER: This is a two-part question on safety
14 culture. In the past, the previous Chairman and the Commission had
15 an issue that was brought to Congress. Please explain what our
16 Agency's view of our own safety culture policy is. Do we accept the
17 Safety Culture Policy Statement ourselves, as we expect our licensees
18 to do?

19 And the second part of the question: last year you
20 were asked about extending the Safety Culture Policy Statement to the
21 NRC. The Draft Policy Statement did include internal safety culture,
22 but was dropped without an explanation. What are your thoughts
23 about extending the Safety Culture Policy Statement to the NRC's staff,
24 and what have you done to consider this issue since the last All Hands
25 Meeting?

26 CHAIRMAN MACFARLANE: I will answer this briefly,

1 and I'll ask Mark to jump in, too, and any of my colleagues, if they want
2 to.

3 But, certainly, safety culture is very important, not just
4 to our licensees, but to ourselves. And this is an issue that has been
5 getting attention. It hasn't been the top-burner issue. Events have
6 sort of taken over the situation in terms of that. But I think it is
7 something that does require constant attention. I think we are
8 reminded of that on a daily basis, a weekly basis, a monthly basis,
9 when we have situations at particular licensees that can be tied clearly
10 back to safety culture, or not just our own licensees, but around the
11 world you see events that can be tied back to safety culture and that
12 remind us of the importance of safety culture.

13 But let me ask Mark if he wants to say anything about
14 safety culture within the NRC.

15 MR. SATORIUS: Not a whole lot more than what the
16 Chairman had mentioned. I do think that it's a focus area that we need
17 to challenge ourselves to be just as conscious of our safety as we
18 challenge or that we have licensees look internally towards their own
19 safety culture. I can agree with one part of the question that we should
20 not hold ourselves to any different standard than we expect our
21 licensees to do.

22 QUESTIONER: With the centralization of training to
23 OCHCO through the TABS effort, it seems as though the criteria may
24 not take into account concerns of all offices. While conferences and
25 courses may seem less critical, they allow staff to retain up-to-date
26 technical knowledge that is critical to doing their jobs. How can the

1 NRC ensure that all office and staff needs are considered?

2 CHAIRMAN MACFARLANE: Well, certainly, we want
3 to make sure that all offices and staff needs are heard and understood.
4 And the TABS effort has been an ongoing effort for a number of years
5 now. I think it is important that we move to a conclusion on it and
6 finally put folks where we need to have them be to be the most efficient.

7 So, in general, I think it is important. If you feel that
8 your concerns are not being addressed, I encourage you to take
9 advantage of the open-door policies of your managers and the senior
10 management at the Agency.

11 QUESTIONER: The lease for Two White Flint North
12 is due in mid-December. Will the Agency be able to extend this lease?
13 If not, what are the contingency plans?

14 CHAIRMAN MACFARLANE: Yes, we are working to
15 extend the lease. So, the contingency plan of everybody out on the
16 15th is not in existence. So, we will be extending the lease.

17 QUESTIONER: What is the short-term and the
18 long-term plan for the Fitness Center at Two White Flint North?

19 CHAIRMAN MACFARLANE: That's an excellent
20 question, for which I have no idea.

21 (Laughter.)

22 I am a user of the Fitness Center on a regular basis.
23 And I had heard rumblings about it expanding, but I don't know what's
24 happened. And I don't know if Mark can answer that question. No?
25 But it depends on the lease. Darren Ash tells me it depends on the
26 lease and what we get with the lease.

1 So, unfortunately, the situation with the buildings has
2 put a couple of things up in the air. And we just have to deal with it.

3 QUESTIONER: This question is about holes and it is
4 directed to Commissioner Apostolakis. Last year Commissioner
5 Apostolakis said that he was looking for any high-level holes in our
6 regulations. What can be said today on this? Did you find a hole?
7 And are you still looking for a hole?

8 (Laughter.)

9 CHAIRMAN MACFARLANE: It must be in those Reg
10 Guides you read at night.

11 (Laughter.)

12 COMMISSIONER APOSTOLAKIS: Not a real hole
13 yet. But I'm working on it. Thank you for the question.

14 (Laughter.)

15 And I'm reminded once again that I have to be careful
16 when I open my mouth.

17 (Laughter.)

18 QUESTIONER: One of the principles of good
19 regulation we preach is openness. Nuclear regulation is the public's
20 business and it must be transacted publicly and candidly. We are not
21 following this principle.

22 NRC Commissioners and NRC managers have drop-in
23 visits by the industry, licensees, NEIs, et cetera, without any public or
24 staff participation. Often, they provide inaccurate, incorrect, and
25 biased information. This causes credibility issues and confuses the
26 staff and the public.

1 This practice needs to be changed. Will you change
2 this practice to be open and transparent, so the NRC practices what it
3 preaches?

4 CHAIRMAN MACFARLANE: It is an interesting
5 question, and I am going to let my colleagues answer as well, if they
6 care to.

7 My own view is that it's important to entertain the
8 diversity of interests in drop-ins. So, I hear from not just industry, NEI,
9 or our licensees, but I also hear from any other interested groups,
10 non-governmental organizations. I encourage them to drop in as well,
11 because I do want to hear the variety of viewpoints.

12 And I think there is value in having the opportunity to sit
13 in a room without, you know, a thousand attendees and have a
14 conversation.

15 You know, I also extend the idea of drop-ins to
16 government folks, whether they be local government, state government,
17 Tribal governments, and Capitol Hill. Capitol Hill, I end up going to
18 them; they don't come to me so much, but, occasionally, on the odd
19 chance, they do come up to me as well.

20 So, I think it's important for us all to get a diversity of
21 viewpoints, and drop-in visits is one way of doing that.

22 But let me turn to colleagues, if they have any
23 comment.

24 COMMISSIONER APOSTOLAKIS: Oh, I agree, these
25 meetings are extremely valuable.

26 Several months ago I had the opportunity to meet with

1 some non-government organizations, and I encourage them to come to
2 my office on a periodic basis, and several of them have started doing it.
3 I find these meetings very informative. It is easier to talk, as the
4 Chairman said, about the issues without having a larger audience
5 listening in. And this is part of the process of understanding what the
6 issues are out there, the different viewpoints. So, when I vote, I can
7 take all this information into account.

8 COMMISSIONER OSTENDORFF: I want to add in
9 that I agree with Commissioner Apostolakis and Chairman Macfarlane.
10 Maybe there is a misperception about what happens here. And I'm
11 going to spend a minute on this because I think the question, quite
12 frankly, makes a very strong negative allegation about these meetings.
13 Let me shed a little bit of light.

14 And I think what I am going to say is pretty standard. I
15 think every one of us up here has an open-door policy. If anybody
16 wants to meet with us, we meet with them, whether they are industry,
17 state, government officials, non-governmental organizations who may
18 be opposed to nuclear issues. We all meet with them.

19 Part of our responsibilities as Commissioners is to be
20 engaged and to have a broad perspective and awareness of issues
21 from the whole host of constituencies.

22 And independence -- and you have heard this said
23 many times by many of us -- independence, as a regulator under our
24 principles of good regulation, independence does not imply isolation.

25 Mechanics, when we have a drop-in meeting with
26 industry, the EDO's office typically prepares a package for us. The

1 EDO's staff is involved. More often than not, it's not just a meeting with
2 the Commission; it is also a meeting with other senior office directors or
3 the DEDOs or the EDO.

