of the day. And I accept what you are saying, that there probably could be arguments about redundancy on either side.

     But I think what we need to point to is, and where I don't think it is arguable, is we need to eliminate redundancy that isn't adding value. If it is adding value, okay, then we can work through that.

     But I would submit, right now, we are confusing redundancy and duplication with actually getting the job done. And that is what we need to pull back from and make sure that whatever we are doing actually adds value and is aimed at some object other than just people feeling like they've satisfied themselves.

     It is that redundancy, that tendency to duplicate, that I think is the most concerning thing, because that is what leads to the complacency. People think all of this will do it, and it won't. So let's make sure that the procedures are right, let's never be complacent, and let's have an effective oversight organization that has the independence and the tools to do the job which, I believe, OA has.

CHAIRMAN CONWAY: Thank you. Ambassador Brooks?

AMBASSADOR BROOKS: Thank you very much.
Mr. Chairman.

For reasons that will become obvious to you, in the course of my testimony, I have asked my Chief Operating Officer and the head of the Defense Programs Organization, to join me here.

CHAIRMAN CONWAY: Would you list their names for the Reporter?

AMBASSADOR BROOKS: Certainly. Dr. Everet Beckner, Deputy Administrator for Defense Programs, and Mr. Tyler Przybylek (I will get to the court reporter to spell it later) who is the Chief Operating Officer and, as I will say in my testimony, is carrying out the functions of the Principal Deputy, which is a position that awaits presidential selection.

Thank you very much for the opportunity to provide testimony on NNSA's practices for oversight. I understand that the Board correctly, particularly, would like to focus on the impact of our reengineering and what it may do to our ability to assure adequate protection of the health and safety of the public at our nuclear facilities.

I want to start out by making it clear that I fully understand my personal responsibility for safety in this area. I have four decades of
experience in national security, much of it associated with nuclear weapons or nuclear propulsion.

I have carried weapons, I have studied their technology, I have examined their effects, I have commanded a nuclear submarine during the complex safety environment of a refueling overhaul. From all of this, I have learned the utter importance of safety and security.

The organizational changes that we are implementing are designed to improve the federal oversight and management of our contractors. I believe that to be essential to mission safety and security.

Our reengineering has been aimed at improving effectiveness and efficiency by clarifying roles and responsibilities, integrating and balancing program elements, streamlining operations, and then treating individuals with dignity and respect. And I submit to you that that is an integral part of safety: people who believe they are important will do important jobs.

We got into this because of issues identified in past reports and studies of the Department’s nuclear weapons programs. And we believe that reengineering is solving critical problems.
involving confused accountability, stove piping, and pervasive micromanagement.

And I believe that far from degrading safety, these challenges, these changes, are essential to maintaining safety. But I'm committed to ensure that there is no reduction in effectiveness during the transition.

Let me talk more explicitly about reengineering and Integrated Safety Management. We have used the four principles of Integrated Safety Management as we think through reengineering. Let me talk about the four principles.

First, line management responsibility. That is the first guiding principle. And we believe that a key success of our efforts has been clearly defining line management responsibilities. We've eliminated a layer of management, we've consolidated responsibility and authority in Site Office Managers, we've codified those changes with the recently, very recently, issued Functions, Responsibilities, and Authorities Manual [FRAM].

Secondly, I believe that Integrated Safety Management calls for clear roles and responsibilities. And I think, through our reengineering, we have established clear and unambiguous lines of authority.
and responsibility.

In particular, we've clarified and strengthened the authority of the Site Office Manager, we've eliminated office managers, thus avoiding the diffusion of responsibility characteristic of the past.

Let me divert from my prepared text to tell you a story. It is not a safety story, but it's got a safety lesson. In our problems at Los Alamos which were not, fortunately, primarily in the safety area, we discovered that there were serious problems in business practices.

We also discovered that the fragmentation of the command structure we had, had some business practices being evaluated by the Site Office, and some of the business practices being evaluated by the Operations Office.

So that the integration between business and other forms of the evaluation was simply not there. We had oversight that was not effective because it was fragmented. That wasn't in the safety area, but it is a lesson for the safety area. And it is one of the reasons that I believe that establishing clear roles and responsibilities is so important.

[The] third important principle of
Integrated Safety Management is competence commensurate with the responsibilities. We've placed primary responsibility for Site Office Managers, and I'm aware of the enormous importance of these key managers. They were chosen for their experience and ability; they've been given responsibilities for defining the organization and hiring the staff required to accomplish their responsibilities.

They have also been given immediate access to additional technical expertise through the newly established Service Center. I am going to talk a little bit more, later, about the question of hiring, which has correctly been identified, by your staff, as an important issue for us.

We've established Site Office Managers as the risk acceptance official and, therefore, we ensure that priorities are integrated and balanced, and that programmatic objectives are not given precedence over safety or security.

