



The Secretary of Energy
Washington, DC 20585

July 21, 2004

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, NW, Suite 700
Washington, DC 20004-2901

Dear Mr. Chairman:

The Department has thoroughly reviewed Recommendation 2004-1 regarding oversight of complex, high-hazard nuclear operations issued by the Defense Nuclear Facilities Safety Board (Board) on May 21, 2004.

The Department remains firmly committed to its Integrated Safety Management (ISM) program as the foundation for performing work safely throughout the Department. The Department's response will include actions to enhance the effectiveness of our ISM program. We remain committed to safety as our top priority and will not sacrifice safety to meet production goals. In January, we highlighted our commitment to continued safety improvement by establishing safety as one of the seven Department-wide Management Challenges for 2004.

As you observed as background to the recommendation, the Columbia accident and the Davis-Besse incident provide valuable lessons from which the Department can learn as we continue to improve our safety management. The lessons from these events will be key inputs in our action planning in response to your recommendation.

The Department accepts Recommendation 2004-1 and will develop an implementation plan to accomplish the following actions for nuclear operations at defense nuclear facilities:

1. Clarify and/or establish formal requirements regarding delegation of authority on safety matters to ensure that delegations are made with clear criteria. Ensure that adequate oversight and technical capability are in place to fulfill these safety responsibilities at all levels of the Department.
2. Identify applicable lessons from the Columbia accident and Davis-Besse incident and implement corrective actions to improve safety throughout the organization.
3. Establish a technically-competent, central authority or authorities with core safety responsibilities.



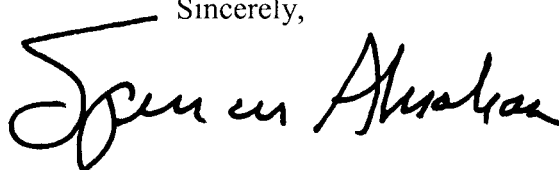
4. Identify safety research, analysis, and testing needs and institute a program to ensure effective management, integration, and execution of efforts to address these needs.
5. Revise and implement the Functions, Responsibilities and Authorities documents and Quality Assurance Plans, as needed, to achieve the actions described above and to ensure direct and unbroken lines of roles and responsibilities for the safety of nuclear operations.
6. Validate that safety responsibilities, capabilities, and authorities are implemented and consistent with requirements.

The Department's understanding is that Recommendation 2004-1 does not require changes to the structure of the directives management system or to the existing DEAR clauses.

Regarding delegations of authority on defense nuclear safety matters, I have directed the Department's senior managers to make no new field delegations, except as approved by me or the Deputy Secretary until the Department completes the applicable actions identified in the Department's 2004-1 implementation plan. To clarify, this restriction does not apply to delegation modifications that may be required as a result of personnel changes or delegation expirations.

I have asked Mr. Ted Sherry, Deputy Manager, National Nuclear Security Administration Y-12 Site Office, to lead the response team that will develop the Department's 2004-1 implementation plan. If you have questions, please contact him at (865) 576-0752.

Sincerely,

A handwritten signature in black ink, reading "Spencer Abraham". The signature is written in a cursive, flowing style with a large initial "S".

Spencer Abraham