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"SAFETY CULTURE BEGINS WITH SAFETY"

Prepared Remarks for
The Honorable Gregory B. Jaczko
Chairman
U.S. Regulatory Commission
at the
National Association of Employee Concerns Professionals
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Good morning. I am pleased once again to have a chance to speak to this group of dedicated professionals whose work helps promote safety conscious work environments at our nation's nuclear power plants and other facilities that use nuclear materials. The existence of a healthy work environment, in which employees are free to raise safety concerns, is a vital underpinning of the NRC's regulatory oversight.

As you know, the NRC can't be everywhere. Our independent inspection efforts rely on sampling a small percentage of the work activities performed by our licensees. We need to know that employees are doing the right things when we are not looking over their shoulder. And we need to know that if their co-workers are not doing the right thing, that they feel free to raise those concerns to their management without fear of reprisal. Your work to establish and maintain an open and collaborative work environment directly supports our mission of protecting public health and safety.

Shortly after I came to the NRC, we received the results of our agency's 2005 internal safety culture and climate survey. One of the findings in that report that caught my attention was that, despite a clear focus on safety from the NRC employees, some of our staff felt that schedule pressures contradicted their job of raising safety issues. As compared to the survey three years prior, more employees in certain work groups felt they sacrificed the quality of their work in order to meet budget constraints. As Chairman, I have always been sensitive to that concern and tried to do whatever I could to shield staff from those pressures.

Nonetheless, it is no secret there have been questions raised about the safety culture at the NRC in the last few months. But let's keep in mind, safety culture begins with safety and there have been no concerns that the employees at the NRC are reluctant to raise safety issues. In fact,

the evidence is quite to the contrary. The most recent results of the 2009 internal safety culture and climate survey, have shown substantially improving trends regarding the willingness of employees to speak up at the NRC, or to raise concerns via one of the many avenues we have available, such as the Differing Professional Opinions program or the non-concurrence program.

Even more recently, the 2011 Federal Employee Viewpoint Survey performed by the Office of Personnel Management and the Partnership for Public Service, rated the agency one of the best places to work in the federal government, including ranking the NRC number one in all four major survey categories, including leadership and knowledge management, results-oriented performance culture, talent management, and job satisfaction.

That said, I am well aware of the effects that the December Congressional hearings might have had on the staff at the NRC, and I continue to take steps to ensure the staff is able to remain focused on their safety mission. I am a very focused person – especially when it comes to things that are important to me, as well as to the agency as a whole, like our safety mission. I have met with the senior managers of the agency and let them know how critically important communication is – and that the communication has to be two-way. If someone interprets my focus on an issue as anything other than that, I would need to know that in order to be able to address it immediately. I believe strongly in openness. Shortly after becoming a Commissioner, I blocked out a weekly timeslot on my calendar for employees to come to my office and discuss any matter with me. I always enjoy those exchanges, even with those who disagree with me or when the topics stray quite a bit from safety issues.

I would also add that the Commission has consistently continued to focus on its job and has done so quite successfully. We continue to hold Commission meetings, meet one-on-one with each other, and vote on the many policy matters that come before us. I have great respect for the experience and expertise of my colleagues, and I am committed to working effectively with them to continue fulfilling our critical safety and security mission. We can disagree and we do, and I certainly don't have to tell the folks in this room that there is nothing wrong with differing views! I look forward to continue working with my colleagues on the many important policy matters we have before us in the months ahead.

But despite the agency's continued success with safety culture anecdotally and as evidenced by survey results, as with everything this agency does, our culture just doesn't allow us to sit back and assume our job is done. Instead we strive for continuous improvement. With that in mind, we've dissected the studies and attempted to identify ways we could do even better. I look forward to the results of the next safety culture survey, scheduled to be conducted this fall. As always, the agency will look closely at these results and propose initiatives to make improvements as necessary.

I am pleased to have the opportunity today to talk a bit about the programs we have available internal to the NRC to voice a concern, as well as to reemphasize the importance of a positive safety culture in the nuclear industry. In recent years, the agency has undertaken new initiatives to strengthen the safety culture within our staff. I am a strong supporter of our differing professional opinion and non-concurrence programs. These programs offer employees

clearly defined, alternative processes to raise concerns. At the same time, we must ensure that employees feel free to use ordinary management channels to raise concerns. To do this, we must maintain a work environment that encourages open communication, trust and respect.