Site Office Managers' direct reporting relationship to my office helps us ensure an appropriate balance between safety, security, and programmatic operations.

I want to stress that I'm responsible for all aspects of NNSA, and the Site Office Managers
report to me, they don’t report to the people who are primarily responsible for the programmatic aspects. And we believe that to be important.

As I understand the Board’s concerns about reengineering, they can be grouped into three broad areas. First, are the NNSA Site Offices adequately staffed and organized? Second, does Headquarters have adequate provision for internal oversight support for those Site Offices? And third, is concern that our contractors do not yet have the self-assessment process necessary to achieve the goals for contractor assurance systems.

And we share those concerns; they are very real. I think that our actions are addressing each of them. In particular I want to stress that as we implement what I’m calling the "NNSA of the Future," we’ve taken no action that reduces our focus on nuclear safety.

For example, we have just signed, three weeks ago, a new contract with Sandia National Laboratories, that has a new governance model. But we explicitly excluded nuclear safety requirements for many new approaches in there.

CHAIRMAN CONWAY: Except, if I may interrupt you, I’ve read that contract, and you point
out that in the future you may include the safety also at the performance level. And that has me worried.

AMBASSADOR BROOKS: And you should be, and all I can tell you is we give ourselves flexibility that we may or may not choose to use. Right now, I think it is extremely unlikely that you are going to see any changes in that area.

CHAIRMAN CONWAY: But if you intend to, or consider that you will be making those changes, will you let the Board know in advance?

AMBASSADOR BROOKS: Of course.

CHAIRMAN CONWAY: Thank you.

AMBASSADOR BROOKS: Now, we’ve chosen to implement streamlining and the change to our approach to contractor management simultaneously. And we’ve chosen to do it over a relatively short time. We are implementing this new organization over a two year period.

I believe that the benefits in improved efficiency and effectiveness justify this position. But we are monitoring our progress to make sure we are not taking on more than we can implement.

For example, I recently approved a one year delay in making our federal work force ISO 9001 compliant [International Organization for...
Standardization], because I came to believe that I was trying to do too many things at once.

And if we find other areas where we are trying to do too many things at once, we will delay as well.

Let me turn, now, to Site Offices. Our decision to make Site Managers, contracting officers and the risk acceptance officials for NNSA has clarified authority and responsibility for operational issues.

It has motivated our managers to staff and organize those offices appropriately. With the elimination of an intermediate layer of management, Site Managers report directly to me through the Principal Deputy Administrator, when selected by the President and confirmed, or through Mr. Przybylek, who is, in essence, serving that function, under the title of Chief Operating Officer.

Site Manager cannot be overruled by Headquarters program manager on a decision regarding safety. If a program manager and a Site Office Manager can't agree, then it has to be brought to my attention for resolution.

This clarity in responsibility and authority, I believe, will improve performance in all
areas, including safety. We require, at each NNSA office, to develop a managed staffing plan based on assigned functions. And now, we are providing resources to assist in redeploying the necessary talent to these offices based on staffing plans.

We are addressing the need for improved operating procedures by developing business systems. And I think our approach is the most effective way to systematically regulate our contractors. We are continuing to fine tune the division of responsibilities and the adequacy of staffing.

And we will not allow arbitrary staff numbers -- I will talk about this in a moment -- to compromise safety. I issued a memorandum, in January, based on a matrix of functions and activities, called "Clarification of Roles and Responsibilities," in order to make it clear what the responsibilities of Site Offices were, what the responsibilities of Headquarters were, what the responsibilities of the Service Center.

From November of last year through the approval of managed staffing plans in July of this year, we have been involved in an active dialogue regarding Site Office technical requirements.

As a result of that dialogue, I authorized
an increase of 40 positions at various Site Offices over the initial levels established in 2002. I don't want to mislead the Board. Not all of those were technical positions; some were, some weren't.

The point that I want the Board to understand is that as we implement this and we review Site Office manning, if we believe that our initial estimates of what the Site Offices need were inadequate, we are not hesitating to change that, and we will not hesitate to change that in the future.

Each of the Site Office Managers has personally assured me that their managed staffing plan contains sufficient technical staff to perform their assigned responsibilities.

Now, as the Board correctly noted, staff can only do that if they are there and they are trained, so let me turn to those things. But first, I know that the Board and its staff have been particularly concerned about our restructuring of the Facility Representative program.

We are trying to focus our technical resources on high risk facilities. We believe the [Facility Representative] program is an essential element of nuclear safety, and we aren't going to reduce our focus on nuclear safety. What we are going
to do is in the reengineered Facility Representative program, we are going to focus our oversight on high risk things.

We think that by placing federal staff at low risk, or standard industrial facilities, we dilute the program's effectiveness, and we reduce our contractor's sense of responsibility. I have made it a high priority to fully staff our Facility Representative program, based on our revised assessment of requirements, and we believe that this approach places the right level of on-site oversight.