4 And so, this is not just -- you know, there is a
5 perception this is a cloak-and-dagger midnight rendezvous when you
6 have three flashes of the flashlight. That's not the case. I can assure
7 you that's not the case.

8 And I would suggest -- I am going to compare this to
9 my experience with the Department of Defense and the Department of
10 Energy -- that how this Agency does business in this particular area is,
11 in fact, more open and communicative with our staff at the NRC than
12 occurs elsewhere.

13 So, I'm strongly supportive of us needing to be able to
14 meet with anybody who wants to come and see us. So, I'll stop there.

15 COMMISSIONER SVINICKI: I would just add to that
16 by saying that no regulator should take action with a lack of awareness
17 of the real world impact of what it is that they are about to do. And the
18 implication of the question that this is somehow shady or illegitimate, I
19 reject completely.

20 COMMISSIONER APOSTOLAKIS: I forgot to
21 mention that during those meetings at least one member of my staff is
22 present, and they prepare a summary for the record of what was
23 discussed during the meeting. So, it's not a secret meeting.

24 CHAIRMAN MACFARLANE: Yes, and I'll just add in,
25 yes, I actually have a calendar on my web page where you can see
26 who I have met with for any day. Go pick a day. I invite you to go

1 bore yourselves by looking at my schedule.

2 But I think one other additional thought is, you know,
3 we are empowered with making decisions as Commissioners on a
4 variety of issues. And so, we have to have the ability to make our own
5 judgments and be able to determine whether the information that's
6 being provided to us at any one time from anybody, be it the staff or
7 licensees or non-governmental organizations or government people,
8 anybody, is legitimate or not. That's part of what we do.

9 QUESTIONER: Hi.

10 CHAIRMAN MACFARLANE: Hi.

11 QUESTIONER: I'd like to lend some support for the
12 last questioner, because what I'm perceiving from you guys is that you
13 are taking that as a personal attack. I think what the questioner was
14 suggesting -- and I think it's vitally important -- is that there are a lot of
15 people in this Agency that are very concerned about the credibility of
16 the Agency. And that's because for most of us in this Agency this is
17 our home. We live here. We will be here for a very long time. And
18 so, the credibility of the Agency is terribly important to us, as I'm sure it
19 is to you, too.

20 CHAIRMAN MACFARLANE: Uh-hum.

21 QUESTIONER: I think the questioner was merely
22 pointing out that, while we're not perceiving what you're doing as
23 inappropriate, it could be publicly perceived as inappropriate. And I
24 think that the thread of importance in that question is to ensure that we
25 all agree and we all are on the same page that the credibility of the
26 Agency has to be a primary value of this Agency, because the historic

1 precedence of this Agency is that there were problems.

2 And we want the public to know that we're not just
3 government employees that you can bash. We do a really good job.
4 We work really, really hard. And so, we want you to know that that's
5 important to us, and we hope it's important to you, too.

6 CHAIRMAN MACFARLANE: I really appreciate your
7 comment, not too much a question but your comment. I think you're
8 right on.

9 The way I deal with that is making sure that I hear from
10 a variety of viewpoints, that I don't just have a steady stream from one
11 direction coming into my ear. I try to achieve balance. I think balance
12 is exceptionally important. I think it's exceptionally important that we
13 demonstrate balance when we have Commission meetings, for
14 instance, and external speakers on Commission meetings. So that we
15 don't end up with any kind of public perception that we are one way or
16 another.

17 COMMISSIONER APOSTOLAKIS: Well, there is
18 another kind of balance. I agree with the Chairman, but there is
19 another kind of balance.

20 If, in order to not be perceived by some members of
21 the public -- I hate to just use the word "the public"; there isn't one
22 public --

23 CHAIRMAN MACFARLANE: That's correct.

24 COMMISSIONER APOSTOLAKIS: But let's say
25 some groups feel that it's inappropriate for us to meet in our offices with
26 anybody. If I stopped doing that, I truly believe that the quality of my

1 votes would go down. So, there is a balance here, trying to not be
2 perceived as being biased or influenced by some particular group, but
3 also making sure that we understand, as Commissioners, what the
4 issues are out there and what are of concern to various groups. So, it
5 is a delicate balance.

6 And as I said earlier, we have members of our staff,
7 my staff present when I meet with these people. So, there is nothing
8 secret about them.

9 So, there are many balances that we have to address,
10 in other words, in these things. But I do believe that the value of these
11 meetings is so high that I believe I have to continue doing it.

12 COMMISSIONER MAGWOOD: I think that many of
13 the other Commissioners have said this in one way or another, but let
14 me just sort of give a little bit of a more specific perspective on this.

15 When we meet with members of the industry, you
16 know, utility executives or others, it isn't an exercise in trying to find, let's
17 say, an alternate view to what the staff is saying. The exercise is to
18 simply understand how they are understanding what we have asked
19 them to do and how they are reacting to it, and how they're responding
20 to it.

21 And if we understand their responses, it makes it a lot
22 more practical for us to craft guidance and regulations that are more
23 effective. It's part of the exercise.

24 And all the Commissioners have said this basic thing in
25 one way or another. It's how we inform ourselves.

26 But the truth is that I think we all spend a great deal

1 more time with the staff. We receive staff briefings on a very regular
2 basis, some of which are very in-depth and take a lot of time. If there
3 is an imbalance that one would point at, it's simply that perhaps we are
4 more insular than we should be, that we talk to ourselves a lot. I think
5 Commissioners spend more time talking to each other, the five of us
6 here spend more time talking to each other than we do a lot of other
7 people, a lot of people on the outside.

8 So, I think that the real risk is that we aren't listening to
9 what people outside are saying. I think the real risk is that we do so
10 much group-think that we forget that there's public groups, there's
11 industry groups, there's academic groups that have different views on
12 the issues than we do. And if we close ourselves off from that kind of
13 dialogue, I think we run the risk of becoming an Agency that's deaf and
14 dumb to what's happening outside of our walls. And as
15 Commissioners, part of our responsibility is to listen to what others have
16 to say, including people in the industry.

17 Like the Chairman, I publish all my meetings on a
18 regular basis. So, anyone can see who I meet with outside the
19 Agency, outside the federal government, and they can make their own
20 judgment.

21 But I think at the end of the day the true transparency
22 comes when my votes are read. You know, my votes are all on public
23 record, and you can see what I decided and you can make your own
24 judgment as to how I got to those points.

25 But I think that that's how the system is designed to
26 work. I am very comfortable with that approach, and I think that it

1 works. I think it works quite well. Because I think the contrapositive is
2 one that I would not want to be part of, which is one where we are not
3 allowed to talk with anyone outside these walls. And that would be a
4 huge mistake.

5 CHAIRMAN MACFARLANE: Okay. Next question.

6 QUESTIONER: Thank you, ma'am.

7 I'm really pretty much coming from the corporate side
8 of the organization and still learning some of the mission side. And I'm
9 an old Navy guy, too.

10 But, anyway, having said that, you spoke earlier about
11 Yucca Mountain. From a corporate perspective, can you provide
12 maybe a little insight as to why Yucca Mountain went the way it went?
13 Just looking at it as an observer and a taxpayer, it seems to be as
14 though we wasted a lot of money building the environment, getting it
15 ready to be a consolidated material management and waste facility.

