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DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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November 8, 2001

The Honorable Spencer Abraham
Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585-1000

Dear Secretary Abraham:

More than a year ago, the Department of Energy (DOE) achieved a major goal in its commitment to Integrated Safety Management (ISM), (DOE Policy 450.4, *Safety Management System Policy*). Virtually all sites verified through comprehensive assessments that the basic elements of ISM were implemented, and Authorization Agreements setting forth operational terms and conditions were established for all high hazard facilities. This was a commendable achievement. However, it was recognized at the time that full implementation of ISM was not yet a reality complex-wide. The verification reviews identified areas for improvement for follow-on efforts. It appears however, that the improvement efforts have faltered. This is evidenced by conditions reported to you by the Board's letter of October 15, 2001, addressing DOE's Oak Ridge Operations Office and Bechtel Jacobs Company and its letter of October 2, 2001, on the Hanford Tank Farms identified disturbing weaknesses with ISM implementation. Recent assessments by DOE's Office of Oversight at the Hanford Site and Oak Ridge National Laboratory also revealed significant deficiencies in ISM.

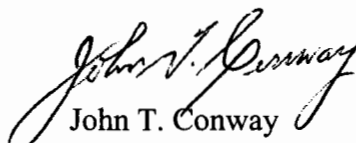
The annual update process required by 48 CFR 970.5223-1(b), *Integration of Environment, Safety, and Health into Work Planning and Execution*, is intended to ensure that ISM programs remain current, and for those systems that are not functioning effectively, to provide a method for identifying deficiencies and corrective actions. DOE G 450.4-1B, *Integrated Safety Management Guide*, provides guidance for performing annual updates. The goal is for this annual process to become an integral part of DOE's contractor management system. However, for sites with immature programs or those for which DOE has lost confidence in the contractor's ISM System, the guidance allows for a more rigorous assessment—similar to the initial verification review.

DOE's Rocky Flats Field Office performed this type of rigorous assessment in February 2001 and identified many issues and lessons learned that will help in improving the site's ISM System. Unfortunately, because of the resources required for these more rigorous assessments, most sites have relied instead on existing assessment programs for determining the status of ISM implementation. However, if these existing programs are not effective, significant impediments to improved ISM programs may not be identified. The Board believes a more robust annual review process is required until the contractors can demonstrate that their programs are

functioning effectively. In addition, to improve consistency, transfer lessons learned, and reduce resource constraints, it would be beneficial to form a portion of the review team around a consistent core of people with demonstrated experience and knowledge in ISM reviews. Therefore, pursuant to 42 U.S.C. § 2286b(d), the Board requests that DOE provide a report within 45 days of receipt of this letter that encompasses the following items:

- A schedule for when the sites with defense nuclear facilities will complete their ISM annual updates.
- A description of the process each site will use to conduct its ISM review.
- An evaluation by the Safety Management Implementation Team, or other group with the requisite ISM expertise, of the adequacy of each site's ISM review approach. The evaluation group should provide line managers with recommendations for improving their annual update process and share any best practices identified during the evaluation.

Sincerely,



John T. Conway
Chairman

c: Mr. Mark B. Whitaker, Jr.