CHAIRMAN CONWAY: Ambassador Brooks, we considered Pantex as one of those critical --

AMBASSADOR BROOKS: Yes, sir.

CHAIRMAN CONWAY: -- hazardous, and yet we see the number of Facility Reps being lowered.

AMBASSADOR BROOKS: The number at Pantex has been reduced from, I believe, nine to six, based on -- yes, and we do have all six on board. And that is based on a fairly careful analysis done by the Pantex Site Manager, in connection with Headquarters.

CHAIRMAN CONWAY: I think they are under instructions, they know what the cutbacks --

AMBASSADOR BROOKS: That is not true, sir, that is simply not true.
CHAIRMAN CONWAY: So you are oversupplied on Facility Reps at Pantex?

AMBASSADOR BROOKS: We believe that -- no, let me -- with the shift in the approach that we are using, we believe the Site Manager believes, Site Manager believes, in conjunction with all the other Site Managers, and with Headquarters experts, that the revised numbers are adequate.

If further analysis shows they aren't, we will change them. There is a separate problem at Pantex, and it is a very real problem, and I don't have it fully solved yet. It turns out that the number of highly technically qualified people who want to live in Amarillo, Texas, is not as great as you might wish.

So there are recruiting problems at Pantex; there are recruiting problems at at least one other site. And we are looking at how we solve that; I'm very worried about the recruiting problem; I'm not worried about the analysis that went into -- yes, sir?

VICE CHAIRMAN EGGENBERGER: Yes, we are highly supportive of the Facility Representative program, as John articulated. Now, that is only part of the story. Facility Representatives are generalists and are not experts in all fields. And
they require support from experts on particular items.

So, in fact, that is how we run our operation, with our Site Reps. They are generalists, and they are supported by a highly technical cadre from Headquarters.

I believe, and Pantex is a good example, that there are several open slots in various technical areas that are required to support the technical area.

AMBASSADOR BROOKS: There are four open slots in subject matter experts, and three for authorization basis experts, and that refers back to my problem about recruiting.

VICE CHAIRMAN EGGENBERGER: And the other thing, I don’t understand, is a bifurcation aspect, where your Site Managers report directly to you, and the program people are on a different line.

And why I say I don’t understand this is when I talk to the program people about details of operations, that is who I talk with; the program people. I do not talk with you, I talk with the program people.

And somewhere there isn’t a specific one-line train of thought down to the operation. Or that is how we view it. Do you see what I --

AMBASSADOR BROOKS: I understand the
concern. We looked at having the sites report to programs. You would still have the same problem, you would just have it at a lower level.

I mean, sooner or later, there are people who worry about budgets and future things, and there are people who worry about operating sites, and there is somebody who makes sure that those two people are working together.

Our concept is that that function is important enough that it should be done by me. And that is, in part, because although most of what we do, at our sites, is under the responsibility of Dr. Beckner, at some of the sites, particularly the labs, large segments of what we do is not.

And so we believed that we should centralize this effort, or centralize this integration function at the top.

VICE CHAIRMAN EGGENBERGER: That doesn't help me very much because when I want to talk about, for example, SS-21 [Seamless Safety for the 21st Century], I don't come and talk to you, I come and talk to Dr. Beckner. And the site is also involved with this.

That is one example. Another example is the Pu-238 [Plutonium-238 Isotope] line at Los Alamos.
That is run by the site. That has nuclear operations in it, of which Dr. Beckner has his hand in it, as do the NE [Nuclear Energy] people.

AMBASSADOR BROOKS: My problem is, I think you are making my case, that --

VICE CHAIRMAN EGGENBERGER: You are not, I can't come and run to you every minute, and you don't want to see me that often.

AMBASSADOR BROOKS: I'm going to be very careful about the --

(Laughter.)

AMBASSADOR BROOKS: No, sir, you've got it exactly right, except that we draw slightly different conclusions. I've got to have somebody who is responsible for everything at these multi-program sites.

And, in fact, that is where this becomes a serious problem. The truth of the matter is everything at Pantex that gets done, to a very close approximation, gets done with programs under Dr. Beckner's supervision. But not everything at the National Labs gets done. Some of it gets done under programs and Dr. Beckner, some of it gets done under programs outside NNSA, some of it gets done in programs there.
So I need one person who has cognizance over everything that happens at the lab. And that person needs to be where he or she can pay minute by minute attention, and that is the Site Office Manager.

So the question is, who should that Site Office Manager report to? What we've chosen to do is have the Site Office Manager report to me, through the Principal Deputy. Why through the Principal Deputy? Because that gives somebody who focuses almost all of his attention on the sites, while the programs have their own responsibility.

The idea is not to cut out the programs, but to avoid the pressure suggested in earlier remarks of program considerations potentially driving out the safety considerations. That is why the Site Office Manager, in our view, should report to someone who is responsible both for programs, and for safety, and for security. That is the theory.

