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DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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April 25, 2003

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

Dear Secretary Abraham:

In a letter to you dated February 14, 2003, the Defense Nuclear Facilities Safety Board (Board) noted deficiencies in actions taken by the Department of Energy (DOE) in response to a June 14, 2002, notification by the Government-Industry Data Exchange Program (GIDEP) of quality issues relating to aluminum parts heat-treated by Temperform USA (Temperform). Beginning in July 2002, this issue had been discussed in a series of meetings between the Board's staff and DOE personnel. The Board's staff had urged DOE to determine expeditiously whether aluminum parts heat-treated by Temperform had been installed in safety-related or mission-critical applications. Seven months after receipt of the GIDEP notification, and despite repeated meetings, DOE had yet to address adequately whether potentially discrepant items heat-treated by Temperform had been installed in safety-related or mission-critical applications affecting defense nuclear facilities.

Consequently, pursuant to 42 U.S.C. 2286b(d), the Board requested in its February 14, 2003 letter that DOE, within 30 days of receipt of that letter, provide a report documenting the implementation of actions required to verify that no aluminum parts heat-treated by Temperform are in use in safety-related or mission-critical applications. Urgent action by DOE was required both to verify that affected parts are not installed in such applications and to support ongoing government actions concerning Temperform. The Board also requested that DOE, within 60 days of receipt of the Board's letter, provide a plan outlining corrective actions to be taken by DOE to ensure adequate disposition of any future issues involving suspect/counterfeit items.

In a letter dated March 18, 2003, DOE requested additional time to address fully the Temperform issue. The Board granted this request, stating that DOE should provide by April 15, 2003, both the report on implementation of actions concerning aluminum parts heat-treated by Temperform and the plan outlining corrective actions to ensure adequate disposition of future issues involving suspect/counterfeit items.

Your letter of April 21, 2003, fails to respond adequately to the Board's February 14, 2003 reporting requirement. In particular, the letter lacks the specificity required for the Board to conduct a meaningful assessment of whether aluminum parts heat-treated by Temperform or fabricated from aluminum stock heat-treated by Temperform are in use in safety-related or mission-critical applications, and to resolve this issue in a timely manner. Similarly, the

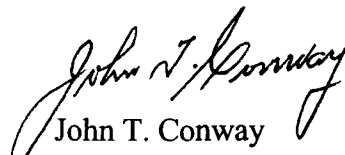
response to the second element of the reporting requirement does not include a sufficiently detailed plan of corrective actions to ensure adequate disposition of future issues involving suspect/counterfeit items.

As you are aware, the above reporting requirements resulted from the Board's observation that DOE had failed to identify and remove potentially nonconforming aluminum parts heat-treated by Temperform that are installed in safety-related or mission-critical applications affecting defense nuclear facilities despite the passage of more than 7 months since being notified of the issue. The Board also noted that DOE had repeated several missteps that occurred in response to a similar GIDEP notification of a quality issue in 1995.

The Board is concerned that public and worker health and safety may be jeopardized by DOE's incomplete and untimely response to the issues raised by GIDEP and addressed in the Board's February 14, 2003 letter. It is imperative that DOE resolve these issues in a timely manner. The Board has stated that DOE should provide information to the Board as it becomes available and not wait until all actions have been completed.

The Board has already approved one written request for an extension of time to respond to the above reporting requirements. The Board will grant one additional 30-day extension of time from the date of receipt of this letter for DOE's response to the Board with a report documenting the implementation of actions required to verify that no aluminum parts heat-treated by Temperform are in use in safety-related or mission-critical applications. The report should include a detailed plan outlining corrective actions to ensure adequate disposition of future issues involving suspect/counterfeit items.

Sincerely,



John T. Conway
Chairman

c: The Honorable Beverly Ann Cook
Mr. Mark B. Whitaker, Jr.