

1 confidence, the little bit of confidence, that we've  
2 regained, with the regulators and the public. That  
3 translates, for us it translates to places like Oak  
4 Ridge, Savannah River, and Pantex, the operation of  
5 which are critical to national security, so the  
6 linkage may not be obvious, but a problem at Hanford  
7 can stop our nuclear weapons program.

8 CHAIRMAN CONWAY: Keith, did you want to  
9 say one more thing?

10 MR. KLEIN: Yeah. I just, in thinking  
11 about how you would characterize our oversight per  
12 the Savannah River and said we're increasing whereas  
13 Savannah River is decreasing, I guess, I didn't mean  
14 to confirm that Savannah River was decreasing. I'm  
15 really not sure that's what Jeff said actually, but I  
16 just want to make that clear.

17 CHAIRMAN CONWAY: Thank you. Thank you  
18 very much. Roy, is it your birthday today somebody  
19 told me? Happy birthday. Okay, Roy, we'll start  
20 with you.

21 MR. SCHEPENS: Good morning. I'm Roy  
22 Schepens, and I'm the Manager of ORP [Office of River  
23 Protection]. What I would like to first start  
24 talking to you about is the overreaching idea that my  
25 intention at ORP is to establish a relationship

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 between safety culture and the safety of site cleanup  
2 activities. This means that at all levels of my  
3 organization, that they will consider safety as a  
4 priority, and follow up to verify. All safety  
5 concerns should receive appropriate levels of  
6 attention. The work environment, the attitude, and  
7 our behaviors of all of my individuals, as well as  
8 our policies and procedures, will foster a safety  
9 culture at my Site.

10 To start this, which we started over the  
11 first year, is we are focusing on performance and  
12 effectiveness, not just simple compliance of  
13 requirements. Since I've been at the Site, what I've  
14 done is I've moved the Facility Reps from the ES&H  
15 organization underneath the line organization, since  
16 the line organization is responsible and accountable,  
17 and therefore their role has improved, because now  
18 they are in the line providing real-time value-added  
19 operational awareness of activities to insure safe  
20 operations, just not looking at compliance of  
21 requirements.

22 We cannot -- I also have concluded, in  
23 this year that I've been there, is that we cannot  
24 rely on assessments and oversight conducted by just  
25 one group. Instead, I intend to rely on a

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 combination of internal assessments, ones that I do,  
2 external assessments, ones that I bring in, ones that  
3 Headquarters brings in to me, as well as external  
4 assessments, ones that the contractors bring in to  
5 look at themselves, as well as the contractors self-  
6 assessment program, and external groups and other  
7 independent sources like yourselves, the Defense  
8 Nuclear Facilities Safety Board. I meet bi-weekly  
9 with your Site Rep, not just myself, but myself and  
10 my PMs [project managers], we get his input on a bi-  
11 weekly basis and sometimes on a daily basis, and we  
12 have a good communication there, and I intend to use  
13 that.

14 Some examples of external reviews that  
15 I've had from Headquarters this year, is Larry Bailey  
16 came down and looked at our system engineering's  
17 system that we have in place. 2000-2, Defense Board  
18 Recommendation 2000-2 [Vital Safety Systems,  
19 Configuration Management]. Dae Chung has been down  
20 to look at our DSA implementation on the Tank Farms,  
21 as well as our safety basis in the WTP [Waste  
22 Treatment Plant].

23 In addition, I am responsible for  
24 approving all significant design changes at the  
25 facilities that I operate. That means if there is

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 any change in consequence, if there is any change in  
2 frequency, if there is any reduction in safety  
3 margin, or if there is any new design basis  
4 accidents, I pre-approve those prior to the  
5 contractor implementing those changes. Next slide  
6 please.