Now, you raise an important point about who you talk to and how we provide information to the Board. I'm not entirely comfortable that I have a good answer to that, and I would like to get back.

One of the things that has been, in preparing for this hearing, I found a few things that I want to look at about the way that we are doing
business internally, and I may be back to the Board to
talk about those, when I've got my thoughts better in
order.

VICE CHAIRMAN EGGENBERGER: The reason
that I brought this bifurcation thing up, it is a very
easy way of checking to see how the line organization
works. And that is where I'm not used to [self]
bifurcations. I like to see it run straight down,
with a strong Headquarters organization.

AMBASSADOR BROOKS: Sir, I think we don't
disagree on the goal, we disagree on whether or not
I'm moving toward it, because I want to see in fact,
when we come to the Columbia, I'm going to make a
point that I need to solve the problems they have, in
a different way, than Admiral Gehman recommended,
precisely because of that, and I will make that point
later.

VICE CHAIRMAN EGGENBERGER: That I agree
with, also.

AMBASSADOR BROOKS: My view is what I do
have, that I didn't have a year ago, and I do have
now, or I'm working toward, the Deputy [Secretary] is
quite correct to use the word "work in progress," that
I'm working toward having exactly that with a straight
down organization for operations, which goes from me,
to the Site Manager, to the contractor, while programs
provide guides.

I use Dr. Beckner because anybody who had
somebody with his experience, and didn't use him,
would be sort of nuts. But I don't see Dr. Beckner as
relieving me of my responsibility for dealing with the
Site Managers. And I certainly don't see him as
relieving the Site Managers of their responsibility
for safe oversight.

If we, as -- if we decide to stop an
operation at a site, Site Office Manager who is going
to make that decision. And if Dr. Beckner, or his
subordinates, believe that is going to be a problem
for programs or schedules, they are not going to be
able to overrule the Site Office Manager on that.

And if they believe it is important, then
I will adjudicate it, because somebody has to. But I
guess I agree with you that bifurcation is bad; I just
don't see that I have it. Let me look at that a
little more.

VICE CHAIRMAN EGGENBERGER: Certainly,
certainly.

DR. MATTHEWS: Since you opened up that
line of questioning, I had a question that is
relevant, so I'm sorry to beat this point to death.
You quite clearly said the Site Managers are the risk acceptance officials.

AMBASSADOR BROOKS: That is right.

DR. MATTHEWS: They also are responsible for doing self assessment along with the contractors, so they have to understand where the issues are in terms of safety.

Often a safety issue turns [is identified], you know, but it is useless unless you’ve got an action plan to fix it. And often that turns into dollars, which then gets into the responsibility of the program’s side, and we have a good example in case, right now, where there seems to be a difference between -- Dr. Beckner knows about this very well, at Y-12 [National Security Complex] -- a difference between what the site sees, and what the program is willing to spend.

So, now who accepts the risk in that particular incident? And I have struggled with this in my career at Los Alamos, too, because the programs may not see the need. And that is not as clear as what you just said of shutting down operations.

AMBASSADOR BROOKS: No, sir, I think that is right. I think that in budgets it does get difficult. And the answer, right now, is that our
process is intended to provide the Site Managers a voice in the overall formulation of budgets.

And so if they believe, as they sometimes do, that the programs are not providing adequate support, they raise it to me and, once again, I adjudicate it. And that is true in safety, it is true in security, it is true in infrastructure.

So I think it works the same way. I think, ultimately, you have to have two things. You have to have a clear voice for safety, and that is the Site Office Manager, and you have to have some way to make sure that if the Site Office Manager believes that he or she is given insufficient resources to operate safely, I have no hesitation in believing with my current oversight office managers, that I will hear from them. And I have data.

DR. MATTHEWS: Thank you.

MR. PRZYBYLEK: See, they understand that we have, we aim for a weekly management council meeting. Site Managers understand, through the chief of staff, they can agenda an item immediately for that meeting. The Administrator chairs the management council.

AMBASSADOR BROOKS: And I also have instituted, following a practice I learned in my Naval
Reactors days, the Site Office Managers each provide me a monthly report. It is an idea I grew from all the letters I had to write to Admiral Rickover, except this is a monthly email.

It goes to me and to Mr. Przybylek and generally to nobody else. And that is where they have the opportunity to tell me, candidly, what they are worried about, and then we follow up.

I mean, obviously, I talk to them whenever they want to talk to me, but by forcing them, once a month, to think about what is on their mind, I have another mechanism to make sure that I don’t get disconnected from their concerns. And we have had instances where they will express concerns about something that Headquarters staff is doing, hasn’t been in safety, and then that will be a clue to me that I need to dig into it.

DR. MATTHEWS: So, specifically has B-1 Wing fire suppression at Y-12 risen to your level of attention?

