standardized programs. The engineers have to use those tools, and you're restricted to the level of freedom you have on how to do something when the computer will only accept certain input, so that's helped some, but we did have to do, and still do, perform a lot of training.

CHAIRMAN CONWAY: Okay. Thank you. Thank you, gentlemen.

MR. HENSCHEL: You're welcome.

CHAIRMAN CONWAY: And how we'll get to the last two of the witnesses this morning. Mr. Lockhart?

MR. LOCKHART: Yes. Thank you. My name is Fraser Lockhart. I'm the Manager of the Rocky Flats Field Office. I've been Manager now for six weeks, and I met with all of you on my first day on the job, and thank you for the opportunity to come back six weeks later and present some of my views on how I'm going to conduct oversight. I don't have a prepared testimony. I've organized my slides and presentation along your lines of inquiry, and I hope by going through that to give you also the perspective on my philosophy and approach to oversight.

Looking at the top level, starting from
the guidance documents, I see our DOE Policy 450.4 as being one of the key things, the Safety Management System Policy or the ISMS as one of the most key documents that defines how we look at the work that needs to be done, and oversee that. Also, the policy memo that came out of Environmental Management at the end of May on project oversight and assessment has been a key guidance document, and that, along with other DOE policies, have gone into a Rocky Flats manual, 220.2A, which is our Closure Project Oversight Program manual, what we refer to as our CPOP [Closure Project Oversight Program]. That was created back in the late '90s, has undergone revision, but still forms the basis of the structure for our oversight.

Looking also at how that is performed, and the responsibilities, as part of coming on as the Manager, and the downsizing that's occurring at the Site, I'm also taking steps to significantly restructure the organization and flatten it, get more direct lines of authority and accountability. I will have three direct reports to me, and underneath those three direct reports will be the staff, so a much flatter and more direct organization. I also have taken one of my very senior Facility Representatives,
you met him the first time, Ed Westbrook, who will serve as my Senior Safety Advisor, reporting directly to me. He will also serve as the program sponsor for the other Facility Reps. Those Facility Reps will continue to function in the role that they have. In fact, I hope to restrengthen and re-emphasize their role. They maintain stop work authority, they maintain that position as the first and most immediate interface with the contractor and with the contractor's operating personnel in the facilities, and those Facility Reps also have direct access to me. I've re-emphasized that point to them, and they also have access through Ed Westbrook as the Senior Safety and Technical Advisor to me.

At this point in time, I do have several challenges that I'm dealing with. The first is that we are very much in the middle of transition. It's a transition that I believe will play out in early January, but right now things are somewhat stirred up, and the Site is also in the closure mission, entering one of its most dynamic phases, and I know that Alan Parker will talk about that more, but we're getting into a point where the demolition activities and the clean-up activities are very dynamic.

What I look to is the role of the
Facility Reps performing their function, as well as the Authorization Basis process to continue to provide the stability during that somewhat turbulent period that we've been moving through the last few months. Next slide.

As I look at the, more specifically now, the contractor oversight activities, I group those into three basic approaches to going through the oversight. The Authorization Basis and approval process is one of the formal processes that I use. I retain approval authority for Authorization Basis on the site, and also for any changes or waivers to that Authorization Basis process, and I get a very formal technical briefing from my staff when any of those documents are brought forward to me.

Also, formal processes in the DOE monthly safety review. This is a review conducted by my staff, where their conclusions are presented and discussed with me. Quarterly, we go through a safety evaluation with Kaiser-Hill and get their perspective on performance and safety, and also we do quarterly evaluations on the full project perspective. There are also DOE assessment program, as well as Kaiser-Hill's assessment program, and some of those are joint, where we join up with them and do a joint
assessment of performance on the Site. That's an area that I have highlighted as one that I have identified a very clear weakness within the Site, and it's an area that's going to get my very positive attention to correct. We also have quarterly processes where we look at the contract and the performance under the contract, and it's through that process that we determine the fee payments that we will make to Kaiser-Hill.

That has been supplemented by some fee-determining criteria, a term we've given it, but it provides some supplemental information, specifically on areas of concern for safety and security that go even beyond the contract, that indicate our areas of emphasis. The final formal one I'll mention is our Joint Evaluation Team we use for a new operation or a start-up. This is becoming less important just because of the nature of the project. There are not that many new new things we're going to do.

Looking at some informal processes, there is, of course, the daily Facility Rep interaction. Also there are weekly DOE management workspace tours and surveillances. This is an area that I believe has also been a weakness and is going to be one of my areas of emphasis moving forward, both for myself to
get out into the workspaces, and also to require my senior managers and the technical processionals below the management level, since I won't have that many manages and supervisors left, to get out and really see and experience the work first-hand, and to not rely solely on the Facility Reps for that eyes and ears experience.