7 Another foundation of my operational  
8 philosophy is that line managers must push for prompt  
9 resolution of oversight issues -- an understanding of  
10 the issues singularly as well as collectively.  
11 Understanding of the root causes, not just the  
12 symptoms means ask the hard questions, be  
13 inquisitive, and understanding of the implications  
14 and the consequences of our findings when developing  
15 the schedule for corrective actions. Some corrective  
16 actions can be fixed quickly; some take time. For  
17 example, if you're trying to change a safety culture,  
18 that takes time. You need to have good corrective  
19 actions, but you need to not loose sight that you're  
20 not where you want to be yet.

21 I'd like to point out the reason why we  
22 do this is this is as evidence of the Davis-Besse  
23 event, which Dr. Matthews brought up. I'm Chairman  
24 of the Federal Technical Capability Panel. Over a  
25 year ago, I brought in the INPO, who gave us a

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 presentation on the Davis-Besse event, and that was  
2 clearly an example where managers lost sight of what  
3 was going on in their organization, and they weren't  
4 in tune with what was going on in the plant. So we  
5 use that as a lesson learned. My management team has  
6 reviewed the Davis-Besse event, and we use that for  
7 improvement, as well as reviewed the NUREG [Nuclear  
8 Regulation], I think it's 1176, that the NRC [Nuclear  
9 Regulatory Commission] has put out for improving  
10 safety culture. So those are the type of operational  
11 experiences that we use to apply to our lessons  
12 learned to improve our performance. Next slide  
13 please.

14 The objectives of our oversight program  
15 is to continuously monitor the contractors' safety  
16 performance to benchmark and drive improvement, and  
17 this requires a sustained field presence, so we're  
18 continually out in the field looking at their  
19 performance. We also intend to improve the quality  
20 of the contractors' self-assessment program. I'm a  
21 firm believer that we can be much more tougher  
22 critics to the contractors' self-assessment than they  
23 can be of themselves, and we intend to work with them  
24 to help improve the quality of their self-assessment  
25 program.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1           We also work to improve our federal  
2 personnel credentials and experience, as well as we  
3 will continue to routinely evaluate the effectiveness  
4 of my staff through internal and external resources.

5       Next slide please.

6           The way we do our oversight process is we  
7 have an annual assessment plan.       The annual  
8 assessment plan incorporates feedback from the  
9 previous year of what went good and what went bad.  
10 We focus on what went bad.   That's what we want to  
11 try to improve.   Like, for example, at the Tank Farms  
12 we're focusing on ensuring that first line  
13 supervisors are out in the field observing operations  
14 on the contractors' side.       That's one of our  
15 key oversight activities that we have ongoing today.

16       But more importantly, what's important about the  
17 oversight process is that when we complete an  
18 assessment we have an exit meeting with the  
19 contractor, and at that exit meeting myself as well  
20 as senior management from either Bechtel or CH2M Hill  
21 is there so that we give those findings the  
22 appropriate level of management attention, so that we  
23 as management hear what's going on out in the field.

24       And then the senior managers collectively look at  
25 that and put the proper corrective actions in place.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

A key element to the oversight process is if the findings are important enough to identify, then they're more important to fix, and when I first got out there over a year ago, quite frankly, we daily had a backlog of 100 Occurrence Reports that we weren't fixing. We've worked off that backlog now. We have no backlog of Occurrence Reports, we've worked them off real time, and the contractor on CH2M Hill had a large PER [Problem Event Recordable] backlog. They've worked that off to a manageable backlog now. So we had outside reviews that told us that, as well as my own internal self-assessment identified those as problems, and now we've addressed those problems, and we're working on other problems that we have. Next slide please.

17

18

19

20

21

22

23

24

25

The types of oversight that we do are operational awareness. We look at first-time activities as key. The first time we're going to go out and do something, those are the ones we put additional emphasis on. We also put emphasis on peripheral activities, not just the high risk jobs but the day-to-day jobs, because quite frankly, those are the ones that you can get complacent with and get in trouble on. The Facility Reps of course, are out

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 there doing these operational assessments, awareness  
2 reviews, and what they do is they go to the plan the  
3 day meetings, they're aware of what activities are  
4 going on, and they pick the activities that are  
5 important to go look at.