AMBASSADOR BROOKS: The Site Manager has not chosen to bring it to my attention. I am -- it has come to my attention.

MR. PRZYBYLEK: He did bring it to my attention as a work in progress, that he was working
with Dr. Beckner.

CHAIRMAN CONWAY: We are trying to get it into the '06 budget, and that is pretty far out. Are we back on page --

AMBASSADOR BROOKS: Well, my problem is my page numbers are different because my eyes are such that -- but what I wanted to talk about next, is I want to talk about staffing.

I want to make it clear that the hiring freeze that was referred to earlier is only in effect where there are people within NNSA who are qualified. I am requiring that, because I believe I have an obligation to the people who have done good work, that we look inside the organization first.

I don't want to be in the position where I'm nudging people out the door, and there are jobs. But we will not hesitate, we have already opened some jobs in to broader recruiting, when we have discovered there aren't sufficient people.

In preparing for this, I discovered an area in which I now realize that if everybody I hope to relocate to Albuquerque goes, I still won't have the right number of people there, and so we will begin immediately recruiting outside.

It is not our intention to not recruit
from outside where we don’t have sufficient resources inside. It is our intention, however, as we consolidate things in Albuquerque, to make sure that everybody -- that there is room for everybody who wants to go.

CHAIRMAN CONWAY: When you mentioned the difficulty of getting some people to some less than ideal locations, and unfortunately some of the most dangerous work we do is out in the boondocks.

AMBASSADOR BROOKS: That is right, that is why we put it there.

CHAIRMAN CONWAY: Exactly, and that is why we put it there. But we have a tremendous number of people, it seems, at Albuquerque, with special technical qualifications. And as you knew in the Navy, you can move your people.

AMBASSADOR BROOKS: We can, sir, and we have looked at that. And I do not rule out so-called directed reassignments. The problem with directed reassignments, to be candid, is that in uniform, guys directed reassignments are called part of the career. That is not always true in the civilian world.

So I have been trying to avoid directed reassignments --

CHAIRMAN CONWAY: SESs [Senior Executive
Service], that is clearly understood, SESs can be removed, and that is why they take those positions --

AMBASSADOR BROOKS: Yes, sir, I understand that.

CHAIRMAN CONWAY: -- and there are a large number of people that are still in Albuquerque, that are no longer doing the tremendous amount of work that they previously had to do controlling the whole system.

AMBASSADOR BROOKS: Yes, sir.

CHAIRMAN CONWAY: And if they need them at some of these other facilities, particularly Pantex --

AMBASSADOR BROOKS: We may look at that.

We've also been looking at additional incentives. At Los Alamos, for example, Los Alamos is an extremely nice place to live, but it is also quite expensive. So we have provided incentives in order to help the Site Office Manager fully staff there, and I'm looking at similar things for Pantex.

Let me, I mean, even if we get these people there, it doesn't matter unless they are qualified. And so let me talk about qualification of technical staff.

Right now, of our eight Site Offices, the staff and the technical qualification program, 70
percent are fully qualified, five of our sites have met the threshold of being above 75 percent, in most cases well above it. And one of those sites that isn't is only slightly below. It is Kansas City, where it is sort of a one person thing.

Two sites, however, are well below the 75 percent, and I [have] directed that they implement an aggressive program to improve qualifications and have assigned the Chief Operating Officer to oversee that process.

Finally our long term problem, like Naval Reactors, like any world class technical organization, we have to hire and develop an excellent technical staff. We are evaluating ways of expanding our intern program. We will, again, be asking Congress to grant us excepted service authority, similar to that which you used in building your own technical staff.

We have concentrated our existing excepted service personnel authority in the Site Offices, which is consistent with our vision of making them the most important part of the organization in terms of oversight.

The Deputy Secretary mentioned the draft DOE oversight policy. Our oversight model builds on that policy. In the first instance we rely on Site
Offices to oversee and regulate the contractors. We see Headquarters as setting clear expectations requiring self-assessment and monitoring effectiveness.

And we see the Office of Independent Oversight and Performance Assurance as a crucial component. As you know, my predecessor signed an agreement with Mr. Podonsky's organization whereby they are my oversight and performance assurance organization as well.

We set clear expectations by, or we are in the process of doing it is a more accurate way to say it, through establishing our line oversight and contractor assurance systems process.

Dr. Beckner is setting operational expectations, and he is monitoring performance in accordance with the provision of the FRAM Manual that I referred to earlier.

We are defining, as opposed to have fully defined, the attributes of a rigorous self-assessment program. My senior ES&H [Environmental, Safety, and Health] advisor has been tasked with identifying the key attributes of such a self-assessment process in consultation with the Site Office Managers.

And we will then be asking each site to
submit self-assessment program and annual operation pointers. Headquarters monitoring, as the Deputy Secretary said, we do not believe that -- we believe there is such a thing as too many people going out and stumbling over each other.