To further the goal of strengthening the NRC's safety culture, in 2009 the agency had an internal task force assess our safety culture and make recommendations for improvement. The task force proposed recommendations to further strengthen our safety culture by establishing an agency-wide framework to express our expectations and effectively communicate them to reinforce our safety-first focus. Some of the results of these efforts can be viewed on the NRC public website under the title of OCWE, or Open Collaborative Work Environment. This web page provides a list of the range of avenues available for an employee to raise a concern or suggestion, including the DPO process, the nonconcurrence process, and the formal Open Door policy. Across the agency, there are more than two dozen different programs at the agency or office levels to address an employee's concerns, questions or suggestions. Several of these programs have counselors, stewards, or champions to advocate for the programs or act as subject matter experts for employees.

The staff is working diligently to better advertise internally all of the available avenues to communicate and resolve questions, concerns, and suggestions in a consolidated format going forward. The agency is also doing evaluations in this area to identify gaps in these programs as well as the agency's overall approach in this area, and is currently making enhancements to several of these programs. We are eager to fill in any potential gaps, should that be necessary. Fortunately, the triennial safety culture and climate surveys have shown steady improvement since 2002 in staff knowledge of the many programs as well as their comfort and willingness to raise issues to their supervisor and to management. We must continue that progress going forward.

As you know, one key to the success of these programs is for employees to feel respected and appreciated for bringing forth issues, versus feeling like an "outcast." To that end, the agency created a Team Player Award in 2008. This award is designed to recognize and show appreciation for individuals who have supported an Open Collaborative Work Environment by exhibiting team player behaviors identified on our "Be a NRC Team Player" poster. This includes promptly raising differing views, fairly considering differing views, and respecting differing views. Any employee can nominate another employee or group to recognize and value the power of considering varied approaches during the decision-making process.

I encourage you to visit the NRC public website and view our prior award winners, as well as read their individual "catches" and success stories. Our staff has struggled with making the "tough calls" on a number of occasions. While some of these become high-profile cases, most of the examples on our website show those cases that are resolved promptly and less formally.

One interesting example is that of an employee who was involved in the creation of the NRC's Safety Culture Policy Statement and who actually refused to concur in its original wording. The agency's Non-Concurrence Process allows an individual to formally indicate disagreement with a document in the concurrence process that he/she had a role in creating or

reviewing. The NRC team eventually resolved this matter in a way that positively changed the wording of the policy statement with regard to the nine inherent traits of a positive safety culture.

We have extremely dedicated and talented staff at the NRC who work every day to make these programs and our agency stronger, and we all benefit from their hard work. I believe the clearest evidence of their success are the real-life examples where staff at the NRC has done the right thing for safety regardless of the schedule or other pressures to do otherwise.

A prime example is the resolution of the structural issues with the Westinghouse AP1000 shield building design, which included a personal meeting between me and the engineer who filed a differing professional opinion in this matter. While the resolution of this complex matter obviously took time to resolve, it ensured the safety of the final design prior to construction. It also reiterated to the industry and the staff that the NRC will do what it takes to ensure safety over cost and schedule pressures.

Another example of where the staff did the right thing was in the Spring of 2010 encouraging Davis-Besse to commit to replacing its reactor vessel head with a newly fabricated head at a mid-cycle outage due to premature deterioration on the one acquired from the cancelled Midland station following the 2002 event. The staff dispatched a team of specialist inspectors to closely scrutinize FENOC's analysis of the head inspections and repairs, given the extent of the problems noted after such a short period of service. The technical uncertainties in this matter warranted a cautious safety approach, and the staff did not hesitate to proceed in that manner.

Another clear example was the response to the nuclear accident at Fukushima Daiichi last March. This tragedy was clearly one of the most significant events in the history of nuclear power, and it required the NRC to take prompt, decisive, and effective action to make needed safety changes. The agency's Near-Term Task Force was directed to review the insights gained from the Fukushima accident and make recommendations to the Commission for enhancing reactor safety. Within 90 days, the Task Force reported back to the Commission with a comprehensive set of 12 safety recommendations that they believe are needed to strengthen nuclear safety. Their report included a bold recommendation to reexamine our existing regulatory framework for ensuring adequate protection that appropriately balances defense-in-depth and risk considerations.