CHAIRMAN CONWAY: You know, of course, that last survey, if you will, that we sent an experienced technical person [who] had previously been a Facility Rep there, indicated there was a fall-off in the DOE representation at the work areas. Have you seen that report?

MR. LOCKHART: I have read that report, and I do not disagree with the observations that he found. I have had a similar assessment that there has been a fall-off over the last probably nine to 12 months. I believe that is detrimental, and it's something I intend to correct.

CHAIRMAN CONWAY: We were informed that senior management out there at the Site had in fact, told their personnel that they didn't want them going into these places, to ease off in their actual on-site representation.

MR. LOCKHART: I do not believe that is
correct.

CHAIRMAN CONWAY: A number of people, more than one, have so informed us.

MR. LOCKHART: Again, it's an area that I intend -- it is my philosophy that you need to know and see and understand the work if you're going to contribute technically, and so that is the direction I intend to go.

A couple of other informal exchanges I make use of. One is a weekly one-on-one discussion with Alan Parker where we go over issues of concern. Safety issues are always first up on that meeting agenda, and bi-weekly, I have a discussion with Kaiser-Hill's safety vice-president, again to go over very specifically issues and trends that are of safety concern.

I also highlight two areas here that I've put under the heading of participatory, and the first of those is the Daily Safety Analysis Center meetings and review of the events for the previous 24 hours. It is an interchange that we participate in, if not myself, my Senior Safety Representative is at that meeting, and that, I indicate, is participatory because it represents a dialogue. We don't just review facts and statistics, but there is an exchange.
and an active dialogue and discussion that goes on in that session. The other one that I would put in the same realm is a weekly meeting that Kaiser-Hill organizes, but includes DOE representatives, their facility leads, and also representatives from each of the bargaining units, each of the labor organizations, to go over the statistics, the key events for that week, and to provide concerns and any issues that any of those parties believes exists and needs emphasis. Next please.

Going into a bit more detail on the DOE self-assessment, the DOE self-assessment program is really one of the keys to how we have to move forward with our work. As I mentioned earlier, all of the oversight is defined in our CPOP manual, our 220.2A. Chapter 8 deals specifically with self-assessment, and one of the elements of that self-assessment is an oversight and evaluation database that is set up for the DOE specifically to use as they go out and either do formal assessments or as they go out and do assessments that are in the realm of surveillances or just work site tours. The self-assessments I see in two major categories.

The first is the scheduled self-assessments, really those that look at the more
structured, comprehensive approach, looking at
programs and processes on a broader perspective.
Criteria for these, of course, can come from a number
of sources, and the current manual requires that two
of these be done per year for each of the direct
reporting organizations. This is also the area that,
again, is a weakness. This has not been [done] very
well at all within the last year, and it's an area
that I intend to improve.

The unscheduled self-assessment starts to
look more at those that are much more flexible, and
more focused to a key event or interest. In some
cases, even an event of opportunity that presents
itself. This would include the workspace tours,
visits and the management and staff walk-arounds that
I alluded to, and I really believe that this is one
of the areas that is of the greater value as we move
into the more dynamic environment within the site,
and the more active work within the buildings for
actual demolition activities.

Now to do the assessments, you do have to
have technical qualified staff. We have looked very
hard at the staff and the qualifications that we
need. The basis for establishing those standards has
been first, DOE Standard 1063, that's what speaks to
the Fac Rep requirements, and then also EM policy, including the project and oversight and assessment policy from May of this year. The real purpose has been to try and reach that balance between effectiveness and efficiency to get the right people with the right skills and attitude to be able to do the assessments that need to be done.

We did our first assessment of that and laid out that analysis in February of this year, 2003. We did a re-analysis in July, updated our review, and that was prior to proceeding with our reduction in force, and after we complete the reduction in force activity in early January, I'm intending to do another look at where we stand with our staffing and qualifications in February of 2004, so on roughly about a six-month cycle there.

What was one of the key drivers going through that analysis was to look at the status of the project and what has changed on the Site in terms of the risks and the nature of those risks, and I just highlight for you here a few of the things that I looked at very specifically in that process. Foremost was the Plutonium Stabilization Processing System, and the completion of that work over the summer. The last of our plutonium operational
activities being completed. We have shipped off all
our Category One, Category Two nuclear materials and
that, again, [is] a very key driver in the risk
profile.

Our protected area has been eliminated.
Less of an issue for safety, but a very significant
issue from a security standpoint. We have also
demolished Building 886 which was our Enriched
Uranium Facility, and also Building 865, while not a
nuclear facility, had very high beryllium
contamination and again, represents a key risk that
was eliminated from that industrial occupational
hazard. Also, Building 771, 776/777 combined
facility, and Building 559 were all declared to be
criticality incredible during 2003, which leaves me
with only two remaining facilities, 707 and 371, that
have criticality concerns to continue to be managed.