16 Thank you.

17 CHAIRMAN MACFARLANE: Thanks for your
18 question.

19 Unfortunately, because this is an issue of active
20 adjudication, I can't really provide more insight. But there are folks who
21 have done research on this issue and who have written about it outside
22 the Agency. I encourage you to look up their analyses.

23 QUESTIONER: With a declining number of operating
24 plants, new builds, and licensing actions, why are we continuing to
25 aggressively hire more employees?

26 CHAIRMAN MACFARLANE: I don't know that we're

1 aggressively hiring more employees. We're certainly hiring in the
2 places where we need to fill spaces.

3 There are particular areas where we need to fill spaces
4 because people have retired and we need to replace them. You know,
5 we need to maintain a certain set of employees to deal with our
6 operating reactors. We need to have a certain set of employees to
7 deal with decommissioning issues, you know. So, we need to maintain
8 a certain suite of expertise, and when that expertise leaves the Agency,
9 we do need to replace it.

10 Did you want to add anything, Mark? Okay.

11 Go ahead.

12 QUESTIONER: This question is for the Chairman.
13 Have you given feedback to OMB, OPM, and our oversight committees
14 about the negative effects of pay freezes and furloughs on staff morale
15 and accelerated retirements?

16 CHAIRMAN MACFARLANE: I haven't gotten recent
17 data on this issue. We're waiting to get, I think it's the most recent
18 survey results, back from the rest of the government to see what the
19 actual data says.

20 You know, I suspect that it doesn't make it -- you know,
21 the current situation, the sequestration, the pay freeze, the pay raise
22 freeze, you know, the lack of bonuses, now the government shutdown,
23 you know, it doesn't make it pleasant to be a government worker.

24 And I certainly didn't understand that before I came to
25 this Agency, but, you know, I see how hard all of you work and how
26 much dedication you all have to the Agency and to the mission. And

1 as Commissioner Ostendorff said earlier, I mean, the reputation of the
2 NRC is extremely high, and it is only because of you and your hard
3 work.

4 And, you know, the way that government workers in
5 general are treated as a political football is extremely unfortunate, I
6 would say. I'm worried that it will result in overall for the government a
7 lack of talent pool in the future. So, that is a concern of mine.

8 Besides walking around and telling folks on Capitol Hill
9 what a great job you do and that they need to give you the respect that
10 you deserve, I certainly personally can't make it change. But I'll do
11 what I can.

12 And you should feel proud of the work you do.

13 QUESTIONER: This is another multi-part question.
14 This one has three parts, and it is on sequestration and its effect on the
15 staff.

16 If the 2014 sequestration is implemented, will there be
17 furloughs, permanent reductions in staff, or a hiring freeze?

18 The second part of the question: considering five
19 years of budget space, what's the maximum amount of budgeted funds
20 that the NRC can have as carryover money by law?

21 And the last part of the question: since it's arguable
22 that the nuclear renaissance hasn't occurred, where do you think staff
23 size will go?

24 CHAIRMAN MACFARLANE: Well, a good, detailed
25 set of questions.

26 In terms of sequestration's effects in 2014 and

1 furloughs, et cetera, there won't be any.

2 In terms of carryover money, I think I might let Jim Dyer
3 handle that one.

4 And we are going to have to evaluate where things are
5 going in terms of staff size. I think this is something that any agency
6 should do on a regular basis, is to review the current situation, project
7 out into the future, and have a look. So, it's something that we're all
8 actively working on.

9 But let me ask Jim about --

10 MR. DYER: Thank you, Chairman.

11 With respect to carryover, there's no legislative limit,
12 but, you know, carryover is money that you don't spend in the year that
13 it was appropriated. And when you don't spend the money in the year
14 that it's appropriated, what you're telling Congress is you had too much
15 money. And so, from that perspective, we have an obligation to
16 effectively manage our resources and do it.

17 And to the extent that, thanks to all of you, the NRC
18 has gotten much, much better at managing our resources, and we have
19 consistently reduced our carryover every year since I've been the CFO
20 for the last five or six years. So, that's well-done.

21 The consequence of that is we have less resources to
22 operate during a shutdown on the carryover, but we are doing better.

23 Thanks.

24 CHAIRMAN MACFARLANE: Thanks, Jim.

25 Next question.

26 QUESTIONER: Yes, actually, my question relates, is

1 somewhat of a follow-on to some of the discussions that you're having
2 related to staffing. And I really have two parts of it.

3 The first part is other independent government
4 agencies, like the Securities and Exchange Commission, have found
5 ways to basically change pay scales. I recently saw a list of
6 government employees. The number 3,000 or so on the list of SEC
7 gets paid higher than anybody that works in this Agency. They put
8 additional resources towards employee healthcare.

9 My understanding is that, as an independent agency,
10 we have similar authority to do things like the SEC does and the
11 Federal Reserve and other independent agencies.

12 And I guess my first part of my question is, have we
13 explored all those opportunities and will we do that?

14 And the second part of it is that it seems like we have
15 done a noble job over the last five or six years of hiring younger folks,
16 making sure their pay is competitive, kind of pushed them to make sure
17 that they're competitive with industry. But, once you're here a few
18 years, and certainly the more senior staff, the pay compression for
19 someone who has been here for five years compared to the most
20 senior technical people is very small.

21 And it seems like there, again, in the same lines of
22 what the SEC has done of working with ways to try and appreciate
23 more that there is a difference between, you know, someone who has
24 gone through this program, has been here five years, compared to the
25 more senior staff, who we count on particularly for events like after
26 Fukushima. The first thing we did was call in the most senior staff we

1 had, call in people that had retired, and we want to make sure that we
2 develop those kind of people and have them stick around the Agency,
3 so when we really need something, they're here.

4 CHAIRMAN MACFARLANE: Thanks for your
5 question. I do appreciate it very much.

6 In terms of the pay compression, et cetera, I do
7 understand that issue here. I am going to look to Miriam, yes, yes.

8 We will certainly look into comparing, look at what
9 other agencies, independent agencies, regulatory commissions are
10 doing with what we're doing, and see if there are any changes that we
11 can make for staff. I think that's a great idea.

12 I like the idea of looking outside the Agency. I'm
13 always asking questions about how do others do it, you know. So, I
14 like that idea. So, we will definitely look into that and see if there are
15 opportunities there.

16 And know that it can be worse. You could be in
17 academia.

18 (Laughter.)

19 And you would be significantly lower paid and the pay
20 compression is extreme.

21 COMMISSIONER SVINICKI: And I would like to say
22 on a sober note of the effects of sequester and just the overall fiscal
23 environment, I read last week that Chairman Gensler of the Commodity
24 Futures Trading Commission, which is another independent
25 commission, as you made reference to, has informed all employees at
26 that Commission that 14 furlough days will be necessary in FY14, given

1 just their overall tight budget cap. And they've also assessed that they
2 don't have the liberty to further cut contract dollars because they have
3 some projects that have to get done.

4 So, you know, I do try to keep an eye on other
5 independent boards and commissions. I agree that it's beneficial. But
6 some are experiencing more severe impacts than we are.

7 CHAIRMAN MACFARLANE: But thanks for the
8 question.

9 QUESTIONER: Is there any movement towards
10 folding NRO back into NRR?

11 (Laughter.)