They certainly knew at the time that there would be push-back on some of their recommendations, but they did the right thing in making the recommendations that they believed were important and necessary, and they did not hesitate to take a strong stance for safety.

Up to this point, I have only focused on safety culture internal to the NRC. Let me now say a few words about the industry and the importance of safety culture overall. Organizations that lose that safety focus may very well profit in the short-term, but tend to pay dearly for it in the long-term. The concerns and allegations you receive, and the results of the investigations you conduct, are a good barometer of the safety culture within your organization. I know how important your job is, and how critical is it for you to help keep our licensees' "eyes on the ball."

My sense is the number of allegations the NRC receives from the licensee have historically shown some correlation to both the safety culture within the organization as well as the performance of the licensee. For the benefit of your Employee Concerns Programs, as well as to aid in achieving the agency's safety mission, the NRC publishes the number of allegations received at each facility, and we have done that for many years. We also identify facilities that are statistical outliers from the rest of the industry to determine if the number of allegations is an indication of a chilled work environment. We urge you to mine that data for insights into your program. Large numbers of concerns processed by your ECP in relation to the number of allegations received by the NRC suggests confidence and trust in your program. The reverse may suggest that either your program is not well known, or that employee confidence and trust in the program could be lacking.

With the examples I mentioned previously of how the NRC continues to put safety first, I believe it is entirely appropriate for us to push for the same from our licensees. And that is why the first time I spoke with you, in 2007, I discussed the need for the agency to develop a comprehensive policy statement on safety culture. I believed it was an appropriate time to complement related policy statements in 1989 and 1996, and to provide a broad statement for all NRC licensees, not just reactors, on the Commission's expectations for a healthy safety and security culture. This policy statement was carefully crafted by the staff and put out for crucial input from the public and reactor licensees. The Commission finalized that Policy Statement in January of this year and by all indications it has been a huge success.

Since 2007, the NRC staff has also been evaluating safety culture in our Reactor Oversight Process. The Oversight Process was modified to provide a transparent, objective, and predictable measure of safety culture. Essential safety culture components were identified based on an assessment of the characteristics of a positive safety culture. These components are subject to NRC inspections which can identify potential weaknesses. Safety culture assessments are tools used to determine the state of the existing safety culture and to assess whether corrective actions have resulted in demonstrative improvements.

With the combination of the Safety Culture Policy Statement and the focus on evaluating the safety conscious work environment at reactor licensees via the Reactor Oversight Process, we hope that we have increased attention on this important area. We have seen an increasing number of licensees conducting periodic safety culture self-assessments, independent of our regulatory oversight. Additionally, we are gaining valuable information about safety culture at nuclear facilities as we apply the oversight process. We are able to use that information to continuously refine and improve our safety culture efforts going forward, and use that information as we deal with those licensees that are currently struggling in this area.

For materials licensees, improvements to the fuel cycle oversight process currently being worked on by our agency will be informed by the Safety Culture Policy Statement. The activities performed at materials licensee facilities benefit from a strong safety culture just like nuclear power plants do. Many of these licensees, such as radiographers, are very small operations where the culture is set by one or two people. They often work with small, intense radioactive sources in areas that are open or not under the rigid controls in a nuclear station. Hence these licensees tend to be the source of greatest overexposures we deal with.

I hope that you will agree that whether we are discussing nuclear power plants or materials licensees, safety culture at the NRC or safety culture in the industry, the beginning and the end of all of our efforts must be safety.

I appreciate the efforts of every one of you at this forum to support and strengthen a safety conscious work environment. In doing this work, I think the future will even be more interesting as we all move forward in what is an evolving field. Above and beyond our day-to-day work to build and maintain a strong safety culture, we need to remember that we are all working for the same ultimate goal – nuclear safety and security. Thank you for inviting me to share my thoughts with you today, and I'll be happy to answer any questions you may have.