6 Then one of the self-assessments that I  
7 had, as well as an external review, said that I  
8 needed to have a management walk-through program.  
9 I've instituted a management walk-through where my  
10 senior management, including myself, are out in the  
11 field a minimum of 60 hours a month, and what I've  
12 done is, I've required that my Tank Farm guys also go  
13 look at the WTP and the WTP guys go look at the Tank  
14 Farm so we don't get complacent in our own areas.

15 Then we do for cause reviews. An example  
16 of a for cause review that we're doing right now is  
17 on the S-112 [Tank S-112 Saltcake Dissolution  
18 Process] event. On November 25th, one of my Facility  
19 Reps was out doing an assessment on S-112. Now this  
20 Facility Rep is normally on salt well pumping job.  
21 He decided to go look at someone else's job, S-112  
22 job. When he got out there, he found out that the  
23 operators weren't aware of knowledgeable system  
24 configuration, the system wasn't operating the way  
25 they thought it was operating, so he basically shut

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 down the job. He brought it to the contractor's  
2 attention, and they shut down the job. Had he not  
3 been there, they would have continued on, so in my  
4 view, he basically shut down the job, which was the  
5 right thing to do. The contractor did it. As a  
6 result of him being there and bringing it to their  
7 attention, and now we're into a corrective action  
8 plan. Next slide please.

9 Okay. What I'd like to do here is  
10 highlight some self-assessments that I've done  
11 throughout the year that I've been there. On both  
12 the Vit Plant [vitrification] as well as the Tank  
13 Farm, we've had external Integrated Safety Management  
14 System [ISMS] reviews. I've brought in an external  
15 team to not only look at my contractor, but also at  
16 myself, and we've implemented corrective actions as a  
17 result of that. We had a vapor event response  
18 assessment team. As a result of that issue coming  
19 up, I brought in Tom Pestorius who came in and did an  
20 independent assessment of my organization, and gave  
21 me some recommendations on how I can improve my  
22 oversight in that area. We did an independent  
23 assessment on project management. One of my  
24 weaknesses is the project management on the Vit  
25 Plant, so I brought in Don Ruotolo and Paul Rice to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 do an independent assessment of my project managers,  
2 and how we're managing the WTP project, and I got  
3 valuable input from that.

4 I did an organizational review. I  
5 brought in Mike Goddu who looked at my organization,  
6 and gave me information back, is my message getting  
7 down to the field? He looked at different layers,  
8 interviewed the Fac Reps, interviewed engineers, and  
9 interviewed my managers, gave me feedback on how I  
10 can improve my communication. One of the examples  
11 that I found coming out of there was after my daily  
12 staff meetings, it wasn't getting down to the Tank  
13 Farm side what management's message was as a result  
14 of our plan of the day, so we used that as valuable  
15 input. And I'm planning on doing a self-assessment  
16 program for the safety system oversight program that  
17 we're starting to kick off this year as a result of  
18 the Federal Technical Capability Panel [FTCP], as  
19 well as another one on my federal project managers.

20 We also brought in as a result of lots of  
21 recommendations from the Defense Board, civil  
22 structural experts to look at the high level waste  
23 design, complex design, of the building, as well as  
24 we're preparing a load path -- [analysis].

25 CHAIRMAN CONWAY: Those were suggestions,

1 not recommendations.

2 MR. SCHEPENS: Right. Not a formal  
3 recommendation. Okay. Next slide please. Okay.  
4 What I'd like to talk to you about is my technical  
5 staff. I currently have 109 people on the payroll.  
6 Of the 109 people, 86 of them are technical.