12 CHAIRMAN MACFARLANE: I think at this moment,
13 no, but it's something that over time, you know, we'll have to see. We'll
14 have to see how things shake out, you know. We'll see what kind of
15 Small Modular Reactor design certification applications we get this
16 summer. We'll see where that goes. You know, we could get just
17 one. We could get three, four. We'll see. So, I think we don't want to
18 make any rapid changes.

19 COMMISSIONER APOSTOLAKIS: Well, I have a
20 question. Do you think we should?

21 (Laughter.)

22 Silence. Okay.

23 COMMISSIONER MAGWOOD: There is an
24 undercurrent. Let me sort of speak to that. And the undercurrent
25 is -- and I think someone over on this side said, with sort of the collapse
26 of the nuclear renaissance, in effect, do we need to readjust our

1 expectations for the future? I mean, it's a fair question. It's a question
2 a lot of people ask. Let me just give you my perspective on where I
3 think things are.

4 First, let me say that what people called the nuclear
5 renaissance was a little inflated in the first place. So, I think
6 expectations were probably a little outside of reality from the very
7 beginning. I just personally never believed that the kinds of numbers
8 we were hearing from industry five or six or seven years ago were
9 realistic. I just didn't think that and have said that contemporaneously.

10 And I think that, given that, where things are today
11 shouldn't be a particular surprise to much of anyone. We do have
12 some movement. There's two new plants under construction, four new
13 reactors under construction. TVA is remanufacturing one reactor.
14 There's essentially five in the pipeline.

15 And the question is, what happens from here? And I
16 think a lot of the answer to that question depends on two basic things.
17 One is on how well these projects that are underway right now go.
18 Industry is watching those very, very closely. If there is a significant
19 delay, significant cost overruns, that will definitely impact future utility
20 decisions. So, that is something that they are watching.

21 Another thing to watch is what pretty much I think all of
22 you recognize: what happens to energy prices in this country? What
23 happens with natural gas prices long-term?

24 Those are two issues that today we just can't see.
25 Today we don't know. But I don't think it's a certainty that the answer is
26 no new plants will be built in the United States. I don't see that as an

1 answer. I think that a more likely answer is something in between a
2 very aggressive renaissance and a complete decline. I think that
3 there's going to be a need for energy in this country for the long-term.

4 But what that looks like, no one can tell you today. No
5 one knows. And I think it certainly would be premature on our part to
6 take action to restructure the NRC in a fashion that anticipates a decline
7 in the industry as opposed to continued growth. So, I think where I sit
8 right now, I don't know what the answer is, and I think we have to wait a
9 few years to see exactly what it is. But I don't necessarily think that it's
10 a decline.

11 CHAIRMAN MACFARLANE: Next question.

12 QUESTIONER: Good morning, and thank you for
13 being here.

14 There was a rumor that I had heard that when the
15 sequestration took effect that there was a call to the Agency of how
16 come we weren't furloughing. Were there outside influences that
17 attempted to extract pressure to furlough employees?

18 CHAIRMAN MACFARLANE: Nobody called me.

19 (Laughter.)

20 So, no, we didn't hear about it.

21 QUESTIONER: Thank you.

22 CHAIRMAN MACFARLANE: It was clearly a rumor.

23 (Laughter.)

24 QUESTIONER: Commissioner Apostolakis, what is
25 your favorite Regulatory Guide?

26 (Laughter and applause.)

1 COMMISSIONER APOSTOLAKIS: 1.174.

2 (Laughter and applause.)

3 QUESTIONER: Chairman Macfarlane, you have
4 consistently highlighted and championed the importance of public
5 communication and engagement in the Agency's regulatory programs
6 and processes. What do you think the Agency is doing well? What
7 can the Agency do more of, better, or differently?

8 Commissioners, what are your thoughts on the same
9 topic?

10 CHAIRMAN MACFARLANE: That's a great question.

11 Thank you.

12 What are we doing well? Well, we try to be very open.
13 We put most of our documentation in the public record available for the
14 public to view. Of course, it's in ADAMS, which is a little difficult for
15 some people like me to negotiate. So, there is a plus and a minus
16 there.

17 You know, we have a lot of public meetings, and
18 there's a commitment here to meet with the public on a regular basis.
19 And we've really been demonstrating that, I think, you know, with Waste
20 Confidence, et cetera. And so, that's a real plus.

21 I think we need to make sure that the public knows that
22 we're really listening to what they're saying and we really understand
23 some of the issues and concerns they have, and we are addressing
24 those concerns. So, there's where I think we can do a little more work.

25 You know, we hold public meetings. The Commission
26 has public meetings. I think those are excellent opportunities to show

1 the Commission's engagement in decision-making and in thinking
2 through issues very carefully to the public and strengthens their ties
3 with us.

4 So, those are a couple of examples. There are more,
5 but that is a start.

6 So, let me turn it over to my colleagues.

7 COMMISSIONER OSTENDORFF: Sure, I'll say it; I
8 agree with everything the Chairman said. I'll just add two points.

9 One, I think the openness of this Agency is perhaps
10 unparalleled in the Executive Branch.

11 Two, I would say an area we can continue to improve
12 on is how to tailor communications to specific audiences, which I think
13 is an ongoing challenge for all of us, looking at the interests of different
14 audiences, their scientific literacy, and what they're trying to get out of a
15 meeting.

16 So, those are my two thoughts.

17 COMMISSIONER MAGWOOD: Just very briefly, one
18 thing I've discovered in my time with the Agency is that the most
19 effective communication with the public and with public groups -- and I
20 think the Chairman alluded to this -- isn't so much how we talk about
21 what we do; it's really how carefully we listen to what we're being told.
22 And that I think is actually much more difficult than it sounds.

23 For those of you who interact a lot with outside groups,
24 there are many groups that are not technically-literate, can't speak in
25 the language that we're familiar with, don't understand what a Reg
26 Guide is, although I guess I know where to send them now.

1 (Laughter.)

2 And they have a great deal of difficulty in engaging us
3 because what we do is so difficult for them to understand in many
4 respects. But they have strong feelings about a variety of issues.

5 And I think that it is incumbent on us, as public
6 servants, to be a little more patient, to take the time to just sit and listen
7 and ask questions, and understand what the people we serve are trying
8 to tell us. And it doesn't mean that they're always going to be right
9 about their perspective. It doesn't mean we're going to change what
10 we're doing. But I think the act of listening, the act of understanding is
11 essential. That, to me, is a big part of communications. And I know it
12 is a very difficult one to do, but I think it is one that we should try to
13 practice as much as we can.

14 CHAIRMAN MACFARLANE: Anybody else?

15 (No response.)

16 Let me just add a couple more thoughts. I appreciate
17 Commissioner Ostendorff's and Commissioner Magwood's comments,
18 and especially Commissioner Magwood's comment about active
19 listening, that actually it is a challenging thing to do.

20 And I think we should be able to provide some training
21 for that. I don't think we do that. I think we did that maybe in the past,
22 my understanding is, but we don't do it so much. And I would like to
23 look into the possibility for reactivating that. So that those folks who
24 are interested and who would like to acquire that kind of training can.
25 Because I think sometimes folks in the public have the impression that
26 they get discounted offhand without actually being heard.

1 And then, I will just put in a plug because I've noticed
2 some slippage at the Agency here. You know, when I first arrived, I
3 pleaded with all of you to reduce the number of acronyms that you
4 used. And, you know, now that I've been here for over a year, I know
5 that you think that I'm one of you now and that I get all these acronyms,
6 but I don't. So, please, please, please, let's really scale back on those
7 acronyms.