So what I have done is I have assigned Dr. Beckner’s organization to look at plans, and results, and monitor metrics. I’ve made it clear that we can initiate audit or inspection of any office, at any time.

I’ve made performance on safety and health part of the periodic program reviews that I’m conducting. I did, however, last year eliminate routine Headquarters on-site reviews. I think that was a correct decision, and I think it is consistent with putting responsibility on the Site Offices.

But we have this policy under continuous review. And if I conclude that I made a mistake, then I won’t hesitate to reinstitute those on a regular basis.

VICE CHAIRMAN EGGENBERGER: What does that mean, specifically?

AMBASSADOR BROOKS: It means that Jim Mangeno no longer gets a bunch of people together and goes out once a year to conduct a review separate from
the reviews that Dr. Podonsky needs. That is what I have done, what it means is that if I begin to see evidence that I wasn’t eliminating duplication, but I was eliminating an extra sector of safety, then I will reconsider that decision.

It was a difficult decision; we went back and forth. We made the decision primarily because we were trying to emphasize, very much, the authority and responsibility of the Site Offices for operations.

I think it was right, but it may not have been. And if it turns out to be wrong, we will go back to doing it the way we did two years ago.

VICE CHAIRMAN EGGENBERGER: Well, how does that apply to Dr. Beckner? Is he not permitted to --

AMBASSADOR BROOKS: Yes, he is permitted.

VICE CHAIRMAN EGGENBERGER: So if he has a problem he can send out his team?

AMBASSADOR BROOKS: Yes.

MR. McCONNELL: If I may ask a question? I [want to] understand very clearly, you said before that the Site Office Managers report directly to you, because that is the appropriate line of accountability.

AMBASSADOR BROOKS: Yes, sir.

MR. McCONNELL: And I have to ask you to
distinguish between independent oversight -- a safety perspective that isn’t also responsible for program -- which allows a certain approach to safety, which might avoid, otherwise, the problems you faced.

Then there is also the separate issue of your ability to hold your subordinate decision makers accountable. You said if you had information that their decision making was not in line with yours, that then you might reconsider your decision.

What would be the source of that information right now? Other than the same line of information that would -- I mean, if your manager made a bad decision based on bad information, you would have the same information.

AMBASSADOR BROOKS: Not necessarily. Here is the source so far. First, we do have the reports from the Site Offices. Second, because we have the reports from the Office of Independent Oversight and Performance Assurance. Third, the three of us at this table visit Site Offices frequently.

And while those aren’t, in any sense, safety audits, they let you discover what people’s concerns are. Fourth, we have independent discussions with the contractors, particularly at the weapons lab.

Fifth, while Dr. Beckner has no formal

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responsibility for safety, he has very experienced
people who are in constant communication, in the case
of programs. And so that is another mechanism.

So I don't want to portray us sitting in
a room in Washington with no information other than
what Site Office Managers tell us. But I also have
concluded that a once a year separate audit conducted
by a group of Headquarters people doesn't add enough
value to compensate for the importance of eliminating
duplication.

And while I understand audits aren't
management, the appearance of micromanagement. So
that is how I see the balance, and that is where we
came down.

DR. BECKNER: If I could, I would add to
that. I think you know from the monthly meetings that
we have, that generally I know something about most of
the concerns that the Board may have about safety at
the sites, at least at the sites where I'm concerned.

And that I have some members of my staff
whose main job it is to be aware of operational
matters, and particularly operational safety concerns.
So even though we don't view it as our primary
responsibility to assure the safety of operations,
because I think we have made it clear that we see that
as the Site Office responsibility, we do view it as part of our job to be sure that we are comfortable with the way operations are proceeding.

Now, that does give us independent information, I think.

AMBASSADOR BROOKS: But it is not formalized in the way that we had when we had a sort of a periodic schedule of formalized inspections.

MR. McCONNELL: My question wasn't bound up in formality, as validity of information to you --

AMBASSADOR BROOKS: Yes, sir.

MR. McCONNELL: -- that you explicitly created the lines of accountability to go from --

AMBASSADOR BROOKS: Yes, sir.

MR. McCONNELL: -- the area office to you, and not to Dr. Beckner, for the reason --

AMBASSADOR BROOKS: That is correct.

MR. McCONNELL: -- you --

AMBASSADOR BROOKS: And I guess the point that I was making, imperfectly, is if I discover that there are problems that I am not being made aware of, either because of these routine contacts with Dr. Beckner, because of my own contacts with the Site Offices or the contractors, I wanted to assure the Board that there is a general principle that we have
in reengineering, which is just because we wrote it
down once, if it proves out to be a mistake, we are
prepared to change.

    So I believe we made the correct decision.

But I believed I made the correct decision about when
I was going to implement ISO 9001, too, and in
hindsight I was wrong, clearly wrong. And if it turns
out that I’m wrong here, we will change. But at the
moment we’ve -- that is the decision we made.

