



The Secretary of Energy
Washington, DC 20585

August 25, 2003

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, NW
Washington, D.C. 20004-2901

Dear Chairman Conway:

Thank you for your letter regarding the Department of Energy's processes for addressing the risks posed by the use of suspect/counterfeit items (S/CI) in safety-related and mission-sensitive applications. We agree with and appreciate the concerns noted in your correspondence and that we have taken additional actions to ensure that items and components heat treated by Temperform USA are not installed in safety-related or mission-sensitive applications affecting defense nuclear facilities.

Enclosed are the results of the detailed investigations conducted by the Office of Environmental Management and the National Nuclear Security Administration for parts and materials from Temperform USA. While our investigations indicate that some of our sites did have procurements involving Temperform USA or its vendors, we have not identified any safety issues associated with the procurement or use of these parts and materials. The site reports are included as attachments to this letter. We will be glad to discuss the results of the site investigations with you or members of your staff.

Also enclosed is a description of our revisions to the S/CI process within the Office of Environment, Safety and Health. In making revisions to the S/CI process, the Department incorporated lessons learned from previous S/CI incidents. Ms. Beverly A. Cook, Assistant Secretary for Environment, Safety and Health, is responsible for ensuring that the Department has an effective process in place to address S/CI issues. We will work with your staff to keep them informed of our progress in implementing the new process.

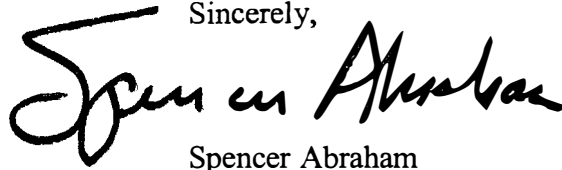
Finally, as directed by the Deputy Secretary, the Office of Independent Oversight and Performance Assurance has conducted a review of the S/CI processes across the Department. The results of that review were provided to you in a briefing on August 18, 2003, and a copy of the final report is enclosed. The review concludes



that weaknesses in DOE Headquarters and site S/CI processes contributed to gaps and delays in the Departmental investigation of the Temperform USA issue. We also agree with your concerns regarding the response by DOE managers to S/CI issues overall, and will monitor progress to ensure that the new process is effectively implemented throughout the Department.

Please do not hesitate to contact us if you require additional information.

Sincerely,

A handwritten signature in black ink that reads "Spencer Abraham". The signature is written in a cursive, flowing style.

Spencer Abraham

Enclosures

- (1) Attachment One: Status of Temperform Investigation at Defense Nuclear Facilities
- (2) Attachment Two: Suspect/Counterfeit (S/CI) Process Improvements
- (3) Independent Oversight Special Study of DOE's Management of S/CI

Note:

1. For a copy of the Attachment on Office of Environmental Management on Temperform, please call Sandra Johnson at 202.586.0755.
2. For a copy of the Attachment on NNSA Field Reports on Temperform, please call Xavier Ascanio at 301.903.3757.