8 QUESTIONER: Congress has authorized a program
9 that would allow a retirement-eligible employee to receive a portion of
10 their pension while continuing to work part-time. What's the status of
11 the implementation of this program at the NRC?

12 CHAIRMAN MACFARLANE: We use it. Miriam
13 Cohen is telling we use it. So, it's active status.

14 QUESTIONER: Please clarify the Commission's
15 version of what constitutes an open, collaborative work environment.

16 CHAIRMAN MACFARLANE: I'll let all of my
17 colleagues comment on this one.

18 To me, an open, collaborative work environment is
19 where we do good research, rigorous analysis. We entertain a variety
20 of viewpoints, and we encourage a variety of viewpoints among the
21 staff and encourage debate. Okay. That's not open warfare; that's
22 debate among ourselves.

23 We deal with very complex issues here, and there will
24 be a variety of views on these complex issues. And it's important that
25 they be vetted and that they be heard, so that we can make the most
26 rigorous decisions possible.

1 And so, to me, that is the essence of the open,
2 collaborative work environment.

3 Anybody else want to comment?

4 COMMISSIONER OSTENDORFF: I agree with the
5 Chairman's answer. I'll just add one piece.

6 I know the thought, what I am going to say has been a
7 little bit of a focal point for some of the discussions with senior
8 executives. I think having the open, technical discussions, the
9 give-and-take, two-way, not a check valve, back-and-forth, we certainly
10 have a DPO non-concurrence process which is important.

11 But, at the end of the day, collaborative does not mean
12 decision by consensus. At the end of the day, after all the facts and
13 figures and different perspectives are out there, the senior leaders in
14 the Agency will need to make a decision. And maybe somebody
15 doesn't agree with that. And so, I would just emphasize that there's a
16 difference between collaborative and consensus.

17 CHAIRMAN MACFARLANE: I would like to add that,
18 you know, if you all have suggestions about an open, collaborative work
19 environment, on how to improve it at the Agency, I would welcome
20 hearing them.

21 QUESTIONER: With the currently-known information,
22 does the Commission support Yucca Mountain?

23 (Laughter.)

24 CHAIRMAN MACFARLANE: An interesting question.
25 Can't answer it right now.

26 QUESTIONER: What is currently the greatest

1 challenge internally with the NRC and staff and externally, other than
2 Congress?

3 (Laughter.)

4 CHAIRMAN MACFARLANE: So, greatest challenge
5 with the NRC staff or the Commission's challenge with the -- I'm not
6 sure I understand the orientation of the question.

7 QUESTIONER: What is currently the greatest
8 challenge internally with the NRC and staff and externally, other than
9 Congress?

10 CHAIRMAN MACFARLANE: Well, I think one
11 challenge is what's already been discussed about here, which is, you
12 know, keeping employees and morale up, given the larger situation of
13 no pay raises, the sequestration, no bonuses, all this kind of cutback,
14 you know, the general tenor under which the federal employee must
15 operate now. So, that is an internal challenge I think for the Agency to
16 manage.

17 You know, I think we manage our challenges related to
18 our mission fairly well. I've been very impressed with the way you all
19 handled the challenge brought by Fukushima. And so, I think that
20 goes quite well.

21 But I think, you know, keeping folks happy is a very
22 important focus for the management of the Agency.

23 I don't know if anybody else wants to comment. Yes?

24 COMMISSIONER SVINICKI: Well, it's always
25 dangerous to make predictions, and I read all the same newspapers
26 and watch the same cable news shows that you do. But I'm not

1 hearing that there's much probability that sequester can be avoided in
2 January. It seems to me that the brightest thing I hear that's on the
3 table for those negotiators is that maybe agencies would be given some
4 flexibility in how they manage the cuts they're given.

5 So, I think our challenge is no different than a lot of
6 other government agencies. It's going to be how best to manage
7 ourselves and our work through this kind of a difficult fiscal situation.
8 So, I know there's other challenges, but that one I think will be very
9 dominant in the space going into the next year.

10 COMMISSIONER MAGWOOD: One challenge I
11 would point to is one that we sort of touched on peripherally a little while
12 ago. And that is, we have a lot of new people coming into the agency,
13 a significant number of new people. And some of them are entry level
14 or younger people.

15 And at the same time, we are seeing a significant
16 number of retirements. We have to say goodbye to a lot of very
17 long-term, very highly-valuable, experienced people.

18 And as I have often pointed out, you can certainly
19 replace expertise for expertise, but when you lose experience, you lose
20 experience. You don't get that back. And that's something that not
21 just the NRC, but really all technical agencies, particularly in the nuclear
22 field, are going to have to deal with over the next five to ten years.

23 I think managing that shift is going to be one of the
24 biggest management challenges facing the Agency and our licensees
25 because we're going to see expertise go out the door. We're going to
26 see new people come in who are very good, very smart people, but

1 they weren't there in the 1970s when we had transients. They weren't
2 there for startups. They weren't there for a lot of things that people
3 who are retiring now observed.

4 And they are also coming in with new ways of doing
5 business and new questions. One of the things that was really quite
6 interesting, when we were building White Flint 3, was to see how
7 different the configuration of the offices is. And it was explained to me
8 that that's more conducive to how people who are coming up through
9 the system now do business. It's more collaborative. It is more
10 flexible workspaces, and it reflects their way of doing business.

11 This cultural shift, this generational shift is a huge
12 challenge. And it is really one, quite frankly, that I don't think we've had
13 to deal with in this magnitude before. So, I think that's the big
14 challenge both today and into the longer-term future.

15 COMMISSIONER OSTENDORFF: And I want to
16 comment very briefly on the part of the question that dealt with what are
17 challenges externally. And I am going to put the following
18 characterization in this context: I think it's a challenge for everybody
19 here in this room, not just the Commission, not just the front-row folks.
20 I do think it's a challenge to communicate externally why we are taking
21 certain regulatory actions. What is the basis for our regulatory
22 decision-making? How do you explain that to the American public in a
23 way they can understand it, such that they understand and should have
24 confidence in us as a regulator. I believe that's very difficult. I know
25 that you are all working very hard on that. I think it's an ongoing
26 challenge.

1 CHAIRMAN MACFARLANE: All right.

2 QUESTIONER: Is there any way to engage the
3 insurance industry and its knowledge of actuarial science -- for
4 example, through estimation of risk premiums -- and the NPP Safety
5 Assessment process?

6 CHAIRMAN MACFARLANE: I'll let Commissioner
7 Apostolakis take this one.

8 (Laughter.)

9 COMMISSIONER APOSTOLAKIS: No.

10 (Laughter.)

11 CHAIRMAN MACFARLANE: You don't want to
12 elaborate?

13 (Laughter.)

14 QUESTIONER: What is each Commissioner's
15 perspective on whether plant operating licenses should be renewed for
16 60 to 80 years; i.e., subsequent license renewal?

17 CHAIRMAN MACFARLANE: I will let everybody take
18 a stab at that one.

19 I personally think that one has to be very careful
20 projecting out. You always have to worry about the unknown
21 unknowns that will come and get you. We have experience with this
22 on a regular basis, the unknown unknowns.

23 And so, I think it's something that we really need to be
24 very cautious about and look at very, very carefully before we make a
25 decision to go in that direction.