7 CHAIRMAN CONWAY: It says 116 up there.

8 MR. SCHEPENS: Well, it should be 109.  
9 I'll fix that.

10 CHAIRMAN CONWAY: Did you fire seven?

11 MR. SCHEPENS: That didn't get it fixed.  
12 It's 109. Of the 109, I have 86 of them are  
13 technical, so you can see that I really emphasize the  
14 technical side of the house. Of the 86, 78 of them  
15 are qualified. 91 percent of them are qualified. 13  
16 of them hold doctor degrees. I have one person at  
17 Tulane University getting a doctoral degree and will  
18 have it within a year, and I also have 25 master's  
19 degrees. I've recently brought on 125 years of  
20 nuclear experience, so that needs to be updated.  
21 It's 125 years of nuclear experience. Over the year  
22 that I've been in there, I've brought in people that  
23 have over 125 years of nuclear experience. The  
24 Facility Reps have been increased from seven to 11.  
25 Now why did I do that? I did that because our

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 workload has increased. Over the past year we're  
2 doing more work in the Tank Farms. I've increased  
3 the Fac Reps from six to eight, and we're doing more  
4 work in the Vit Plant, so I increased the Fac Reps  
5 from zero to three in the Vit Plant.

6 We're implementing the safety system  
7 program, and this is a DOE initiative that we're  
8 embarking upon because of feedback from our Facility  
9 Reps. We have a Facility Rep conference annually,  
10 and one thing that we've heard over the past two  
11 years from the Facility Reps is we don't see our  
12 engineers out in the field enough, or if we call them  
13 up on the phone, they don't come out and talk to us  
14 or if we call them up on the phone, they're not  
15 smarter than we are, and they're supposed to be the  
16 experts, so the intent of this safety system  
17 oversight is to raise the level of competence of our  
18 system engineers so that they'll be more responsive  
19 to our Fac Reps in the field.

20 I will continue to evaluate future  
21 staffing in technical disciplines as we go out  
22 through the phases of this contract. Currently I  
23 have the staffing for the phase that we need, but I  
24 know from experience as we get further along and we  
25 start into electrical, I'll need some more electrical

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 engineers, I'll need some more I&C [instrumentation  
2 and controls] engineers, software, QA engineers, and  
3 start-up engineers, so I'll have a staffing plan that  
4 we continually revise and update. Next slide,  
5 please.

6 This just shows you our current level of  
7 staffing and qualifications. We have senior  
8 technical safety managers, Fac Reps. One of the  
9 things that I've institutionalized since I've been  
10 there is I've qualified two Fac Reps. What I've done  
11 there is: I have a board consisting of the operations  
12 manager, an engineering manager, and a program  
13 manager. They give a written and an oral exam to the  
14 Fac Rep, and once they are satisfied with the Fac  
15 Rep, then they recommend them to me for final  
16 authorization and qualification, and I interview the  
17 Fac Rep, I review their exams, as well as I take them  
18 for a walk-through. For example, I've done two at  
19 the Tank Farms, and by doing that, I test two things.

20 Is the Fac Rep up to the rigor that I want the Fac  
21 Rep to be, and did the program produce the quality of  
22 Fac Rep that I wanted?

23 Safety system oversights: we have 12  
24 people slated for that. Those people are currently  
25 approved by the TQP [Technical Qualification Program]

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 but now we have more rigor that we're going to bring  
2 them through, and that's why we're showing were zero  
3 percent complete on that. We're just starting that  
4 this calendar year, and then the total TQP, like I  
5 said, is 89 percent -- actually I need to update  
6 that. Okay. Next slide please.

7           Okay. DOE draft policy. I've reviewed  
8 this policy extensively, and more importantly, I've  
9 heard a lot of talk from all different layers of  
10 management throughout the DOE, and that's what I take  
11 more importantly, and since there is a lot of  
12 discussion on that, I don't think the policy is as  
13 clear and meets and clearly communicates what  
14 management's expectations is.

