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2 UNITED STATES OF AMERICA
3 NUCLEAR REGULATORY COMMISSION

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5 ALL EMPLOYEES MEETING

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7 THURSDAY

8 OCTOBER 20, 2011

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10 The All Employees Meeting convened in
11 Salon D in the Marriott Bethesda North Hotel, 5701
12 Marinelli Road, Rockville, Maryland, at 1:30 p.m.,
13 Gregory B. Jaczko, Chairman, presiding.

14 PRESENT:

15 GREGORY B. JACZKO, Chairman

16 KRISTINE L. SVINICKI, Commissioner

17 GEORGE APOSTOLAKIS, Commissioner

18 WILLIAM D. MAGWOOD, IV, Commissioner

19 WILLIAM C. OSTENDORFF, Commissioner
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P R O C E E D I N G S

(1:44 p.m.)

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3 MR. BORCHARDT: Good afternoon. And
4 welcome to the 20th Annual Commissioners Meeting with
5 the NRC staff. I'd like to thank each of you for
6 attending and especially Chairman Jaczko,
7 Commissioners Svinicki, Apostolakis, Magwood, and
8 Ostendorff, for taking the time to meet with the staff
9 and provide this opportunity to discuss topics that
10 are of great interest to all of us.

11 We very much value this interaction. And
12 I and the staff of the NRC thank you, Commissioners,
13 for your continued support of this important meeting.

14 In addition to the headquarters staff
15 attending the meeting in this room, the staff in the
16 Regions and the Technical Training Center are viewing
17 this meeting via video broadcast while the resident
18 inspectors are receiving the audio feed.

19 The purpose of this meeting is to
20 facilitate communications between the Commission and
21 the staff and for the Commission members to share
22 their perspectives.

23 The Chairman and each Commissioner will
24 begin the meeting with individual remarks. The
25 remainder of the meeting is reserved for questions and
26 answers. There are several microphones located in the

1 room for your use in asking the questions. We've also
2 handed out cards if you'd prefer to write down your
3 question. You can pass it to one of the volunteer
4 staff. And these questions, in addition to those
5 received from the TTC, the Regions, and the resident
6 sites, will be read by our volunteers.

7 Also, I please ask you to silence your
8 pagers, Blackberries, and telephones.

9 I'd like to thank the volunteer readers
10 here today, Cate Raynor, Dan Dean, David Humerick, and
11 Chelsea Nichols. Thank you also the volunteer ushers
12 who are helping us out today, our sign language
13 interpreter, as well the offices of the Secretary,
14 ADM, HR, and OIS for their support in making this
15 meeting possible.

16 Finally, I'd like to recognize that Dale
17 Yeilding from the NTEU is here this afternoon. And
18 he'll have an opportunity to address us near the end
19 of this meeting.

20 It's now my privilege to turn the meeting
21 over to Chairman Jaczko.

22 CHAIRMAN JACZKO: Well, thank you, Bill.

23 And I think I'll sit instead of standing
24 to do this. I think maybe it will go a little bit
25 faster.

26 I want to thank everyone for joining us

1 today as well as everyone who is, as Bill said,
2 connected via electronic means through the Regional
3 offices, the resident inspectors, and people at the
4 TTC.

5 I always look forward to this meeting
6 every year. I think this is my sixth or seventh All
7 Hands Meeting. I remember when we first did these, we
8 split them into two because we were doing them in the
9 tents in between Buildings 1 and 2. And I remember
10 when I first started on the Commission, all the
11 Commissioners told me that, you know, it's going to be
12 long. It's probably going to be hot. But it's always
13 really worth it. And I know that the Commission
14 continues to appreciate and recognize the importance
15 of this opportunity that we have.

16 As Bill said, it is really an opportunity
17 for us to hear from you and for you to hear directly
18 from us. You'll have an opportunity to hear some
19 brief remarks from me, then from my colleagues on the
20 Commission. And then we'll spend the rest of the time
21 doing our best to answer your questions as they come.
22 And then of course we'll close our meeting, as we
23 always do, with remarks from Dale Yeilding of the
24 National Treasury Employees Union.

25 As I said, I'll try and keep my remarks
26 brief in the interest of time. But first, and I know

1 I speak for the Commission when I say this, I would
2 like to thank all of you for doing an outstanding job
3 over the past year under what has been at times very
4 challenging circumstances.

5 The Commission never loses sight of the
6 fact that our effectiveness as a safety and security
7 regulator depends first and foremost on your hard work
8 and dedication. We all anticipated that this was
9 likely to be a very busy year with a lot of important
10 challenges in front of us. But I think none of us
11 predicted or could have foreseen the challenges that
12 we did deal with.

13 Of course the most notable was the
14 accident at the Fukushima Daiichi Nuclear Power Plant.
15 And of course at the same time that that was going on,
16 we were dealing with a very late appropriations
17 process that created its own challenges as we were
18 working with external challenges. But as is usual
19 and typical for this Agency, despite all those
20 challenges, you have done a tremendous job in
21 continuing to meet our important safety mission.

22 In the past fiscal year alone, we have
23 performed thousands of hours of inspections at nuclear
24 power plants and material sites. We have taken
25 hundreds of enforcement actions, received more than a
26 thousand licensing actions and tasks, and issued a

1 number of proposed rules. In order to be as open and
2 transparent as possible, we have held many public
3 meetings throughout the year, including two mandatory
4 hearings just in the past month or so.

5 And we've also begun to utilize new social
6 media tools to enhance our outreach efforts. So
7 hopefully at next year's meeting, instead of having
8 cards and readers, we will all have portable devices
9 and have a Twitter hash tag. And you'll be able to
10 submit all your questions electronically.

11 But by no means does all this cover the
12 full breadth of the Agency's wide-ranging activities.
13 All of these accomplishments, however, are indicative
14 of the Agency's strong focus on our mission and your
15 hard work day in and day out to strengthen nuclear
16 safety and security.

17 I wish we had time to touch on all of the
18 accomplishments of the past year but there are simply
19 too many. Over the coming year, it will be important
20 that we maintain the strong focus on our safety and
21 security mission that we've demonstrated over the past
22 year.

23 We have many important issues on our plate
24 right now, both internally to strengthen our
25 organization, and externally to continue to ensure the
26 safety and security of our nation's nuclear facilities

1 and materials. But just like we could not have
2 predicted all of the challenges of the past year, I
3 know we cannot predict with any certainty all of the
4 issues that might arise in the coming year.

5 But I can say with certainty that the
6 Agency will address whatever challenges come in front
7 of us with the degree of professionalism and expertise
8 that we have seen throughout the history of this
9 Agency. And, of course, it makes it all the more
10 important that we continue to work hard to take full
11 advantage of all the talents and expertise that our
12 diverse team brings to the table. And of course we
13 can only do that if our focus first and foremost
14 remains on safety and our security mission.

15 Throughout my seven years on the
16 Commission, I've always been impressed and inspired by
17 your commitment to our mission. And I'm proud of the
18 work that you have done over that past year. With a
19 strong team of seasoned veterans and talented
20 newcomers, I'm confident that the NRC will
21 successfully tackle the challenges ahead of us and
22 continue to fill our important mission.

23 Thank you.

24 (Applause.)

25 CHAIRMAN JACZKO: Commissioner Svinicki.

26 COMMISSIONER SVINICKI: Well, thank you,

1 Chairman Jaczko. And I knew that you would do -- very
2 ably cover all of the important activities in front of
3 the Agency and also the fact that these are a little
4 more challenging times and we are being asked to do an
5 awful lot. There's so much on our plate. And we know
6 that this is a time that we can't count on receiving
7 additional resources even though we're being called on
8 to do so much more.

9 And Chairman Jaczko used a term that I was
10 going to use. He talked about being inspired by the
11 hard work of all of you. And he talked about your
12 really devoted focus on our mission and all your hard
13 work, which I think is something I want to just add
14 and express my gratitude for that.

15 But it is very inspirational I think to be
16 in a place where people have a real clarity on the
17 mission and a very singular focus on our purpose and
18 our work. It makes me think I think we learn a lot of
19 our most formative lessons from our parents. But my
20 mother -- maybe your mother was the same -- but my
21 mother always used to talk about why she was put on
22 this earth. Or more specifically, why she was not put
23 on this earth.

24 I was not put on this earth to do various
25 things, pick up after you kids and do things like
26 that. So she always used to tell me -- and I thought

1 that's so great because she seems very, very clear on
2 why she was put on this earth. And I wish I had her
3 clarity on why I was put on this earth. But I think
4 that's the most inspirational thing about watching all
5 of you seem to have a very good clarity of purpose as
6 you go about your day-to-day activities. And, again,
7 it is a very inspirational thing to observe.

8 I think the other unique experience for me
9 in being at NRC for a few years now is I've frankly
10 never worked anywhere where our principles and our
11 values are basically in every office and every wall.
12 And I was over in Church Street and of course
13 yesterday I was able to see that they are posted there
14 as well.

15 So I think it is another thing that we're
16 all pulling in the same direction and we have that
17 clarity, which I think is a real blessing to us as we
18 go about the important work that we do for the nation.