26 COMMISSIONER SVINICKI: I wouldn't prejudge any

1 particular application that would come before this Agency to extend or
2 renew an operating license. But I would note that, you know, legally, in
3 looking at our regulations, such extension is currently not precluded.

4 COMMISSIONER MAGWOOD: One of the things
5 that we have been having a lot of discussion about in the last year or so
6 is the need to focus our decision-making on a site-specific basis, and to
7 think about things as how they affect individual reactors, individual sites,
8 and their particular circumstances.

9 So, I think really the answer to the question isn't so
10 much what do you think about operations between 60 and 80 years. It
11 is that you have to look at specific reactors. You have to look at
12 specific circumstances.

13 And I think that the answer to the question is the NRC
14 is well-equipped to make that decision using the tools and knowledge
15 and people that it has. So, I don't know what answer will ultimately
16 come of this, but I suspect that we're more than ready for the challenge.
17 So, it is not one that keeps me up at night thinking about it, quite
18 frankly. I think we can handle this one very easily.

19 COMMISSIONER OSTENDORFF: I agree with my
20 colleagues. I'll note that especially Commissioner Magwood's last
21 point about it's under this Agency and we have the ability to make these
22 assessments. I'll look at the alkali-silica reaction at Seabrook as being
23 a prime example of something that you all have worked on, or Region I
24 has, the licensee has, to get to the bottom of technical issues
25 associated with that phenomena. So, that is just one example of
26 where it's within our technical ability to take a hard look at these aging

1 management issues or other phenomena that might occur in a
2 particular plant's life expectancy, if we do look at life after 60.

3 CHAIRMAN MACFARLANE: Next question.

4 QUESTIONER: This is appraisal season. Do you
5 expect that there will be awards given to the staff and management?
6 Will these be distributed fairly between management and working-level
7 staff?

8 CHAIRMAN MACFARLANE: Right now, we don't
9 have any communication from OPM and OMB on performance awards
10 for fiscal year 2013. So, we will just have to wait and see what we hear
11 from those folks. Sorry I don't have a more specific answer.

12 QUESTIONER: This is a two-part question. Given
13 that most of NRC's budget is funded from fees paid by industry, why
14 does the NRC have funding uncertainty? Is there a way to protect
15 NRC's operation from this disruption?

16 CHAIRMAN MACFARLANE: I don't think we have
17 funding uncertainty. We are fairly certain with our funding. The
18 difficulty comes because we collect the funds -- I hope I have it right this
19 time -- and we put them into the Treasury, and Congress appropriates
20 to us. And so, we are reliant on congressional appropriations.

21 Did I get it right, Elliott?

22 And so, that's where the difficulties come, and that's
23 why we had to shut during this last government shutdown, because we
24 ran out of our carryover funds, and we didn't receive the appropriation
25 that we needed to continue.

26 COMMISSIONER SVINICKI: I would note that I have

1 tried to incorporate this point in speeches that I make to more diverse
2 audiences, so that they realize this potential -- I'll call it a curiosity -- of
3 the budgeting process for NRC. I also have attempted to raise it with
4 Members of Congress, if I can get their attention to talk about it, just to
5 make certain that the beginning of any kind of thing is always potentially
6 awareness. So, I do try to raise awareness of this point in my
7 communications with people.

8 CHAIRMAN MACFARLANE: Next question.

9 QUESTIONER: What are the challenges that you've
10 been made aware of with the Part 52 process and construction? And
11 how do you see it changing as other design centers and combined
12 licensees reach their conclusion of their review?

13 CHAIRMAN MACFARLANE: I think it remains to be
14 seen, you know, what will happen with other combined licenses. But I
15 think there's been a fair bit of lessons learned, and to be, of course,
16 expected. Who would expect the process to work absolutely smoothly
17 with no hiccups whatsoever, right? That's totally unrealistic.

18 But my understanding, having visited Vogtle, seen the
19 construction there, spent a lot of hours with Glenn Tracy talking through
20 these issues, it has worked well. We had some issues with the
21 licensing at Summer and Vogtle in terms of some of the rebar that they
22 were doing. And I think they understand very well, the licensees now
23 understand, Southern Company and SCANA understand very well what
24 their responsibilities are and what we will hold them to account for, and
25 what they need to hold their vendors and contractors to account for.

26 And I think, from all appearances now, they are doing

1 a good job at that. So, I think we have reached a good point.

2 And I will let my colleagues comment on that, too.

3 COMMISSIONER OSTENDORFF: I would just
4 add -- and I think most of you all know this -- but I think I applaud Glenn
5 Tracy, and NRO leadership for on their own embarking upon a program
6 to do the lessons learned to date. And I think that has been very
7 important, to take a reflective self-assessment of how things are going.

8 Like the Chairman said, you can't build things without
9 having some problems. That's just a fact of life.

10 COMMISSIONER MAGWOOD: Just briefly, I agree
11 with what others have said on this. I think we have learned a great
12 deal, both on the industry side and on the NRC side, about how Part 52
13 works. And one thing that has become clear is that the expectations
14 on how Part 52 would be implemented were different on the industry
15 side versus on the NRC side.

16 I think what we have seen over the last year or
17 so -- and I give Glenn and his team a great deal of credit for this -- is
18 the convergence of those expectations. And those lessons I think will
19 benefit those who follow.

20 So, this has been, I think to some degree, as the
21 Chairman has said, it is to be expected that there would be some
22 differences in these perceptions. I think we have wrestled most of that
23 to the ground.

24 Now I think that, going forward, we are going to have to
25 make sure that the knowledge of what we have learned through these
26 exercises is clearly disseminated, so that the next one in line fully

1 benefits from the experience we have already had.

2 COMMISSIONER OSTENDORFF: Let me add one,
3 just one, comparison outside the commercial nuclear industry that is a
4 data point. I'm going to date myself, but I'll do it anyway.

5 In 1980, my second submarine is a new construction
6 submarine, the USS ATLANTA, being built in the Newport News
7 Shipyard. That was, I think, the 23rd or the 24th submarine to be built
8 in the Los Angeles attack submarine class. So, there were 23
9 predecessors before I got to this submarine.

10 I was a member of the Joint Test Group. Every week I
11 had a meeting with Naval Reactors, with the Shipyard, the Supervisor
12 of Shipbuilding, and with the capital representatives to discuss changes
13 during construction. And this was the 24th, 23rd or 24th submarine
14 being built of the same design.

15 So, just the complexity of detailed issues, it's just a fact
16 of life.

17 CHAIRMAN MACFARLANE: Next question.

18 QUESTIONER: How is the Agency assessing
19 progress and the effectiveness of the Knowledge Management
20 Program, especially given the staff turnover?

21 CHAIRMAN MACFARLANE: I think I'm going to ask
22 Mark to address that one.

23 MR. SATORIUS: Just so I understand the question,
24 was it the question, how do we assess successes within our knowledge
25 management activities?

26 QUESTIONER: Assessing the progress and the

1 effectiveness of knowledge management at the Agency.

2 MR. SATORIUS: There is a number of ways. One is
3 I look for supervisors to judge their staff, their new staff as they come
4 onboard, and how effectively are the tools that we're providing those
5 new people that utilize knowledge from former employees or people
6 that are going out the door. So, that's one way.