    Mr. Chairman, if I might, I want to skip
over the section of my testimony on contractor
assurance systems, and simply point out one sentence
in there, which is I would urge the Board to await the
results of our efforts to improve our line oversight
and contractor assurance systems policy.

    We are working very hard on that, and I
prepared, in my written testimony, some of the
principles that we believe those systems must --

    CHAIRMAN CONWAY: We will include that in
    the record as if it had been read.

    DR. MATTHEWS: I do have a question on
    that topic, though.

    AMBASSADOR BROOKS: Yes, sir.

    DR. MATTHEWS: And the question is site-
to-site consistency. I know, in the past, that
different Site Offices treated their contractors differently. And I'm curious if you think that is important in the new system, to have a more consistent way of doing it, and a consistent standard for authorization basis, for example, or is it going to be free floating, and whatever develops --

AMBASSADOR BROOKS: I'm kind of firmly on both sides of that question. I think, on the one hand, for example, we have decided we weren't going to specify internal organization of Site Offices. We have allowed the Site Offices to tailor their internal organization to their perception of the needs and problems of their site. We approved it, but we didn't attempt to impose a standard organization.

I think there is some value in tailoring approaches to specific sites. I think the way I ensure consistency is through the promulgation of clear policies from Headquarters about what has to be included.

We are, as the Board staff at least is aware, we are still working out the mechanics of formal NNSA specific policies. And that is going to be the vehicle for ensuring the consistency you need between sites, while allowing the Site Office Manager the flexibility to operate.
I didn’t think to cover that in my testimony. But let me, if I may, peg off that to talk about where we are on the formal NNSA-specific policies.

As you know the law allows me to exempt myself from DOE regulations unless the Secretary disapproves that. No sensible person would go out and do something, and then find out the Secretary disapproved it.

So we are establishing a policy which will give the Secretary the opportunity to tell me in advance, “Don’t do that,” and give him the opportunity to have the advice of appropriate non-NNSA senior people. Once we’ve got that policy in place, then we will re-issue everything that we’ve issued in accordance with that.

That policy also has provided the formal mechanism to make sure that in areas under the Board’s cognizance, we have the advice of the Board. That is going to go a long way; that is going to be the vehicle to allow me to determine whether or not I need standardization, and to impose it, while still keeping the flexibility in the Site Office to recognize the uniqueness of each site.

CHAIRMAN CONWAY: Could I ask one other
question?

AMBASSADOR BROOKS: Certainly.

CHAIRMAN CONWAY: The Board here, daily, reads the Daily Occurrence reports. Now, is someone in your organization, at Headquarters, responsible for reading those?

AMBASSADOR BROOKS: Yes.

CHAIRMAN CONWAY: But that is safety matters -- you don't feel you have responsibility --

AMBASSADOR BROOKS: Yes, sir.

CHAIRMAN CONWAY: -- for safety, if I understood it? That is not part of your responsibility?

DR. BECKNER: Surely it is, it is just that I -- it is a question of what is the relationship between my view of these reports and, perhaps, the Site Office manager who is, obviously, closer to it.

But I have people on my staff who read those reports, too.

CHAIRMAN CONWAY: I understand. But, see, the line responsibility, I heard on safety, goes directly to you, and you don't have that. And yet you are the guys --

AMBASSADOR BROOKS: I actually think, Mr. Chairman, you've pointed out a weakness that I was
pretty sure you would point out. I'm not comfortable, right now, that I have the right mechanism for making sure that I see those reports, or that I react to those reports.

When you hear, from Under Secretary Card, you are going to see here that he is much more involved in providing the personal guidance on those reports. I'm looking at the way he does it; I've asked a couple of people to suggest other ways.

I'm not convinced, one of the strengths of an oversight board is not just what you tell us, but what we learn when we get ready to come over. Such an obvious question that I realize I don't have a very good answer, and next time I'm here I'll have a better answer.

CHAIRMAN CONWAY: Thank you.

AMBASSADOR BROOKS: I would like to conclude, and talk a little bit about NASA. And the Deputy Secretary made it clear that we think that we should learn from the mistakes of others. And so we are reviewing the lessons learned from the Columbia Accident Investigation Board.

I have personally read the entire report, and one of the fundamental issues was the failure of senior management to listen and act on concerns raised...
And I’m committed to avoiding that failure.

And that is one of the reasons that I value the dialogue with the Board. There are a lot of organizational causes. And because of the similarities that the Deputy has already mentioned, between our work and NASA’s, I’ve chartered a formal review -- well, I have done two things.

I’ve chartered a formal review of this, that is being headed by General Ron Haeckel, Dr. Beckner’s Principal Deputy, and I’ve asked them to look, in particular; is our management safety culture appropriate; are there issues raised by the report that we should consider as we continue to implement this new organization model; do we see that we will have the necessary technical capability; and then I’ve asked them for recommendations.