19 And there's one other thing I want to
20 communicate that just is a singular thing for me. I
21 had some retirements from my staff this year. And so
22 I have had the opportunity to make more use of
23 rotational assignments. And so I want to thank all of
24 you, not just those of you who have answered the call
25 and maybe been able to come up and contribute to my
26 office through a rotational assignment, but I know

1 that a lot of you have done that over the years for
2 other Commissioners, for the Chairman's office, and
3 continue to do so today.

4 And I just want to share with you the
5 perspective that I don't think that Commissioners and
6 the Commission as a whole can be successful if we
7 don't have extremely capable people who are willing to
8 kind of set their day-to-day job aside for maybe a
9 month or two and come up and contribute to the
10 Commission in some fashion.

11 And so I thank all of you who have heeded
12 that call. I hope that as rotational opportunities
13 come up in the future, if you haven't thought about
14 it, maybe you will. And you'll talk to your
15 management about whether or not that's something you
16 could do as a developmental assignment. But I think
17 it adds tremendously to the Commission's work. So I
18 thank you for that.

19 And I look forward to your questions.
20 Thank you.

21 (Applause.)

22 COMMISSIONER APOSTOLAKIS: Good afternoon.

23 Over the past year, I have had several
24 opportunities to appreciate more fully the uniqueness
25 of this Agency, and in particular the role of each
26 Commissioner. We have been challenged by our response

1 to Fukushima.

2 We had to deal with an earthquake that
3 exceeded the safe shutdown earthquake and we're still
4 dealing with it. We conducted mandatory hearings for
5 COLs after a very long time. And all this while we
6 continue to oversee the safe operation of nuclear
7 facilities around the country.

8 I had a chance to visit all four Regions.

9 And I was very impressed by the level of engagement
10 and sense of ownership by the Regional staff. The
11 technical discussions I've had with the Regional staff
12 matter enormously to me because I always learn a lot
13 when I meet with them. The Regional staff do their
14 job with the skill and devotion it demands.

15 So thank you all. And I'm looking forward
16 to your questions.

17 (Applause.)

18 COMMISSIONER MAGWOOD: Good afternoon.

19 Well first I'd like to ask you a question.
20 With a show of hands, how many people here believe
21 that the staff of the Nuclear Regulatory Commission
22 are a group of dedicated, highly trained, very smart,
23 and professional people? Show of hands. Okay. All
24 right. I can skip that part then.

25 The last year, as several of my colleagues
26 have mentioned, has been rather unique in lots of

1 ways. As many of you know, we just completed two of
2 the first mandatory hearings for new nuclear power
3 plants, a truly unique and historic set of events. But
4 before we got to that, we had to deal with fires at
5 Los Alamos, which wasn't really our problem but we all
6 watched it happen, tornadoes in the South, floods in
7 the Midwest, an earthquake in the Northeast, a
8 hurricane on the East Coast, and of course we had the
9 tsunami and earthquake in Japan. I'm still waiting
10 for the locusts but they haven't shown up yet. I
11 suspect they'll show up at any time.

12 It's been a trying year. There has been a
13 lot going on this year. And this group has certainly
14 more than met the challenge. In my 18 months here or
15 so, however long it's been, has been one where I've
16 learned that everything I've heard about the NRC staff
17 and everything you apparently believe about
18 yourselves, because you all raised your hands, is
19 true. That this is a very highly trained, highly
20 professional and passionate group of people. And it
21 is an honor and a pleasure to be part of it. And so
22 for that, I thank you. And I also look forward to
23 your questions.

24 (Applause.)

25 COMMISSIONER OSTENDORFF: Thank you, Mr.
26 Chairman.

1 I join my colleagues in thanking you for
2 your service. I've a learned a lot over the last
3 year. Let me share something with you, a little bit
4 lighthearted. And that is beware what happens when
5 you make a joke in your office and you see the effects
6 of that being whispered around the circle and ending
7 up back in the Region.

8 (Laughter.)

9 COMMISSIONER OSTENDORFF: When I first got
10 here, I have Ho grief about wearing a pink shirt in my
11 office. And it was all in good fun. I'm used to
12 spending months at a time with 140 of my closest male
13 friends underwater. And so to survive in that
14 environment, a good sense of humor is really
15 important. So I'm used to a lot of banter, a lot of
16 give and take with people.

17 And I'm afraid I may have gotten out of
18 control here because through communicating that in my
19 office on the 18th floor, my staff gave me this thing
20 about ten reasons not to wear a pink shirt. And then
21 when I was visiting in a Region IV plant, the resident
22 inspector told me that he got an advance word do not
23 wear a pink shirt when Ostendorff shows up.

24 (Laughter.)

25 COMMISSIONER OSTENDORFF: So for the
26 record, I want to correct that. If you want to wear a

1 pink shirt, that's your right.

2 The other thing that I learned over the
3 last year, and I've only done this once, and I
4 probably will not do it again, I was introduced by Jim
5 Wiggins, Eric Leeds, Mike Johnson, Jennifer Uhle, and
6 a couple of others I'm forgetting, to a dish called
7 Hot 21, at a local establishment on Rockville Pike.
8 And I went back to my office and drank about 20
9 glasses of water.

10 And so if anybody is looking for people
11 that have an iron constitution to eat hot food, a
12 couple of them in the front row up here. Thanks, Jim
13 and Eric, for that introduction.

14 The Chairman and others have recounted
15 your outstanding contributions. I echo their
16 comments. I will also add that I still maintain
17 significant contacts with the Department of Defense,
18 the Office of Naval Reactors, and the Department of
19 Energy. And I'll tell you that you, the staff, enjoy
20 an unparalleled, richly deserved, outstanding
21 professional reputation, not just in Washington, D.C.,
22 but around the world. And I hear that from all my
23 colleagues working in other branches of government.
24 And it is to your credit that your reputation, which
25 is strongly deserved, is as it should be.

26 So I thank you for your daily work. It is

1 a real privilege for me to serve on this Commission
2 with a fine professional staff. Thank you.

3 (Applause.)

4 CHAIRMAN JACZKO: We will start with
5 questions then. Maybe we can start on the right. Or
6 I guess we'll start on my left. Yes, that's fine.

7 QUESTION: What are your thoughts on the
8 self-regulation of nuclear power plant risk through
9 insurance and lending market forces? For example, the
10 maritime industry, which was set back by piracy off
11 Somalia, was able to bounce back first by covering
12 business risk through insurance, second by hiring
13 protection forces, the equivalent of safety systems in
14 nuclear power plants.

15 Nuclear power plants should be able to
16 prove to insurers and lenders that nuclear power
17 plants are at lower risk than ships passing near
18 Somalia.

19 CHAIRMAN JACZKO: Maybe I'll take that one
20 first. Well, no, in all honesty, it's an interesting
21 question, meaning in general while I can't say I have
22 an expertise in piracy, and I have to admit I'm not a
23 big fan of -- for all of you who are former Navy folks
24 out there, I'm not a big fan of boats.

25 And every now and then I get asked by
26 Admiral Willard -- oh, not Admiral Willard but Admiral

1 Donald, who runs the Navy fleet of reactors, if I want
2 to go out on a boat. And I'm running out of excuses
3 to not do that.

4 But, you know, I mean Price-Anderson
5 really covers in the U.S. liability protection for
6 nuclear accidents. And as such, to a limited extent,
7 it is a private market activity. But for the most
8 part, it is a shared responsibility really, a shared
9 liability among all of the nuclear reactors, which to
10 some extent, I think, is responsible for that idea
11 that an accident, certainly in the United States
12 anywhere is an accident everywhere because if there
13 were a significant accident, the cost would be
14 ultimately borne by all of the reactors up to several
15 billion dollars.

16 I don't know if anybody has any other
17 comments.

18 COMMISSIONER MAGWOOD: Well, I'll just
19 make a quick comment about that. I think that it is
20 an interesting question that comes up in I'd say more
21 philosophical rather than practical circles. If you
22 ever spend time at the Heritage Foundation, for
23 example, these kinds of discussions come up in their
24 panels.

25 The fact of the matter is there's lots of
26 different ways to approach securing the -- or dealing

1 with the financial liabilities of potential problems
2 with nuclear power plants. We've chosen a path in
3 this country that involves a government program,
4 Price-Anderson as the Chairman just mentioned. One
5 could conceive of a completely private sector
6 approach. We simply haven't chosen that approach.
7 That's just not the way we've done it.

8 I would never say you could never do it.
9 I don't think it is likely to be done because of the
10 balance that we have in this country of what the role
11 of government is versus the role of the private
12 sector. I think we're mostly happy with the balance
13 that exists today. So I don't see us changing it at
14 this point. But that's not to say you couldn't do it.
15 I just don't think that we will.

16 CHAIRMAN JACZKO: Okay. We'll go to my
17 right, your left.

18 QUESTION: With the construction of the
19 Three White Flint North Building, the potential blast
20 impact of a truck bomb on Marinelli is substantially
21 increased by the sandwich effect between the new
22 building and the One White Flint North building. What
23 is being done to reduce the possibility or probably of
24 such an incident? For example, limiting truck access
25 to Marinelli or to mitigate the consequences, for
26 example, hardening of the building facades facing

1 Marinelli.

2 CHAIRMAN JACZKO: Well, I don't want to go
3 into the specific, perhaps for obvious reasons about
4 what efforts have been undertaken. But the building -
5 - the new building will be protected to deal with a
6 significant security threat consistent with the One
7 White Flint Building and other buildings that we have.