15           In the area of continuous improvement and  
16 personnel competence, performance indicators, I agree  
17 with those. There is good words in there. I think  
18 we could use some more definition on performance  
19 indicators, but I agree with those concepts. The  
20 things I put that I disagree with in reality, I have  
21 provided comments to bolster these areas up, because  
22 I've heard managers within DOE say that we can back  
23 off and just rely on contractor self-assessment  
24 program. I don't think that was the intent of the  
25 policy, and that's not the intent of me. So I've

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 provided words for clarification on how to improve  
2 the wording in the policy in that area so people  
3 can't misinterpret it. I do believe there needs to  
4 be redundancy in oversight. That's the checks and  
5 balances that you need. Now, you need to do that  
6 efficiently and effectively and proactively, but just  
7 to say you don't need that redundancy is  
8 inappropriate, because you need that checks and  
9 balances. And then one can read and interpret the  
10 policy that you just focus on high-risk areas, and I  
11 provided a comment that I believe you need to leave  
12 the flexibility for people to look at peripheral work  
13 activities, and that's what I've done with my  
14 operations, and those are the comments that I  
15 provided into the system and we'll follow up on.  
16 Next slide please.

17 I guess what I'd like to say here is that  
18 when I first got to the ORP, I started on this first  
19 bullet, and that was ensuring that line managers and  
20 the senior staff clearly understand the technical  
21 details and issues. Now how do you do that? One  
22 thing that I did when I first got there was I  
23 required that the managers bring me the drawings to  
24 look at, bring me the procedures to look at so I can  
25 see what the operator is reading, so I can see what

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 the drawing says, and that clearly has come out as a  
2 result of the Davis-Besse event as well as the  
3 Columbia event. So I use those two events to  
4 reinforce my management philosophy that I embarked  
5 upon when I got there.

6 I continually strive, we can't do this  
7 enough, is to strive for openness and information  
8 exchange between organizations, and what I'm trying  
9 to do there is the Fac Reps are out in the field, and  
10 I've got my program managers and engineering and AB  
11 [Authorization Basis] people, but they need to work  
12 together as a team. They don't need to be stove  
13 pipes, and so we have what we call daily meetings  
14 where that group gets together and meets with the AM  
15 [Assistant Manager] prior to them briefing me, and I  
16 go to those daily meetings on a periodic basis to see  
17 how the communication flow is going, and to see how  
18 they're interacting, and it's not just all upon the  
19 Facility Rep, but it needs to be upon the engineers  
20 and the program managers.

21 I continually insist that we as  
22 management understand the extent of a condition and  
23 push for resolution of the issues. We continually  
24 work on sharing lessons learned. We had an event at  
25 the 222-S lab. I put out a lesson learned to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 Savannah River on that, and shared that across the  
2 complex.

3 More importantly, we work on providing  
4 immediate feedback. There's lots of feedback that  
5 you can do real time, not just wait for an  
6 assessment. It's how you conduct your business and  
7 how professional you are. That's where you can get a  
8 lot of value added and discipline, and finally we  
9 will continue to ensure that we have the appropriate  
10 skill mix to do our job appropriately. Thank you.

11 CHAIRMAN CONWAY: Thank you. Dr.  
12 Eggenberger?

13 VICE CHAIRMAN EGGENBERGER: I have a  
14 comment. I don't disagree with too much that you  
15 have. One thing that we have found, the Board has  
16 found, with respect to the largest project in DOE and  
17 the one that is consuming the most money, which is  
18 your project, is that first, there is nobody in an  
19 engineering/architectural firm, that knows how to do  
20 it, because it's never been done before. There are  
21 people that know bits and pieces, and your engineer  
22 is one of them. So what that means to me as far as  
23 oversight is concerned is you need to watch it  
24 carefully, and again, I say to you, there are many  
25 parts of the project, there's operations, there's

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 engineering, there's construction, and all of that  
2 needs to be watched, because we've never done this  
3 before, even though we've done bits and pieces of it.