Finally, the last one, the 903 pad, which was our
largest environmental restoration [ER] project to
date, may well end up being the largest ER project
that we do, was completed this year, and so all of
those have greatly changed the profile and the risks
that present the DOE staff and the contractor.

As I look ahead, there are still some
very key skills that I need to maintain, and I'm
pleased that in the organization I expect to have after January, I will have these key skills. I'll highlight just a few rather than read through all of them. Fire protection is one that will remain as a key and vital need. The beryllium expertise is one that as we go forward, will probably actually increase in its importance, as we have found on the Site that beryllium contamination is more pervasive than what we had even expected several years ago.

And the integrated work control program and the associated work control issues are something that will also continue to need emphasis all the way to the end of the program. We do not confine our integrated work controls to nuclear work. That even as we move away from nuclear work and nuclear contamination, integrated work control is how we look at all our work on the Site, and so that will continue on to the end.

There have been questions now and then, on the technical staffing, looking kind of at those requirements and drivers, where we are going with the staff at the Site. Approximately a year ago, we had about 156 people and they break out the way you see here, 14 of those were qualified Facility Reps, and I have shown here that the technical staff, Facility
Reps and others that contribute to safe work at the Site and to ensuring that that safe work is performed represented about 62 percent. Moving ahead after January, January 10th being the effective date for our reduction in force, I'll have 58 staff. You can see the management administration have been paired down significantly. It's only about 16 that will remain in that category, 33 will still be technically skilled people in both safety as well as other project and environmental and waste disciplines, and I will have nine Facility Reps qualified that will remain at that time. Actually ten. Ed Westbrook is also a qualified Facility Rep, but I will be using him in a different role as my senior safety advisor and Facility Rep program sponsor. The actual percentage of those individuals that are focused to supporting safe work on the Site in a technical way actually increases up to 72 percent.

One of the more important things that I'm looking to do in the post-RIF [Reduction-in-Force] organization is a refocusing to line management oversight, and line management responsibility for that oversight. The Facility Reps, which have been in a separate organization over the last several years, are going to be moved back into the line
organization, and I will retain, they will retain as
well, the independence by their ability to go to Ed
Westbrook or myself if they don't feel they're
getting the appropriate consideration from their line
organization.

DR. MANSFIELD: Mr. Lockhart, can I break
in just a second. With your reduced levels, will you
be able to man your key technical skill needs
positions more than one deep?

MR. LOCKHART: In some cases they will
not be more than one deep, and I have received
assurances and have confidence that I will be able to
get in a very timely basis support that I need from
EM Headquarters to provide the expertise that I need.

DR. MANSFIELD: If someone leaves, okay.

MR. LOCKHART: If someone were to leave
or even for an illness or a workload. One of those
in particular, the criticality expertise, which is
one that I have, is not really one of my staff.
That's a staff person from Environmental Management
that is geographically assigned to me 100 percent of
the time, while I have that need, which I currently
predict to be through about March or April. After
that time, I would not have that need to have that
resident experience, so that's how I expect to fill those gaps.

As I mentioned, it is my intent to re-energize the formal aspect of the assessments that the DOE oversight is involved in, that there has been a weakness, and I will be looking for my new direct reports to develop and prepare their assessment plans and schedules in discussion with me, and in discussion with the Facility Representatives as a priority effort, and have that finalized formal schedule for the upcoming year in early February. I also will be issuing for the new organization my policy for workspace tours, and will probably hope to borrow some of what Mr. Schepens has done up at ORP, which I think is a good model for mandating that kind of work site and technical presence in the work spaces.

Also, the roles for the Facility Reps are being refocused back to what I really believe is their traditional role of maintaining an operational oversight in the facility. Over the last year or so, some of that role had been, of the formal assessments, had been put onto the Facility Reps, to actually lead and organize those, and I think that distracted from their day-to-day oversight, so we're
putting the formal assessment lead responsibility back to the line and getting the Facility Reps back to their job of day-to-day oversight, and as I mentioned, the Senior Safety Advisor will serve as their program sponsor.

CHAIRMAN CONWAY: Mr. Lockhart, in view of the time elements, may I put the rest of your statement into the record, and what I think I'm hearing from you is that under this new policy and your new management, you are strengthening and getting more line management action than your predecessors had done. That's what I'm hearing.

MR. LOCKHART: I think that's absolutely true compared to where we had been. I think --

CHAIRMAN CONWAY: Do you attribute that to the new policy or to -- you're giving more DOE oversight to the contractor than had been previously?