8 I'll say this. Because of the physical
9 location of the building, special measures are built
10 into it to ensure that a certain range of hazards can
11 be dealt with effectively. But beyond that, as I
12 said, I don't want to go into the specifics of what
13 those are.

14 But it is something that we have looked at
15 and I feel comfortable that the measures that are
16 being taken are appropriate. And that's gone through
17 review by Department of Homeland Security and others
18 as part of the actual development of the original
19 design for the building. So I think it is an issue
20 that has been addressed.

21 QUESTION: Regarding the NRC's reputation
22 as the best place to work, the recent federal employee
23 viewpoint survey identified some negative trends.
24 Could you please describe the Commissioner's interest
25 in striving the make the best even better?

26 CHAIRMAN JACZKO: Well, I'll take that

1 first then, of course, others can chime in.

2 You know I think it has been a very
3 challenging year for all of us. And I was very
4 pleased once again to see that you all have given
5 yourselves very high marks despite some of those
6 challenges that we all went through. The difficulties
7 of an uncertain budget period, the external -- what I
8 would say -- really I mean I would say criticism of
9 federal workforce which I personally think was very
10 unjustified and unfounded.

11 And still I think in the end, you know, we
12 still rated ourselves very well. But there are a
13 couple of areas where there have been decreasing
14 trends. Miriam and her team have a plan to begin
15 working with -- Miriam Cohen and her team have a plan
16 to begin working with the offices, as they get those
17 results. And start working to make improvements.

18 You know I think the best anecdote I have
19 is about two or three years when we got the results of
20 our safety culture survey, our every three year safety
21 culture survey. I remember we got a presentation from
22 the contractor that did that survey.

23 And I think as a true indication of where
24 this Agency is, the one comment I think I heard most
25 consistently after that meeting was people almost
26 being critical of the presenter, the contractor who

1 did the survey, because in many cases they said well,
2 we were pretty good and there wasn't too much more we
3 could do better.

4 Well, that's kind of an anathema, I think,
5 to the NRC. As well as we do, there really isn't
6 anything I think we don't think we can do better. And
7 I expect that we'll take these results and look for
8 areas for improvement. There were certainly some
9 areas where there was significant improvement. There
10 were some areas where there were slight decreases.
11 But again, you know, I think overall the results were
12 very, very positive, and I think reflect really your
13 success in dealing with a very challenging year and
14 are a testament to your efforts.

15 QUESTION: Good afternoon, sir. I wanted
16 to just ask a quick question surrounding what's
17 happened from a program perspective from Fukushima.
18 Do you see probably I would say in the next 18 to 24
19 months and hopefully after we've adjusted the deficit,
20 do you see a need for continued or more enhanced, I
21 should say more enhanced inspections and more periodic
22 ones than we already conduct today?

23 CHAIRMAN JACZKO: Well, that is an
24 interesting question. I think as we look out, the
25 Commission just finalized an SRM on kind of the
26 immediate actions to move forward on Fukushima.

1 We have done a series of inspections
2 immediately after the incident to take a look at some
3 of the mitigating equipment, some of the other
4 features in the plants to ensure that they were
5 appropriate. One of the actions the Commission is
6 looking to move forward on is seismic -- or walkdowns
7 of facilities. So those activities will likely be
8 inspected.

9 The wide range of activities that will
10 likely be modified and changed will likely involve
11 some degree of inspection. But I think some of that
12 is still to be developed as we figure out exactly what
13 requirements we'll want to have in place. And I think
14 we're still in the -- while I think we've made a lot
15 of progress, we're still working to finalize those.
16 But certainly -- from my colleagues, any other
17 additional comments?

18 (No response.)

19 QUESTION: Many government agencies,
20 including the Department of Energy and the National
21 Weather Service have a Facebook page. When can we
22 expect the NRC to have a Facebook page?

23 CHAIRMAN JACZKO: I think Commissioner
24 Svinicki should answer that one.

25 (Laughter.)

26 COMMISSIONER SVINICKI: I was looking for

1 Elliott.

2 CHAIRMAN JACZKO: We have a Twitter
3 account now. We have access to YouTube and have a
4 YouTube channel. We have a blog now. So I think
5 we're doing pretty well on that front. And maybe
6 Facebook will be the next horizon or the next item on
7 the horizon.

8 COMMISSIONER MAGWOOD: The only comment I
9 would add is beware of fads. They pass and you never
10 see them again.

11 No, I'm not on Facebook. I'm not on
12 Twitter. I'm actually in the 20th century. I haven't
13 caught up to the 21st yet. So even if NRC had a
14 Facebook page, I'd be unlikely to visit it anyway. So
15 it doesn't really count for me.

16 Sorry Commissioner Svinicki.

17 (Laughter.)

18 QUESTION: How do you see the NRC budget
19 changing in the next three years? And do you predict
20 any layoffs?

21 CHAIRMAN JACZKO: I will give you my
22 thoughts and then others, of course, can chime in.

23 I think generally we'll see our budgets be
24 relatively flat over the next three years. You know
25 certainly as we look -- of course, you know, as we
26 speak, we're already looking at -- well, not quite yet

1 but soon we'll be starting looking at the 2014 budget.
2 So we do have a good sense, I think, a little bit of
3 where things will go.

4 And I personally think we'll be looking at
5 a flat budget situation. I don't anticipate that we
6 would be looking at any type of reductions in the
7 Agency workforce in anything other than voluntary
8 measures.

9 As many of you may know, we have begun an
10 early out buyout option for a small number of
11 positions and have a small number of options for that.
12 So I think if we use those kind of creative tools,
13 we'll be able to manage and deal with the kinds of
14 constraints that a flat budget would present for us.

15 But I certainly will continue to fight to
16 make sure that we can maintain our most important
17 resource, which is the employees at this Agency.

18 Any comments?

19 COMMISSIONER OSTENDORFF: I would like to
20 add I agree with the Chairman that flat budgets are a
21 reality. If you look across the entire federal
22 government now as to what's happening on the deficit
23 situation, it should not surprise anyone.

24 I would tell you my personal view is that
25 I think we have an extraordinarily talented staff
26 doing the post-Fukushima work that Eric Leeds has on

1 his plate, in particular with NRR, it very well might
2 require that people move from one office over to the
3 other to provide assistance on a temporary or more
4 permanent basis. And I think we need to be very smart
5 as to how we allocate the existing resources that we
6 have here. So I wanted to add that.

7 QUESTION: How long can we expect salaries
8 to be frozen considering that inflation is three
9 percent this year?

10 CHAIRMAN JACZKO: Well, you know, a lot of
11 these questions -- I mean ultimately it's not solely
12 our -- well, it's not our decision ultimately on
13 those. But I think along with the ideas of a flat
14 budget, I think at least for several years, we should
15 anticipate the potential for salary freezes.

16 Currently we're looking out I think at one
17 year of freezes. But I would anticipate that we'll
18 see that continue for at least another year or two
19 into the future.

20 You know, again, you know, if you're
21 asking me my personal views, I don't think that that's
22 necessarily the right answer for dealing with our
23 nation's fiscal challenges. I think having a very
24 solid and strong federal workforce is vital to the
25 country and, of course, vital to this Agency.

26 So, you know, I certainly would like to

1 see that change. And we'll continue to work to see
2 that change. But in that case, we are really more a
3 part of a macro kind of a government issue. And I
4 don't anticipate that changing in the near term.

5 QUESTION: Could you please elaborate on
6 the Commission's expectations of the Transforming
7 Assets into Business Solutions initiative?

8 CHAIRMAN JACZKO: Well, the TABS Program,
9 I think was envisioned in a way ultimately to deal
10 with some needs to better manage our increasing
11 workload in a flat budget environment. And the report
12 that was produced went through a number of
13 recommendations to help gain efficiencies.

14 And I think if you look at it from that
15 perspective, I think to some extent it sells the
16 effort short. Ultimately I think what TABS was able
17 to do was provide some paths forward for us to make
18 this an even more agile and nimble organization going
19 forward.

20 There are a number of simple things that
21 TABS recommended. There are some more complicated
22 things. In particular, how we deal with the various
23 PMDA organizations in the various program offices and
24 throughout the Agency.

25 So I think that, you know, it's good every
26 now and then to take a look at those kinds of issues

1 and see how we can make the organization a little bit
2 more efficient and effective. So from that
3 perspective, I mean I think the original origin of it
4 was to try and find some efficiencies because we
5 needed to. But I think what's come of it ultimately
6 is an ability to make us an even more efficient and
7 effective organization.

8 Others have comments?

9 COMMISSIONER SVINICKI: I would just add
10 to what Chairman Jaczko is saying by -- the question
11 was about the Commission's expectation. And I would
12 say that I think in its genesis, there is an
13 acknowledgment there that the Commission thinks that
14 who better to maybe do this kind of self examination
15 and come up with the recommendations that make the
16 most sense, who better than a group of senior
17 experienced staff.