7 And circling around or back to those supervisors and
8 getting feedback. We have folks that specialize on focusing on
9 knowledge management. We have a number of activities involved
10 within the staff to focus our knowledge management efforts.

11 So, I think it is that feedback mechanism more than
12 anything else that is helping us to realize that we are getting there and
13 we are capturing as much of the information. The Regions are
14 particularly good at this, in my experience, because they are smaller,
15 somewhat more nimble organizations that, while a part of the whole,
16 still are somewhat remote from our Headquarters complex. And they
17 capture a lot of knowledge, and are able to turn around and apply that
18 knowledge to their new Inspectors and the Inspection Program to
19 ensure that that doesn't go lost, that that knowledge doesn't walk out
20 the door without being captured.

21 CHAIRMAN MACFARLANE: Thanks, Mark.

22 QUESTIONER: Can you tell us anything about the
23 differing professional opinions on AP1000?

24 CHAIRMAN MACFARLANE: Don't sit down, Mark.

25 (Laughter.)

26 I can't tell you anything about that detail, no.

1 Okay. Go ahead.

2 QUESTIONER: Using the Japan lessons learned
3 items as an indicator, the NRC seems to be responding to political
4 pressure instead of maintaining its independence and prioritizing based
5 on risk significance. Is this the future of the Agency or do you see the
6 Agency returning to its independent stance of resisting political
7 pressure?

8 CHAIRMAN MACFARLANE: I think the question of
9 political pressure is a valid one, but I don't see that the Agency is
10 succumbing to political pressure. We certainly do come under it at
11 times, but I think we try to resist it.

12 I would like anybody else to comment.

13 COMMISSIONER OSTENDORFF: I agree with the
14 Chairman. Again, to protect the anonymity of anybody asking that
15 question, I'm glad to have that person come by and chat with me. I'm
16 sure other Commissioners would as well.

17 But I think one of the key issues -- and I think other
18 Commissioners here mentioned it earlier; I think Commissioner Svinicki
19 and Magwood, in particular -- when we write a vote and we put down
20 here's the decision we've reached and why, and we sign our names to
21 that, that signature means something. And I stand by the votes we
22 cast, and each of my colleagues does as well.

23 And the question, though, I'm not surprised by it, I
24 completely disagree that there is a sense that there is political pressure
25 on Commission decision-making. I would challenge that.

26 COMMISSIONER SVINICKI: I want to reflect upon

1 the feedback we were given earlier in this very meeting about
2 perception being so important. And so, I want to honor and
3 acknowledge the kernel of the question, which is that if this Commission
4 or this Agency is developing the perception that we're yielding to
5 political pressure, that in itself is enough to be concerned about, even if
6 it is not true. So, I want to acknowledge the feedback we got earlier,
7 that perception is also something we need to be thinking about.

8 COMMISSIONER MAGWOOD: I think that it is
9 important to say a couple of things about this.

10 First, you know, what happened at Fukushima-Daiichi
11 is something that had tremendous importance to anyone involved in the
12 operation of nuclear power plants. I think that it is an incident that
13 taught us some lessons that we needed to learn. And I think it would
14 have been very easy for us in the United States to criticize the
15 Japanese regulators, the Japanese operators, and say, "We wouldn't
16 have made those mistakes. So, therefore, we don't have to do
17 anything."

18 The Near-Term Task Force looked beyond that. They
19 looked at where there could be weaknesses in our own system. And
20 they made a series of recommendations that the Commission has
21 spent a great deal of time, a tremendous amount of time, analyzing
22 very carefully.

23 And the decisions we have made thus far, I am very,
24 very comfortable are based on sound principles, are based on the need
25 to assure adequate protection for the public. And I don't think we have
26 gone nearly as far as some people would like us to go. I think that we

1 have heard a lot of voices from the political world about things they
2 would like us to do that we have not done, and I don't think we will do.

3 So, I think that the perception or the concern that we
4 have succumbed to political pressure is simply wrong. It is just not
5 true, although I appreciate Commissioner Svinicki said, if there is an
6 appearance -- it is hard for us to deflect that appearance because there
7 will always be political voices advocating one action or another. I think
8 it's just left up to the American people to decide whether our decisions
9 are being politically influenced.

10 I think if you look at our votes, if you look at our
11 analyses, if you look at the work that the staff has done, everything we
12 have done has a sound technical basis. And I think it is work that this
13 Agency should be very, very proud of.

14 COMMISSIONER OSTENDORFF: I want to give an
15 appendix to my previous answer because I think this is a really
16 important question. And we have had three questions today that I
17 have asterisked on my pages that have come out that I have said, wow,
18 this is of concern.

19 I am concerned about there being a perception of
20 political pressure, especially if you think that political pressure is being
21 caved into by the Commission. And certainly, we get a lot of letters
22 from Members of Congress. You could go back and look at the
23 number of letters we received on San Onofre, on filtered vents, on the
24 initial Near-Term Task Force on Fukushima, and lots of
25 correspondence.

26 I believe this Commission sitting before you has not

1 caved into any political pressure. But, obviously, the questions would
2 not come up unless there's a perception that it is a problem. So, I
3 would ask Mark Satorius and his leadership team to think about how
4 might this type of a concern, how can we, as a Commission, better
5 communicate or what do we need to do to clear the air on this issue?

6 Because I am very concerned. I have heard three
7 different speakers today address what I believed were very heartfelt
8 questions, as Commission Svinicki mentioned. And we need to, as a
9 Commission, be able to caucus on this issue and figure out how do we
10 best communicate with the NRC staff.

11 So, Mark, I can't task you to do that, but I think it is a
12 follow-on from this particular session that is important for us as a
13 Commission to be able to better understand, so that we can do a better
14 job of communicating to you. Because, for you, perception is reality,
15 and that's just human nature.

16 CHAIRMAN MACFARLANE: I think it is an important
17 issue, but not a surprising one. We are political appointees. Politics
18 enters, you know, at the beginning.

19 I think there are probably views that we have been
20 politically influenced on the left, politically influenced on the right. In
21 my view, as long as we are sort of in the middle there, and there's
22 enough voices on both ends, we are probably doing okay.

23 COMMISSIONER SVINICKI: Well, I just feel a need
24 to be clear.

25 Is this on (referring to the microphone)? No, I've been
26 shut off.

1 (Laughter.)

2 I feel a need to be clear that, you know, I've been here
3 almost six years. I have not -- I talked about what it means to me when
4 I sign that vote sheet -- I have not taken any actions in my role as a
5 Commissioner that were motivated by some sort of political pressure
6 put on me or some kind of political reward. And I can't be any clearer
7 than that.

8 CHAIRMAN MACFARLANE: Next question.

9 QUESTIONER: The Agency is eliminating GG-15
10 positions. Understanding the budget constraints, is it wise to eliminate
11 these positions when we're trying to retain expertise in the Agency,
12 especially in areas such as PRA, for which expertise is hard to find?

13 CHAIRMAN MACFARLANE: I might ask Mark to help
14 me comment on this one.

15 You know, I think the senior management carefully
16 considers the needs of the Agency and where we need to be going in
17 the future. And so, they certainly don't make choices to eliminate
18 certain positions without very careful consideration.

19 And I think that's probably all the time we have for
20 questions.

21 I am going to now invite the NTEU up to make
22 comments.

23 There's Sheryl. You're sitting all the way at the back.

24 So, we've got Sheryl Burrows of the NTEU.

25 COMMISSIONER MAGWOOD: Hailing frequencies
26 open.

1 (Laughter.)