MR. LOCKHART: I think it's more a case of emphasis. When I look at our background, we started to evolve to an integration of our DOE oversight with the contractors' oversight back in about 1998, so it's not really being driven. My follow-on slides speak to the fact that I really see the new policy that's emerging out of DOE to be something that I have a very good philosophical
alignment with. I think trying to integrate is an
approach that we've been working on, and evolving for
a number of years.

CHAIRMAN CONWAY: Dr. Eggenberger?

VICE CHAIRMAN EGGENBERGER: I have no
questions.

DR. MANSFIELD: Mr. Chairman, you
mentioned we had heard information that the federal
employees were being told or counseled not to
interfere with the contractor operations. Now
there's two ways that could happen, one good, one
bad, obviously. The bad one, of course, is that
instructing people to have a hands-off approach that
could remove your technical oversight of the
contractor. The good one is the system that Mr.
Schepens described, where rather than everybody in
the DOE office being able to call anybody at the
contractor and direct changes, that you focus those
through one or two people, your three-man management
team, for instance, or something like that. Which is
correct? Which is happening?

MR. LOCKHART: I subscribe to what Mr.
Schepens described very well, that the managing of
the contract means that the contract describes those
terms that the DOE is looking for and in all areas,
not only scheduling and cost performance, but safety, quality and everything else, and when we look to evaluate the contractor, we look back to our own contract to see what did we ask for, and what are we asking for, and we don't want a number of people to have the ability to have their own interpretation or to have their own view of that. The contract should say very clearly what's required and everyone should understand those expectations, and if they don't then that may be a flaw with the contract we need to change, but that's done in a very formal way between the DOE and again, it's reserved to a very limited number of people, pretty much myself and my contracting officer.

DR. MANSFIELD: But what I'm looking for is a warranty from you, or guarantee from you, that federal oversight is not limited by the instructions that you've given to your employees, not reduced.

MR. LOCKHART: I don't believe at all that it's reduced. I mean, the oversight I believe will be increasing in real terms to observe the contractor's performance, and to validate that again, part of the integration of our two oversight programs is to validate that the oversight that they are doing is appropriate, is meeting the need that is intended
by their planning and also by our contract. To the extent that it fails, then we need, you know, that indicates an area of more emphasis for us. To the extent that it is performing well, that may indicate an area where we can back off or said better, indicate an area where we can shift our knowledge and resources to a more -- an area of greater concern, more concern.

DR. MANSFIELD: A quick example. Let's discuss for a short time, short, the glove box fire. We believe that a potential root cause of that was the use of generalized work plans instead of particular ones. How do you -- how does your oversight keep track of whether the proper work plans are being used?

MR. LOCKHART: Well, it does that in several ways. We do review of the work plans, and there are staff that are reviewing those. That was an area that also had fallen behind and we're working on catching that back up. Another technique that's used is with the Facility Rep interaction, and their participation in the plan of the day meetings, and that review where they essentially have a chance to identify when something is not lining up properly. There were failings along that line in the glove box...
fire, very clearly, where it was missed, and has bee
observed at that point in time there was a greater
attention to PuSPS [Plutonium Stabilization
Processing System], the plutonium processing
operation that was also going on in that building,
and less attention being paid to that demolition
activity, and so that again, was a case where there
wasn't sufficient focus being put on that activity.

DR. MANSFIELD: I agree that the Fac Reps
are an important part of doing that job right, and
are you going to have enough Fac Reps to exercise
that degree of attention?

MR. LOCKHART: I believe I will. I
actually believe I'm in a better place than my
predecessor was a year ago with the number of Fac
Reps. Even though it is going down, in pure
numerical count, when I look at the risks and the
hazards and the way that they have decreased across
the Site, I believe I'm actually going to be able to
provide better coverage to the risks and to the
activities that are under way.

DR. MANSFIELD: Thank you.

DR. MATTHEWS: No questions, Mr.
Chairman.

CHAIRMAN CONWAY: Well, what I hear you
saying is, you recognize the need to do your job properly, that you need to know what's going on on a daily basis at the Site --

MR. LOCKHART: Yes, sir.

CHAIRMAN CONWAY: -- and that includes -- and it requires then your Facility Reps actually entering the buildings and knowing what's going on.

MR. LOCKHART: Absolutely.

CHAIRMAN CONWAY: Okay, and as I say, you're not discouraging them, you're encouraging them now.

MR. LOCKHART: I will be encouraging them strongly, and I will be leading by example. I'm going to be there myself.

CHAIRMAN CONWAY: As I said, our review out there at the Site indicated that DOE representation in the buildings had fallen back dramatically. They were not having a presence.

MR. LOCKHART: Yes.

CHAIRMAN CONWAY: Mr. Parker?

MR. PARKER: Mr. Chairman. I am going to follow the exactly as Mr. Lockhart did, is we'll go straight down the lines of inquiry, and answer those questions for you. Related to self-assessment and assurance resources, Kaiser-Hill deploys a broad