18 In the corporate world, you might have
19 efficiency experts come in from the outside. And I
20 think the way the NRC does business, as we say, you
21 know, rather than someone impose it from the outside,
22 we can bring a group of qualified employees together
23 and they can probably come up with the things that
24 make the most sense.

25 So in terms of an expectation or an
26 acknowledgment, I would just add that to what the

1 Chairman said.

2 QUESTION: The new NRC HSPD badging system
3 now requires employees to remove their security badges
4 from their person in order to use their computers.
5 How would the NRC identify the bodies of employees in
6 the event of a truck bomb when the security badges are
7 no longer on their person and their office space has
8 been destroyed?

9 CHAIRMAN JACZKO: I am looking for Darren.

10 (Laughter.)

11 CHAIRMAN JACZKO: Honestly, I don't know
12 that we've thought about that particular situation. I
13 would say that in principle, I mean we do work to
14 ensure that hazards like truck bombs are not posing an
15 inappropriate risk to employees at the Agency.

16 So my -- you know, depending on the size,
17 the first thing I would say is that we are working to
18 ensure that that is not challenge. I know, you know,
19 with the installation of the new card readers for the
20 log in, there are some kinks that I think are going to
21 need to be worked out.

22 I mean one of them is the requirement to
23 keep it in your -- in the card reader the whole time
24 you're at your station. I've had people come up to me
25 and say, you know, they've gotten locked out of places
26 because they left their card -- or ID in the slot.

1 And then they went away and didn't have their IDS.

2 So, you know, all these things -- Darren
3 is working with Tom and Patrick Howard to, you know,
4 to make these programs work. As of now, there's no
5 specific, I think, decision to make the use of the
6 card readers for the log in mandatory. I think it
7 will continue to be an option for people if they
8 choose to use it. Otherwise you can continue to use
9 your passwords in the normal way and keep the card
10 wherever you would keep it otherwise. I think that I
11 answered -- I think that was the right question.

12 COMMISSIONER SVINICKI: Yes. I was just
13 going to say that I -- and I mean this in all
14 sincerity. I think that's part of why we're such a
15 topnotch regulator that someone would think of that
16 question. I think that that's impressive in and of
17 itself that we're constantly questioning and thinking
18 about the what ifs.

19 I will say that my card reader was just
20 installed on Monday. And so if it is going to go to
21 mandatory, I am trying -- it is a significant change
22 in behavior. I just want to acknowledge that because
23 I'm not used to having to leave it there. And then,
24 you know, if I get up -- and then it times out because
25 even if you've just swiveled your chair and you're
26 reading something for an hour and then when you go to

1 wake it up again, it gives you this really mean
2 message about the fact that you left -- you have left
3 your PIV card unattended. And I'm thinking no I
4 haven't. I was sitting right here.

5 (Laughter.)

6 COMMISSIONER SVINICKI: But because it
7 timed out, it thinks that somehow I've walked away.
8 So, Darren, if we could change the tone of that
9 message, I just don't want to engage in an argument
10 with the thing every time I go to wake it up.

11 (Applause.)

12 COMMISSIONER SVINICKI: But I do think
13 that it is nice in that if you rely upon the card then
14 as long as you can remember the PIN, you know, it is -
15 - and slowly -- I talked to the gentleman who
16 installed and he probably was not thrilled. At one
17 point he said to me you have so many questions about
18 this, so -- he said you have more questions than
19 anyone else that I've installed this for.

20 But, you know, eventually we may be able -
21 - there may be fewer passwords. And I think that
22 because if you're like me and you're personal and
23 everything else, I mean it's just getting to be a
24 number of passwords. They grow as you get older and
25 then you less ability to remember them. So it's like
26 a double whammy.

1 But I do think that could be a possible
2 upside if it is mandatory is that you just have to
3 remember that one. Anyway, I'm sorry I had such
4 strong views on that. Sorry.

5 CHAIRMAN JACZKO: I should say is Darren
6 here? No, he's not. So we'll save all these
7 questions for Darren.

8 Next?

9 QUESTION: A recent National Geographic
10 documentary covered the resurgence of wildlife in the
11 Chernobyl dead zone. The documentary showed wildlife
12 is thriving and not showing expected genetic
13 mutations. Is the NRC following these developments?
14 And will the NRC reconsider the impacts of high levels
15 of radiation on flora and fauna given this real life
16 experiment.

17 CHAIRMAN JACZKO: I don't know to what
18 extent we have an active program to pursue Chernobyl.
19 I don't know if Brian wants -- Brian is shaking his
20 head saying no. So no, we're not actively following
21 that. But I suspect as there is data that comes out
22 and in the course of the typical international
23 meetings and discussions, as specific things come out,
24 that that's information we'll get.

25 I would note that, you know, this issue of
26 flora and fauna was an interesting one that came out

1 in the recent update in the ICRP requirements where
2 there was a movement to begin to incorporate some type
3 of radiation protection standards for wildlife and
4 flora and fauna and those kinds of things.

5 And I believe the Commission's position
6 there continues to be that that is not something we
7 would see as appropriate or incorporate into our
8 requirements. So we'll kind of continue with a focus
9 that's really on people and then kind of indirectly
10 captures other kinds of environmental effects.

11 QUESTION: NRC policy states that OOU
12 emails do not need to be encrypted. However, some
13 offices tell their staff to encrypt OOU emails. Why
14 does the same policy not always apply?

15 CHAIRMAN JACZKO: I am not familiar enough
16 with the policy to know what's true. But if the
17 policy is not for -- I guess in a way OOU doesn't
18 really exist. We have our SUNSI designations. And so
19 some of the SUNSI designations do require encryption.

20 But whatever the policy is, we should try
21 and follow it consistently. But we can have -- we can
22 do something on the website to get a specific answer
23 on that. Or I'd encourage you to take a look at the
24 SUNSI policies for encryption.

25 QUESTION: What's being done to ensure
26 employee pedestrian safety for those moving between

1 One White Flint North and Three White Flint North?
2 Why is there not a pedestrian bridge or a tunnel? Is
3 cost really an issue if an employee is run over on
4 Marinelli?

5 CHAIRMAN JACZKO: The -- yes, a lot is
6 being done ultimately to deal with pedestrian safety
7 for the new building. We do have a working group
8 with the county which has some responsible for the
9 pedestrian safety.

10 That intersection is an interesting
11 intersection because it's got county and state
12 jurisdiction. And that makes it a little bit
13 complicated sometimes to get some things done there.
14 But it's something that's of strong concern to me and
15 interest to me to make sure that we have the right
16 mechanism in place.

17 Right now there's not going to be a
18 physical connector. It's a combination of -- or an
19 underground tunnel -- a combination of cost and really
20 engineering feasibility made that not -- something
21 that was really viable.

22 It's possible at some point in the future
23 that's something we'll be able to consider. But, you
24 know, we will continue to make sure that there is a
25 safe way for people to get across the street. And
26 it's not acceptable for anyone to ever be harmed at

1 that intersection. And that's the goal that we have.
2 And I'm comfortable that we'll be able to, when the
3 building is open, to have the right kinds of systems
4 in place to ensure that.

5 QUESTION: There are many daily and weekly
6 announcements, follow-up actions, reports, messages,
7 and other non-project actions that should be charged
8 to general administration that may average three to
9 six hours per pay period.

10 However, supervisors indicate that senior
11 management wants no more than two to three hours per
12 pay period shown on time sheets for general
13 administration. Why is management forcing unrealistic
14 time reporting in this area?

15 CHAIRMAN JACZKO: Well, I'm probably going
16 to either defer that to Bill or to Miriam if you want
17 to either answer that or we can put a specific written
18 response and we'll take a look at what that issue is.
19 But I'm not familiar specifically with that.

20 I don't know, Bill -- okay, we'll make
21 sure we capture that and do a written response unless
22 anyone has any comments.

23 QUESTION: I heard that it will take
24 approximately 200 FTE over the next several years for
25 the NRC to address recommendations associated with
26 Fukushima Daiichi. As we are in a flat or declining

1 budget environment, would the Commissioners please
2 share their perspectives on current priorities and the
3 impact of Fukushima recommendations going forward?

4 COMMISSIONER MAGWOOD: Well, I'll start
5 with a couple of comments. I think that it is
6 important to recognize that we're still really at the
7 beginning of this process not at the end of this
8 process in deciding exactly what will be done.

9 The Commission is currently considering
10 what we call the 45-day report from the staff which
11 will initiate a set of activities that could certainly
12 have significant resources built into them. There are
13 some estimates for next year. I think it is 30 FTE
14 for next year. But, you know, beyond that, I don't
15 think it's -- I think it is too early to begin to plan
16 on exactly what the activities will be down the road
17 because we haven't made those decisions yet. So until
18 those decisions are made, I wouldn't get too far
19 ahead.

20 But what I would say overall is that it is
21 very important for us to integrate the work to respond
22 to the Fukushima crisis in a way that integrates it
23 fully with the work that goes on with the staff on a
24 daily basis.