I expect to have their report by January, and to act on it as soon as I’ve got it. I will, of course, share their conclusions with the Board. Their initial thoughts, they are focusing on five areas.

They noticed that in NASA there was an erosion of technical staffing, and we are looking. We’ve already discussed a little about the Board’s concerns in this area. And I want to make sure that
we have adequate support for the Site Offices.

We are looking at the recommendations that were made in the report for an independent safety organization with direct authority. That appears, to me, to be inconsistent with the core principle of line management responsibility.

So what I'm looking for is how else you provide the checks and balances. Now, my personal view, and I do not wish to attribute this, I'm trying very hard to keep my personal view out of what General Haeckel does, because my experience is that sometimes if you are the senior person, and you express a view, you cutoff, prematurely, discussion.

But my personal view is the problem here is primarily cultural. That was a problem in NASA, and it may well be the problem here. The problem is to get dissenting views paid attention to, and to avoid any implication that we shoot the messenger.

I am not entirely satisfied that I've got that culture yet. I have no evidence in the safety area. I do have evidence in other areas that people didn't feel that their concerns would be taken seriously.

I don't quite understand why that is true yet, but I think it is something that we are going to
have to work on. I think there are other cultural things that General Haeckel has identified, past successes as an indicator of future performance, acceptance of recurring problems as normal, resistance to outside opinions.

I think those are also things that we are going to need to look at. And, finally, I share the view that budget constraints, and schedule pressures always have to be watched, to make sure that they don't compromise safety.

I have no evidence that that is a problem for us. But, to be candid, the current situation doesn't provide a strong test. I mean, I don't have things rammed under huge budget, huge schedule pressure. What I have to make sure is that I'm putting the culture in place so that when I do get under huge schedule pressure it doesn't compromise safety.

CHAIRMAN CONWAY: Yes. You mentioned one of the recommendations which makes you uncomfortable. I presume that is where they were setting up an outside group of experts, outside oversight, and also would have the right to veto, which --

AMBASSADOR BROOKS: Yes, sir. And, first, I'm sorry --
CHAIRMAN CONWAY: No, I was going to say, they had two oversight groups, as I read the recommendations. But we faced this in the original days of the organization, was the question of whether we would have oversight veto power.

AMBASSADOR BROOKS: Yes, sir.

CHAIRMAN CONWAY: But line management would indicate that you have this final responsibility for safety.

AMBASSADOR BROOKS: I agree with that. I think, in fairness, the situation where you are doing one terribly complex and dangerous event, every three or four months, you are either launching, or you are not launching, is different than where you are doing dozens, hundreds, thousands of processes, many of which are repetitive, but any one of which, if done wrong, can be a safety problem.

The model of an outside, you know, a separate hand on the key, is probably not workable in that situation, in any case. But I believe that the line, principle of line management authority shouldn’t be compromised.

What I don’t yet have, what I’m looking for General Haeckel to help tell me, is do we have, within that, enough of a voice for, especially
dissenting voices on safety.

The key, in my view, is how we treat people who raise concerns that later prove to be unwarranted. I mean, it is easy, if somebody says we have to stop this action, and it turns out that if we had gone ahead we would have killed five people, everybody knows that person is a hero.

But what I have told the Site Office Managers, is that if somebody raises a safety concern, and it turns out they were absolutely wrong, they are a hero, too. Because if you -- if you force the system to look again at a safety issue and it turns out that second look confirms you are okay, that is not a bad thing.

And that is the part that I’m not completely convinced I have -- I mean, most organizations don’t have that culture where the guy who calls wolf is a hero, and I’m pretty sure I don’t either. And we are going to have to work on that.

Let me conclude by making a point I made before. The creation of the "NNSA of the Future" is hugely important. I think it is going to make the organization better, I think it is going to make the organization more streamlined, I think it is going to make the organization more efficient. And, therefore,
I think it is going to make the organization safer.

But even the best plan doesn’t always get implemented correctly. So I want to assure the Board that we are going to monitor the progress. And we are prepared to, if we discover problems, to adjust our approach.

Because we are after effectiveness, we are after efficiency, we are after mission, but we are also after safety.

Thank you for your attention, I would be glad to deal with any further questions.

CHAIRMAN CONWAY: We may have some additional questions that I may send to you in writing to make the record complete.

AMBASSADOR BROOKS: Thank you.

CHAIRMAN CONWAY: Well, thank you for your time here this morning. And if we have some other questions we will extend them to you, and we will include them in the record, then. Thank you very much, and good luck, too.

AMBASSADOR BROOKS: I’m actually, if it is okay, going to stay and listen to --

CHAIRMAN CONWAY: Oh, good, thank you. Do you want anybody else with you?

MR. CARD: No, it is just me, me and the