2 CHAIRMAN MACFARLANE: Ah, a Star Trek officer.
3 Which one?

4 (Laughter.)

5 MS. BURROWS: Well, I have a little one, and I guess
6 I'm surprised that not as many of you all dressed up.

7 (Laughter.)

8 I would like to explain that I thought I should dress as
9 one of my heroes, and I couldn't find a Madam Curie costume on the
10 internet.

11 (Laughter.)

12 Thank you, Chairman Macfarlane and Commissioners,
13 for the opportunity to speak on behalf of NTEU.

14 And congratulations, Mr. Satorius, on your selection as
15 EDO.

16 Although this is the second All Employees Meeting
17 since I became Chapter President, it's the first one where I have been
18 able to speak on behalf of the Union.

19 I have been President of NTEU Chapter 208 for
20 exactly 16 months as of today. And I know I have said this before, but
21 this is not what it looked like in the brochure. I did have some idea of
22 what I was taking on, but doing the job really far exceeds anything that I
23 had imagined.

24 Having said that, I'm tired at the end of every day, but I
25 feel very engaged with what the Union is doing for our employees, and I
26 am happy to be a part of our efforts.

1 One of the best things about my new job is that I have
2 had the opportunity to assemble and work with an amazing team of
3 incredibly-talented individuals. Our Chapter's Executive Board and
4 Stewards work very hard every day to serve the bargaining unit, and I
5 would like to thank them for the important work they do, not only for the
6 bargaining unit, but for the entire Agency.

7 Our new Administration has experienced a lot of
8 change in the last year. Our first Executive Vice President, Walter
9 Lang, took a position outside of the bargaining unit and had to resign. I
10 am happy to say that we were able to convince Maria Schwartz to step
11 up and fill the Executive Vice President position.

12 Maria is now our Executive Vice President and Chief
13 Steward. Maria is an attorney with over 22 years at the NRC. She
14 has worked in OGC. We has worked for the Commission, and she has
15 worked in OE.

16 Then, our beloved Chapter Treasurer Mike Canova
17 retired. His gain was truly our loss. Again, I am delighted to report
18 that we were able to convince an accountant, Darrin Butler, to step up
19 and fill the position as Chapter Treasurer.

20 With a lawyer for our Vice President and an accountant
21 for our Treasurer, I would have to say this is a coup.

22 Completing our Executive Committee is our
23 incredibly-capable Chapter Secretary and my favorite Steward, Robert
24 Heard, super Steward Robert Heard. We were lucky to have Rob in
25 the Union office for six months this year, but, unfortunately, his rotation
26 was over at the end of September.

1 Having said that, one of my biggest challenges as a
2 new Chapter President has been how to represent almost 2,700
3 bargaining unit employees with myself being the only designated
4 full-time Union employee. Just providing office coverage, especially
5 during this time of the year, my favorite season -- and by that, I mean
6 the performance appraisal season -- it isn't easy. My secret weapon
7 thus far has been to somehow convince high-performing, motivated
8 individuals to step up and help out.

9 And I would like to address this to the Chairman, the
10 Commissioners, and the EDO. Meeting the needs of such a large
11 bargaining unit with only one dedicated FTE will continue to be a
12 challenge, especially with the possibility of another government
13 shutdown in early 2014.

14 So, what have we done since this time last year?
15 Well, about this time last year, we were involved in mid-term bargaining,
16 renegotiating five of the 57 Articles in the Collective Bargaining
17 Agreement, the agreement between the Agency and NTEU which
18 covers all of our bargaining unit's working conditions.

19 The Union was able to reach agreement, and, in fact,
20 make some gains on three of the Articles. These Articles were equal
21 employment opportunity, mid-term bargaining, and grievance
22 procedures.

23 The other two Articles, performance appraisals and
24 performance awards, reached an impasse, and we spent four days with
25 an independent mediator. The mediator decided in favor of the
26 Agency on both Articles.

1 However, there were some wins even in these losses,
2 such as the Agency has agreed to provide additional information on the
3 way performance awards are made.

4 But, honestly, the problems that I have seen in my 16
5 months as Union President have not been with the contract, but, rather,
6 with lack of fairness and equity, unequal treatment of similarly-situated
7 employees, lack of civility, and misuse of power.

8 Last year at this time, the Agency was starting the
9 implementation of TABS, which was delayed partly in response to
10 Union questions. This year we are moving forward with TABS, and
11 one of our new Stewards, Carl Konzman, is the new NTEU point of
12 contact. Carl has done an impressive job coming up-to-speed on
13 NTEU's behalf, and he continues to monitor the progress for our
14 Chapter.

15 As a result of declining OIG safety culture scores as
16 well as a downward trend in the FEVS scores, the EDO last year
17 introduced the Behavior Matters Cafes. Yet, in spite of this, I hear daily
18 about managers who are not responsive to their employees, managers
19 who fail to provide clear expectations to their employees, and in some
20 cases managers who abuse their employees, overlooking the
21 importance of treating them with dignity or respect.

22 But, also, I have to say that there are some employees
23 treating other employees in, at a minimum, a less-than-professional
24 manner. Employees feel disheartened that, from their vantage point,
25 nothing seems to change, in spite of numerous new initiatives. I have
26 been asked more than once what the point of Behavior Matters was,

1 because, first of all, as adults, we all know that our behavior matters.
2 Even my fourth-grader knows that his behavior matters. Yet, bad
3 behavior continues. NTEU believes that change is always possible,
4 but everyone at every level needs to be held accountable.

5 One of our Administration's main goals was to increase
6 our Chapter's strength, as there is strength in numbers. To that end,
7 we have appointed two Co-Chairs of our Membership Committee, Ms.
8 Serita Sanders and Stephen Monarque. I'm pleased to report that we
9 have recruited well over 100 members in just our first year. And
10 because of this large increase in membership, we received a 2013
11 NTEU National Membership Recognition Award at the National
12 Convention this August. Stephen and Serita continue to work on this
13 effort, and our strength continues to increase.

14 In the interest of time, I will eliminate my comments on
15 the sequestration, building lease issues, the recent government
16 shutdown, although we do have additional information and insights, and
17 I invite anyone who has concerns to contact us directly or through their
18 partnership.

19 I know I have covered a lot here in a limited time. In
20 closing, I would like to thank the bargaining unit, all of the Union
21 members, and then, many non-bargaining unit Union supporters, and
22 NRC management for the warm reception and all of the help in getting
23 our new Administration up-to-speed.

24 I was so flattered on behalf of our new team when at a
25 recent Office All Hands Meeting a manager, commenting on my
26 appraisal advice, encouraged employees to seek advice from the Union

1 and said, and I quote, "There are friendly faces there in the Union
2 office."

3 So, if you have any additional comments, questions, or
4 concerns, please call, email, or stop by the Union office. We will try to
5 always have a friendly face there to greet you.

6 Thank you for your patience and attention.

7 (Applause.)

8 CHAIRMAN MACFARLANE: Thanks, Sheryl.

9 Thanks very much.

10 Okay. With that, I think we will close the meeting.

11 Thank you all very much for your attendance. Thank
12 you, those of you who are watching on the web, for your attention.

13 Have a great day.

14 (Applause.)

15 (Whereupon, at 11:57 a.m., the meeting was
16 adjourned.)

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