25 You know I think it is important for us to
26 stop eventually seeing this as a separate set of

1 activities and seeing it more as simply the work of
2 the Agency, the work of NRR, the work of NSIR, as we
3 see it on a regular basis. So the sooner we integrate
4 it, the easier it will be to be able to make those
5 kinds of choices and also to understand what the
6 prioritizations ought to be. So I think that's
7 something that will have to happen over time.

8 COMMISSIONER SVINICKI: Well, I think I'm
9 in agreement with everything that Commissioner Magwood
10 said. I would just add very generally that the nature
11 of priorities is that as events such as Fukushima
12 happen or new information about seismic emerges,
13 prioritizations always have to be looked at again in
14 light of new information. So I would just acknowledge
15 personally that I realize that in a flat budget
16 scenario where we are going to be adding activities
17 that we had not budgeted for previously, I assume the
18 NRC staff will be bringing forward their
19 recommendations about those activities that in light
20 of this new higher priority work are now a lower
21 priority.

22 And so I think I would just express that
23 I'm very cognizant of that. And I think we are moving
24 into a phase where the Agency's senior managers are
25 going to be able to look more closely. I had heard
26 the same kind of gross FTE estimate as you. But I

1 know that they also have acknowledged that they want
2 the opportunity to go back and put a little bit better
3 fidelity on those estimates.

4 And I also, as a second prong of my
5 response, will second what Commissioner Magwood said
6 about nuclear safety is what we do. If we have
7 nuclear and safety enhancements that arise out of what
8 we learn from Fukushima, then that's part of the
9 fabric of what we do.

10 And budgeting for it separately and
11 tracking it separately, at some point I think will go
12 away because rulemakings that we decide upon will
13 simply become part of rulemakings that we're doing.
14 And at some point, I don't think they'll have a
15 separate label hanging on them anymore.

16 CHAIRMAN JACZKO: I would just add that
17 fundamentally the priorities have to always be on
18 safety of existing facilities, existing materials,
19 licensees. And so our base inspection oversight
20 activities have to always stay at the forefront where
21 probably the biggest area for discussion is really in
22 those licensing actions that are not tied directly to
23 a safety enhancement, whether it's a power uprate,
24 whether it's license renewals. Those are the areas
25 where, as we go forward, we may have to look into
26 changing how we think about our completion and our

1 time to complete some of those actions.

2 And I think if you look at the history of
3 the Agency, we've been in these kinds of situations
4 before where we've had new activities and we've been
5 able to work through them. Obviously September 11th
6 was one of the most recent significant ones. But I
7 think if there's anything it does tell us is that
8 there will always be new challenges. And three or
9 four years from now there may be something else new
10 that comes along that presents a different challenge.
11 So it is important that we do work to bring issues to
12 resolution, determine the appropriate changes and move
13 forward, so that we can free up resources ultimately
14 to deal with the new challenges that we'll face.

15 COMMISSIONER OSTENDORFF: I'll just add, I
16 agree with my colleagues and I think there's some low
17 priority work as determined by the EDO that either
18 will not be done or will be done on a much more
19 lengthened time period.

20 QUESTION: Do you think the Agency will
21 benefit from, would benefit from an independent
22 Employee Concerns Program like industry? If so, why
23 doesn't the Agency have one?

24 CHAIRMAN JACZKO: It is an interesting
25 question. I think if -- it seems like this is a
26 question that gets asked fairly often. You know, I

1 think we have a lot of mechanisms for employee
2 concerns. We have the union for certain segment of
3 the employees at the Agency. We have the Inspector
4 General who can address concerns. We have, obviously,
5 the Office of Small Business and Civil Rights that can
6 also address complaints.

7 So I think we have right now a large
8 number of avenues for people to raise concerns. Of
9 course, we have on a technical level we have our
10 differing professional opinions and our non-
11 concurrence process.

12 So I'm not sure to some extent that the
13 answer isn't that we don't already have an Employee
14 Concerns Program. I think it's just maybe not called
15 that directly. But it's always a good question. It's
16 something worth considering is whether we should
17 specifically charge something like that and -- but as
18 I think right now, we do have a large number of
19 mechanisms and avenues for people to raise issues and
20 raise concerns.

21 QUESTION: Regarding the NRC's drug
22 testing program, could the Office of Administration
23 consider using blood samples or other available
24 methods in place of urine samples? A lot of people
25 may have difficulty providing a sample in a short
26 period of time.

1 CHAIRMAN JACZKO: That is one that we can
2 take a look at. I mean, in general, our program is
3 consistent with -- I believe it's the Department of
4 Health and Human Services which produces guidelines
5 for how you administer a drug testing program. And so
6 our program is consistent with those protocols and I'm
7 -- we can take a look at that specific question,
8 whether that's a viable protocol under that program.

9 QUESTION: Anti-nuclear groups such as the
10 Union of Concerned Scientists routinely accuse the
11 Agency of incompetence and endangering the health and
12 safety of the public. Yet, they are still invited to
13 address the Commission and taken seriously as a
14 stakeholder. Why won't the Agency fight back against
15 unfair allegations?

16 CHAIRMAN JACZKO: I think the Agency does
17 fight back against unfair allegations and I know Eliot
18 Brenner works very hard to look through the media and
19 constantly see if there are misstatements or
20 mischaracterizations of the Agency and works to address
21 that, often either directly with reporters or through
22 the blog which has become a very useful way to do
23 that.

24 But I personally believe that it's
25 important to hear from everyone, even the people who
26 criticize us. That's how we learn. I think that's

1 how we get better. And you know, to be quite honest,
2 we also get criticized by the industry. So, you know,
3 lots of people criticize us.

4 But I think it's part of being a
5 regulator. It's why I always say there's no TV
6 programs about regulators.

7 (Laughter.)

8 Although I'm pushing, but so far no luck
9 getting there. So that's just my personal view that I
10 think it's important to hear from everybody regardless
11 of what they say, well, not regardless of what they
12 say, but even if they're critical of the Agency.

13 COMMISSIONER MAGWOOD: I would just add
14 one thing to that. I think that with many of the
15 groups that are critics of nuclear technology and
16 often critics of this Agency, there's really two sides
17 or two pieces to things that they often say and I've
18 made this observation in the past.

19 One is they are quite capable of making
20 very interesting and insightful comments about areas
21 of technology or policy that -- there considerable
22 attention. They're also quite capable of making very
23 over the top statements of full accusations that are
24 designed to gain attention and I think this is done
25 somewhat on purpose because to draw attention to the
26 important things they're saying, they sometimes say

1 things that are very over the top so they get noticed.

2 I think as a regulator, as a server of the
3 public, we have to sort of deal with both of those.
4 And I think it's our job to listen closely and
5 carefully and ignore the tomatoes and try to catch the
6 few gems that may come in through the barrage.
7 Because when you talk to some of these groups, you
8 really find some very interesting perspectives.

9 And I've tried very hard since my time on
10 the Commission to sit down with these groups on a
11 regular basis to understand their perspective. And
12 I've learned a lot. It doesn't mean I agree with them
13 in every case and maybe in most cases I don't agree.
14 But I do learn something. I think it's something
15 that's worth doing.

16 COMMISSIONER SVINICKI: The perspective
17 that I would add is that to sit down at a table with
18 someone doesn't necessarily mean that you agree with
19 what they're saying. At Commission meetings, I think
20 one thing that we're trying to demonstrate is that we
21 have done a really searching examination, that we have
22 tried to look for extremes in viewpoints so that
23 nothing has gone unexamined and there isn't some
24 aspect of the question that we fail to consider.

25 So I think that we do have a desire,
26 really, to have kind of the most searching examination

1 of these questions. But you know, to be real honest
2 with you, I struggle with it myself. I think that in
3 general, the stakeholders invited respect the
4 Commission meeting process and so those types of
5 gratuitous comments that Commissioner Magwood was
6 referring to, I think, are kept to a minimum. But
7 where they occur and you know, if the staff in any way
8 feels disrespected, then I think that's really
9 unfortunate and certainly not my purpose in supporting
10 the presence of anyone at the meeting. But I would
11 have to say, in general, although those organizations
12 might occasionally have very extreme statements when
13 they're at the Commission meetings, I generally
14 observe that they have sincerely looked at the issue
15 and they want to share their perspectives.

16 COMMISSIONER OSTENDORFF: I will also
17 chime in that I think Chairman Jaczko says it's
18 important for us to hear contrarian views. I think
19 that's a very valuable part of my education process
20 and that of my staff, as a Commissioner.

21 From time to time when I see something in
22 a news clip that quotes one of these organizations
23 that makes a statement that raises a question or an
24 eyebrow from our office, we'll give them a call or ask
25 them to come in and talk and engage that directly. I
26 learned something from those. Sometimes there's no

1 changing of their views. Sometimes there is. But I
2 think irrespective of what their outcome is, we have
3 an obligation as public servants to be willing to have
4 those hard discussions.

5 QUESTION: Operating boiling water
6 reactors experience indicates that the steam dryer
7 inside the vessel is getting old and affecting cooling
8 ability.

9 Does the Agency have an action plan to
10 address this issue? And it could be an ESBWR issue.

11 CHAIRMAN JACZKO: I don't know, looking to
12 Eric or Brian, if we have a specific program to look
13 at steam dryers.

14 Eric, I don't know if you want to chime
15 in?

16 MR. LEEDS: Good afternoon. Steam dryers.
17 I can't address the ESBWRs. I'd have to have New
18 Reactors address that. For operating reactors, we are
19 looking at steam dryers specifically in relation to
20 extended power uprates when licensees come in and they
21 want to get more power out of these plants.

22 One of the things we're concerned about,
23 one of the things that we've seen from operating
24 experience, is the degradation of these steam dryers
25 and we have a program where they are examining these.
26 We're working -- and industry is working on their side

1 also to examine the steam dryers to make sure that
2 they can withstand these higher powers and that they
3 can continue to function.

4 In a lot of the cases, licensees are
5 finding that they're having to replace their steam
6 dryers with new ones to be able to accept the higher
7 power. But right now, it's being done on a case-by-
8 case basis. I know that I've mentioned it to
9 industry. I'd like industry to come in with their own
10 program and provide a submittal to the staff that we
11 could review that could handle the issue generically.
12 The industry hasn't done that yet.

13 CHAIRMAN JACZKO: Thank you. That was my
14 life line.

15 (Laughter.)

16 QUESTION: On October 11, 2011, staff
17 requirements memorandum was issued relative to the
18 rulemaking process. A number of new tasks must be
19 accomplished to address cumulative effects of
20 regulation. How long do you anticipate the rulemaking
21 process which is currently two years from technical
22 basis to final rule to take? Will SECY be involved in
23 setting new due date extensions for rules?

24 CHAIRMAN JACZKO: There is a lot packed
25 into that question. I'll -- maybe I'll start with the
26 back end. We do have a process for dealing with

1 extension requests and resets. And that is something
2 that SECY does take a look at. And that process I
3 don't think necessarily will change.

4 I'll share my personal thoughts on some of
5 the issues of cumulative effects of regulations. In
6 principle, I don't think that a lot of what's being
7 asked are things that, in principle, we don't really
8 look at already. It's just to some extent we will be
9 looking at documenting this a little bit more directly
10 than we have in the past.

11 So I don't anticipate a huge change in the
12 workload as a result of this, but that's my personal
13 view. Others?

14 COMMISSIONER MAGWOOD: The only thing I
15 would add to that is I think that the way that the SRM
16 is structured, that the salient impact at this point
17 is the necessity to have guidance ready at the same
18 time as the regulation is introduced. And that, I
19 recognize that could have a scheduler impact. How big
20 of a scheduler impact, I think it depends on the
21 specific rule that you're talking about, but I think
22 it's something that we should certainly be prepared
23 for some adjustments where necessarily. And I would
24 certainly support making those adjustments. I think
25 it's important to have that guidance ready when the
26 rule goes out.

1 QUESTION: Why does the NRC not require
2 the Commissioners to use their badges to gain access
3 to the building? Building access procedures don't
4 seem to be very stringent or maybe they're not being
5 applied consistently.

6 CHAIRMAN JACZKO: For right or wrong, we
7 don't have to use our badges to enter the building.
8 It's a sight identification for members of the
9 Commission and I don't know the origin of that. I
10 think it's been that way since I came. So it is a
11 different protocol for the Commissioners and I'm not
12 aware that there's been problems with that.

13 COMMISSIONER SVINICKI: I will just say
14 that the card readers don't recognize me. So I do
15 have it -- and now that we have more and more card
16 readers, I have it with me all the time for the card
17 readers. They're not impressed by me, those
18 electronic card readers.

19 (Laughter.)

20 QUESTION: Historically, the NRC has
21 employed a higher proportion of GG-14 and 15 staff
22 than other federal agencies because we need to attract
23 highly qualified technical staff. Is OPM or the NRC
24 trying to reduce the number of GG-14 and 15 staff at
25 the NRC? If so, why?

26 CHAIRMAN JACZKO: Well, the number of GG-

1 14 and 15 is something that we are looking at. As we
2 look at an environment in which we have fixed budgets
3 and we have to look at all aspects of our structure.

4 Over the years, we have had a tremendous
5 number of people who are really dedicated and strong
6 contributors to the NRC process. And because of the
7 structure of the federal pay system there has been a
8 continual increase in movement within the GG
9 structure. So that has led to a higher proportion to
10 some extent of GG-14 and GG-15.

11 Also, as we did our expansion from smaller
12 as we added NRO and FSME and created those two new
13 offices, we did create a number of GG-14 and GG-15
14 positions. So one of the things that we are looking
15 at over the next couple of years is a reexamination of
16 all the grades and seeing if we have the appropriate
17 positions graded in the appropriate way. I think
18 that's a pretty accurate assessment. So it is
19 something we're looking at.

20 QUESTION: We've become obsessed with
21 meeting metrics, oftentimes acting contrary to sound
22 management practices to meet them. The recent churn
23 over meeting salary and benefits numbers is yet
24 another example. When will offices be given the right
25 tools to properly analyze the salary and benefits
26 numbers? And how is the Agency going to bring clarity

1 to ensure that we're just not once again producing
2 unnecessary churn but most importantly placing people
3 in the right positions where they will benefit the
4 Agency the most, even if it means missing a metric?

5 CHAIRMAN JACZKO: Well, one of the -- I
6 would say kind of macro level, the challenge that we
7 have going forward is a -- is I think you have heard
8 from all of the Commissioners is an increasing
9 workload with likely flat or in real dollar terms
10 declining budgets.

11 So one of the things that that has led us
12 to need to be able to do is to predict with much
13 greater fidelity our salary and benefit expenditures
14 throughout the year. Next year, we anticipate, given
15 our current -- given where our current budget
16 situation is that we are -- if we just look at our
17 budget versus what we expect to receive, we're going
18 to have a bit of a shortfall with salaries and
19 benefits.

20 Now that's a shortfall in dollars. It's
21 not going to have an impact to any personnel. We will
22 first and foremost always make our payroll. But in
23 order to best manage that, we need to have a clear and
24 better understanding of what our actual utilization
25 and salary and benefit cost will be. We don't really
26 have that to the degree that we want that to be. And

1 Jim Dyer is working hard to make sure that FAMIS is
2 ultimately going to be able to do that.

3 I believe the new HMRS implementation will
4 be able to give us better tools. It's, quite frankly,
5 it's a tool. It's a capability we should have because
6 as we get into an environment in which we have to be
7 much more precise about our expenditures. If we're
8 near the end of the year and we're looking at our
9 resources that we have available for the following
10 year, we want to be able to pinpoint precisely how
11 much we need to reserve for salaries and benefits and
12 to know how much we'll be able to spend on remaining
13 contract activities, travel, training, those kind of
14 things.

15 So having that precision which we just
16 quite frankly we don't have now, is very, very
17 important and it's going to become more important as
18 we move forward in kind of the external environment
19 that we'll be in.

20 So we are working on developing the tools.
21 Jim is working to have those -- have that capability
22 and so that we can do it much more efficiently and
23 ultimately to have that capability.

24 QUESTION: What is the Commission doing to
25 increase the availability of technological devices
26 such as Blackberries to its professional staff, many

1 of whom cannot get them because of legacy limitations,
2 Agency limitations, I'm sorry?

3 CHAIRMAN JACZKO: We have generally
4 established a threshold for a number of Blackberry
5 users throughout the Agency. Some of that is budget
6 resource. Some of it is just the need to -- or just
7 really trying to look from a functional standpoint,
8 who needs devices. But I think I would say that
9 probably the biggest, most direct, forward-looking
10 path is really the effort to the so-called BYOD, bring
11 your own device.

12 I think that's really the best way for us
13 to go forward is that everyone will be able to, if the
14 project is successful, probably within about a year or
15 so, be able to bring your own device to work and use
16 that primarily for calendar and email capabilities.
17 And I think that's really the primary function of the
18 Blackberries is that ability to access email on the
19 go.

20 But what we've tried to do is identify
21 those employees who have a need and make sure that the
22 Blackberries are available to people who have a need
23 for it.

24 QUESTION: If the new requirements in
25 response to the Fukushima events are not in the Code
26 of Federal Regulations for years, then will the

1 requirements apply to the new reactors like Vogtle and
2 Summer?

3 CHAIRMAN JACZKO: I will just say and
4 folks can chime in, this is something the Commission
5 is looking at. But I don't know if people want to
6 share their thoughts on what they think.

7 COMMISSIONER SVINICKI: I am not sure I
8 understand the question. It sounds like maybe there's
9 some question about whether or not new requirements
10 could be imposed to say Vogtle 3 and 4 if they're
11 licensed. I think both in the Commission's response
12 to the batch of petitions we've received to suspend
13 licensing, we spoke to this issue in denying those
14 petitions to suspend licensing. We indicated that
15 there are a host of regulatory tools that we have for
16 the operating fleet that can also be applied to
17 reactors that are not yet on line but may come on line
18 in the future.

19 QUESTION: Why does the Agency produce so
20 many paper posters advertising internal events to
21 staff when we have electronic display monitors and
22 announcement system? These posters are costly to
23 produce, about \$3 each, and are usually thrown away
24 after a few days or weeks.

25 CHAIRMAN JACZKO: That's a very good
26 question. I would maybe put in a plug for something

1 -- this may be a little bit of a deflection, but this
2 is something we can take back. Last year, I think we
3 had a question about why we have so many different
4 types of announcements electronically. And Bill and
5 his staff took that back, took it to the IT counsel,
6 or communications counsel. And we have dramatically
7 streamlined and hopefully you've seen the
8 improvements. And we have tried to streamline and
9 better coordinate all the different Agency
10 announcements. So this is one we can take a look at
11 and Bill can take a look and maybe there's something
12 we can do here to address that issue.

13 QUESTION: With the budget cuts and salary
14 freezes, what cost-cutting measures are in place for
15 hosting large meetings and conferences such as the
16 Regulatory Information Conference and all employees
17 meetings?

18 (Laughter.)

19 CHAIRMAN JACZKO: I would say the biggest
20 and I would say and I think this will be, I wouldn't
21 call it a cost-cutting measure, but I think a cost-
22 saving measure when it comes to meetings. The
23 Commission recently changed kind of our process for
24 issuing contracts and as a part of that there was a
25 movement then to move to more of a strategic
26 contracting process.

1 And a key element to that is in what we
2 call these councils, these procurement councils that
3 we'll set up. And one of them is actually in the area
4 of meetings and conferences. And the idea is that
5 instead of having a lot of disparate contracts spread
6 throughout the Agency where we may have different
7 people contracting and in some cases we've had
8 different people contracting to the same facility with
9 different contracts and different terms. And
10 obviously, when you're doing that somebody is getting
11 a better deal within the Agency.

12 So one of the goals really of this
13 strategic approach to contracting is to have these
14 councils set up. And one of them is focused on
15 meetings and conferences so that, for instance, with
16 the Marriott, we can have a single contract that
17 people will be able to use and that will allow us to
18 get the best terms and negotiate the best terms.

19 And ultimately, and I think that one is
20 the second council that we're piloting. The first one
21 was on education and training. So the idea is again
22 to look for ways and areas where we can do better with
23 the money that we have. And so I think that will be a
24 real, I think in that particular area, will be a real
25 opportunity to identify where we aren't being as
26 efficient as we should be with the contracting in

1 these areas.

2 COMMISSIONER SVINICKI: Could I just add
3 to the extent that the Regulatory Information
4 Conference was specifically mentioned in the question,
5 I'm sure we all read the same news stories, so we all
6 read about it, what was it, the \$16 muffin or
7 something like that. And so my thoughts went
8 immediately to the Regulatory Information Conference.
9 And my hope that NRC's efforts for the RIC would not
10 get caught up in some broader condemnation of those
11 types of conferences.

12 When I first came to NRC, I came right
13 after the RIC and I think my three colleagues who came
14 a while ago also did that. It's very smart of your
15 Commissioner, otherwise, you'd be told the week after
16 you get there you get to make a speech to 3,000 of
17 your closest friends and you've only been on the job
18 for like a week. But that means that I heard about it
19 for like 11 months, I kept hearing about the RIC and I
20 didn't understand really what a significant
21 conference. So having been to three of them now, I
22 just don't think there's anything quite like our
23 Regulatory Information Conference that's done anywhere
24 in the world.

25 I hear about it from my regulatory
26 counterparts in other countries of what a significant

1 conference it is. So I think we all know about
2 Washington overreactions to things, but I just
3 personally I will talk to anyone I need to to make
4 them understand that I think that our RIC serves a
5 really important global safety purpose. I hope it
6 doesn't get caught up as just another conference, just
7 another government conference. I think it's a really
8 special event.

9 QUESTION: What sort of actions does the
10 Commission feel the NRC should take in response to
11 recommendations from the Blue Ribbon Commission on
12 America's nuclear future? And where do those actions
13 sit within the Agency's priorities?

14 COMMISSIONER SVINICKI: I'll go then. I
15 think many of the recommendations, of course, are
16 directed to others to take action on, so I think in
17 terms of a reexamination of the national policy, a lot
18 of that discussion and the recommendations are
19 directed at policy makers and Congress and elsewhere
20 to elsewhere to relook maybe at the nation's approach
21 to this question.

22 Of course, whatever kind of mission or
23 authority NRC is directed to have, we'll faithfully
24 carry those out once they're enacted to law. But my
25 personal perspective is I don't know that I'm going to
26 engage heavily in a discussion about what's the right

1 policy for the country. I leave that to the people's
2 elected representatives.

3 COMMISSIONER OSTENDORFF: I wanted to add
4 my comments to Commissioner Svinicki's. The Chairman
5 and I took a briefing maybe three weeks ago, I think,
6 from our staff on what NRC staff thought was
7 actionable from the BRC and Cathy Haney and her team
8 were there. And while there's a lot of
9 recommendations there, I don't think either of us saw
10 anything right now as being actionable. There are
11 other agencies, as Commissioner Svinicki said, that
12 have to make decisions. There's legislative action
13 potentially on the horizon and it's good to have
14 situational awareness of what's out there, but for
15 right now there's nothing that we ought to go absolute
16 do. That's my opinion.

17 QUESTION: How would the Commission
18 respond to allegations of abusive behavior and
19 harassment of staff by senior level management?

20 CHAIRMAN JACZKO: I think we always have
21 to be aware and mindful of any inappropriate behavior
22 by any members of the Agency. And again, I think we
23 have processes to deal with those issues and we have a
24 good system for that. If there are specific cases,
25 obviously, you should bring those to the attention of
26 SBCR or a supervisor or the IG, if necessary.

1 COMMISSIONER SVINICKI: I would just state
2 that I certainly -- I want to acknowledge two things.
3 First of all, we do have these mechanisms and I'm
4 fully supportive and I encourage people to make use of
5 that.

6 The other thing I acknowledge is that I've
7 worked in government for a really long time and it
8 takes a lot of courage, even if those mechanisms
9 exist. So I want to say first of all, if something
10 occurs and you want to say something about it or take
11 it to one of our programs that we have in place, I
12 personally encourage you to do that. I also
13 acknowledge that it's a very brave act.

14 COMMISSIONER MAGWOOD: I'll just add one
15 quick thing to that. From experiences I have had in
16 the past as a manager in the government, I found that
17 people who have a habit of engaging in abusive
18 behavior don't usually just do it once. They're
19 serial performers of this sort of thing. So if you
20 have experienced something like that, if you don't
21 report it and you don't make an issue of it, you're
22 really providing an opportunity for another victim
23 down the line. And so it's not just an act of bravery
24 on your behalf, it's an act of bravery on behalf of
25 your fellow employees. So I also encourage you.
26 Don't be shy about it. If someone has done the wrong

1 thing, report it, file a grievance, make an issue of
2 it, take it to the appropriate people. Don't let it
3 pass.

4 CHAIRMAN JACZKO: I think we'll make this
5 the last question and then we'll turn to the NTEU.

6 QUESTION: The NRC is facing staffing
7 challenges as staff retire or move to other positions
8 in the Agency. Does the NRC have a strategic
9 knowledge management plan? And if not, has the Agency
10 considered developing such a plan? This may help
11 focus offices on achieving a common mission, vision,
12 and goals.

13 CHAIRMAN JACZKO: Marty, do you want to
14 talk about this?

15 Or Mike, do you want to answer this?

16 MR. WEBER: Thanks for the question. I
17 didn't know I was going to get to talk about knowledge
18 management this afternoon. I'm supportive of
19 knowledge management working with the Office of Human
20 Resources and all the offices really to move forward,
21 take the Agency to the next level in terms of
22 capturing that knowledge.

23 Knowledge management is one of those
24 functions that we do as an agency because it's
25 essential to accomplish the Agency's mission. And so
26 in the last several months the Knowledge Management

1 Steering Committee has gotten together and laid out a
2 series of actions which really build on the platform
3 that we already have in place to take the Agency to
4 that next level. In fact, at the last meeting of the
5 Steering Committee, the staff who are the knowledge
6 management champions within their respective
7 organizations, came forward and identified a series of
8 actions. And the Steering Committee approved that
9 series of actions. So at this point the Steering
10 Committee, working with the leadership teams of the
11 offices and the staff who are the knowledge management
12 champions within their own organizations are moving
13 forward on those recommendations.

14 We had to put off our last meeting because
15 we weren't ready yet to bring forward the results of
16 that first step, but we're taking a number of
17 individual actions. I think one is called The
18 Regulator Studio and the objective there is to build
19 upon the knowledge of some of our more experienced
20 regulators, to bring them together as a group and have
21 them discuss key issues like design basis, like going
22 beyond licensing basis, design basis, issues that have
23 a rich history, but we really need to capture that
24 rich history so we don't end up reinventing the wheel
25 when those issues get revisited again, as they will in
26 the future. So knowledge management is key.

1 CHAIRMAN JACZKO: Thank you for those
2 questions. And if there are additional written ones,
3 I think we'll have them submitted and then I think as
4 in the past we've done, we'll get them in writing.
5 Now I'll turn to Dale Yeilding for his comments.

6 MR. YEILDING: Thank you, Chairman and
7 Commission for the opportunity to speak. I came with
8 one topic to talk about, but my three by five card is
9 up to about ten issues based on what questions have
10 been asked.

11 First of all, for the attack on the color
12 pink, I'll have to say thankfully we don't have a
13 dress code here at the NRC, but be prepared for the
14 next union survey on your favorite color.

15 (Laughter.)

16 Buy-outs, I just signed yesterday the buy-
17 out agreement that the union had negotiability on the
18 procedures and arrangements, not the actual technical
19 aspect of who and what positions are being offered the
20 buy-out. But I have to applaud the Agency on their
21 procedure and the amount of time they're giving people
22 to make that decision. And I think all 299 letters
23 went out yesterday and I think it's going to be just
24 under 50 positions. So it's not a real huge buy-out.

25 So if you were holding your breath for the
26 past two or three months on the rumors, if you didn't

1 get the letter yesterday or today, come by the union
2 office and I can explain some of the aspects or talk
3 to HR of who is offered those buy-outs.

4 And then we'll be looking closely after
5 it's implemented, second quarter of next year, how
6 that changes staffing plans and structures. And of
7 course, the union involvement of that will be at each
8 of the office partnership levels.

9 Again, to repeat about office partnership
10 involvement with the TABS aspect, I know everyone
11 that's in various administrative groups and in PMDA
12 offices are looking at and holding their breath on
13 what's going to happen with TABS and we've got an
14 implementation group that's looking at that closely.
15 But the way the union is going to be involved again is
16 in the partnership arena when positions are being
17 looked at and retraining is being involved. I'm sure
18 it's going to be looked at and discussed very
19 intimately in the office partnerships to see what the
20 effect on the staffing plans. And the union has been
21 assured that there's going to be no individual's jobs
22 affected. You might be retrained, but I'm sure it's
23 going to be a very comfortable process. I have all
24 faith in the Agency on that.

25 The Grade 14-15 question dealing with FTE
26 management and salary, I think the Agency has been

1 managing FTE by the numbers game for the past couple
2 of decades and it looks like they're moving maybe to
3 the dollar mechanism of watching and controlling
4 salaries and benefits. And I guess that's going to be
5 looked at in the aspects of -- it's been understood
6 that there's been a limitation on grades 14s and 15s
7 for the last three, four, or five years and there's an
8 initiative to look at when someone leaves or retires
9 from a higher graded position can the job be done at a
10 lower grade or can maybe the higher graded functions
11 of that position be removed so a lower graded employee
12 can do it. And again, repeating myself, partnership
13 when the staffing plan changes, each of the office
14 partnerships will be looking at that.

15 Employee Concerns Program, as far as I'm
16 concerned, there's one stop shopping for that and
17 that's the union office. Granted, of all the
18 different types of employee concerns there are in this
19 Agency, a good deal of them deal with the workplace
20 and that would be the union's recommendation of how
21 you can tackle that concern. I'd say a very small
22 percentage of concerns end up in a grievance. We
23 usually have other means of conflict resolutions or
24 sometimes behind a union office closed door we make a
25 recommendation as to how you resolve the conflict with
26 your supervisor and the employee typically handles it

1 themselves, but the Chairman mentioned all the
2 different other types of programs we have.

3 And if you're scratching your head as to
4 which mechanism to go to, come to the union office.
5 We can steer you to the right place if it's not the
6 union or to file a grievance, if it's technical in
7 nature and maybe one of the other programs disagreeing
8 in the technical manner.

9 PIV card. The union was involved in the
10 implementation of that and it was voluntary and the
11 negotiation process on the implementation of that
12 would have been a lot more strategic and lengthy if it
13 was not going to be voluntary. The main issue on that
14 is if you forgot your badge and came to work, would
15 you have to go home and get it? And right now you
16 don't because it's not a -- it is a voluntary program.
17 If it was mandatory, we don't have the technical
18 mechanisms right now to get your computer started with
19 a temporary badge. I think OIS is working on that and
20 that might be considerably down the road because there
21 was one agency that implemented PIVs that their policy
22 was get in your car and return home and get your badge
23 if you forgot it. I'm sure we don't want to go that
24 route.

25 Blackberries. We know the majority of
26 Blackberries are probably managers', but there are

1 bargaining unit employees that get Blackberries and
2 the only thing I would look out for is implementing
3 any kind of program in that is if there was any kind
4 of expectations that were given to you while you're
5 off duty to answer the phone call, the Blackberry, or
6 respond to the email. And if it was just used as a
7 convenience during work to get to your email and your
8 calendar, that would be supported, of course, by the
9 union.

10 I guess I wanted to make just a short
11 comment on the pay freeze and I guess all of the
12 attacks, for lack of a better term, on federal
13 employees that you seem to be reading about in the
14 newspaper and Congress. And a lot of these are just
15 proposals and bills and any kind of concept that's
16 introduced into Congress, it's got a lengthy process
17 to go through, both the House, the Senate,
18 Reconciliation Committee and then signed by the
19 President. And so when something is introduced, you
20 shouldn't get all real upset because not all the
21 proposals that are being introduced are actually going
22 to come to fruition. And that's why we have in our
23 national union and the other national unions
24 representing federal employees a significant front on
25 Congress and Capitol Hill to ensure that attacks on
26 federal employees get stopped immediately.

1 But we are experiencing a two-year pay
2 freeze and that's painful. But when employees ask me
3 what can they do about it or what can the union do
4 about it and I'll just say quite frankly you can do
5 something about it, you can go to the polls and vote.
6 I won't go too much farther there and encroach upon
7 the Hatch Act and political aspects.

8 Last, but not least, we're involved in
9 October which is the month of appraisals. It's the
10 most active time in the union office where people are
11 usually coming to us asking for advice on what to do.
12 It's not always the advice that we give to employees
13 that are not happy with their rating. It's not always
14 file a grievance and draw your sword and go to fight.
15 Sometimes it's recommendations on how to proceed for
16 the next year, what's the criteria for putting
17 comments on your appraisal, they become a permanent
18 part, why should I do it? We can give you all those
19 tips in the union office and actually then steer you
20 through the grievance process if you would care to do
21 that.

22 But a little bit of history to finish up
23 on my last point here on the appraisal process and the
24 awards process. We married them together about a year
25 and a half ago in the collective bargaining agreement
26 and the history behind that was in 2007 OPM came out

1 with guidance that says there shall be a meaningful
2 distinction between awards and your annual rating of
3 record. Of course, then you've got to read all the
4 history on the regulation and what was behind that to
5 understand what that means. But we brought that
6 language into the collective bargaining agreement at
7 the end of 2009 by saying there shall be a direct tie
8 between your annual performance award and your annual
9 rating of record. So direct tie, we thought would
10 tighten things up a little bit.

11 The Agency has been, as far as the union,
12 looking at data. Pretty accurate on doing that, but
13 it just means now that for you to get an annual
14 performance award you're going to have to be up in the
15 higher excellent rating levels or receive an
16 outstanding. And I think that's a good thing.

17 The bad thing is in our last contract, we
18 agreed to an Agency surprise offering. I'm not going
19 to take credit for it, but the Agency agreed to raise
20 the award percentages for performance awards from what
21 they said was about 1.4 percent to 1.6 percent which
22 was about a 20 percent increase and it didn't take me
23 long to with my national union representatives to sign
24 that agreement. But I do want to give the Agency
25 credit. That was not something that the union put on
26 the table, but it was in our collective bargaining

1 agreement and we were faced about six months ago with
2 an OPM directive to the entire Federal Government to
3 limit performance awards to one percent. So that puts
4 the union and the Agency in a situation where that OPM
5 directive which is just guidance is in conflict with
6 our collective bargaining agreement. And we're
7 currently at the bargaining table on that.

8 I don't want to get into labor law with
9 all the folks and what's negotiable and what's not
10 negotiable, but bottom line is the union does not have
11 the right to tell the Agency how to spend money, the
12 budget line in their budget. So we can't come back
13 and say no, you have to live up to your collective
14 bargaining agreement, belly up to the bar with more
15 money for performance awards. But the bottom line is
16 the \$5,000 award budget is going to be cut to -- \$5
17 million award budget -- is going to be cut to \$2.5
18 million and I'm currently at the bargaining table
19 trying to see what the proper way is to make up in
20 non-monetary funds and non-monetary mechanisms that
21 missing \$2.5 million.

22 And I would like to applaud the bargaining
23 unit by the overwhelming response I got to the survey
24 two weeks ago. So the union is going to use the data
25 we receive from the survey asking employees what we
26 should do to compensate for this \$2.5 million

1 shortfall. And we'll be sitting down with the Agency
2 as soon as we get some data dealing with awards and
3 staffing and hope to materialize something dealing
4 with awards in a timely fashion because we know
5 everyone typically gets their awards around the
6 holiday time period and our goal is not to have
7 bargaining to delay that.

8 So as typical, I think we're out of time
9 here, but I'm always at the end of all these All Hands
10 Meetings office division level in the back of the room
11 if anybody has any individual comments. And thank you
12 very much for the opportunity.

13 (Applause.)

14 CHAIRMAN JACZKO: Thank you, Dale, and
15 thank you, everyone, for coming and thank you for your
16 questions and the work that you do. We're adjourned.

17 (Applause.)

18 (Whereupon, at 3:14 p.m., the meeting was
19 concluded.)
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