4 So I emphasize your slide about the people and  
5 having the appropriate people with the appropriate  
6 knowledge to help you, and I believe you recognize  
7 that is a problem. For example, you talked about  
8 that the Board has been talking with you on some  
9 civil structural issues. We have and when we talk  
10 with you about that, our staff is composed of eight  
11 people that are pretty expert in their field, so we  
12 just don't use one, we don't just use two, we use  
13 several, and I encourage you in your oversight role  
14 [to rely] on the various disciplines that are  
15 required for this project, to have those people  
16 available.

17 Now another thing that I would be shaking  
18 in my shoes a little bit is that you're in charge of  
19 this project, and you don't want anything to go wrong  
20 with it, so I would certainly encourage my boss to  
21 give me some good oversight with people that are  
22 better than the ones that you have, and my point  
23 being, oversight is a good thing, and it's especially  
24 good when you have a tremendously complex project  
25 that has lots of ramifications on successful

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 completion. So, I believe you recognize these  
2 things, but I'm continuing to encourage you on the  
3 people issue, and I'm also encouraging your  
4 Headquarters organization likewise, and I would also  
5 say the same thing to Bechtel, because Bechtel has  
6 those type of people available also.

7 So this is more of a comment, but I'm  
8 trying to emphasize the importance of high-class  
9 oversight looking at the right things and doing the  
10 proper things. Thank you.

11 MR. SCHEPENS: I agree.

12 CHAIRMAN CONWAY: Dr. Mansfield?

13 DR. MANSFIELD: Thank you, Mr. Chairman.

14 I'm concerned a bit about, and the Board has  
15 communicated this to you, about how much time it's  
16 taking to implement the SSO [Safety System Oversight]  
17 qualification programs. Do you have any comment on  
18 how that can go faster?

19 MR. SCHEPENS: Well, we just had a recent  
20 review by your staff, and I thought they were  
21 satisfied with the quality and rigor, and now we're  
22 going to start on the implementation phase.

23 DR. MANSFIELD: Right. It's going to  
24 take a year though.

25 MR. SCHEPENS: Well, I'm going to do it

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 right. Okay? Now I'm going to take what time it is  
2 to do it right, and my expectation is that it takes  
3 time to put people through a qual card. We've got a  
4 qual card for facility engineers, and we have a qual  
5 card for system engineers, and on the Vit Plant side,  
6 we're still developing some of those system  
7 engineering descriptions, so we have to have those  
8 before we can train somebody on it. So --

9 DR. MANSFIELD: So it's due to the  
10 complexity --

11 MR. SCHEPENS: Some of it is due to that  
12 and some of it is due to the fact that I'm just going  
13 to do it and do it right.

14 DR. MANSFIELD: Right. You're just  
15 beginning the qual cards for the ORPs [Occurrence  
16 Reporting and Processing System] people, system  
17 engineers.

18 MR. SCHEPENS: Right.

19 DR. MANSFIELD: And that's based on a  
20 pretty early status of the design. So in your  
21 opinion, can you develop qual cards rigorously enough  
22 at this stage?

23 MR. SCHEPENS: We can for the phase that  
24 we're in, and then we'll upgrade them as the plan  
25 evolves further down the road.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 DR. MANSFIELD: The people getting  
2 qualified are subject, it seems to me in this  
3 situation, to an unusual urgency. They -- it seems  
4 to me that you ought to expect them to do more than  
5 the normal amount of walk-downs and involvement with  
6 the contractor during the design phase. A number of  
7 them haven't, just haven't been doing field walk-  
8 downs for some time, according to our Site Rep. I  
9 don't think that's healthy. Do you think that walk-  
10 downs are important at this stage of the game?

11 MR. SCHEPENS: Oh, yes, and my division  
12 directors have a walk-down program for the GS-14s and  
13 -13s, and they're supposed to be getting out in the  
14 field more, and I've talked to my Facility Reps. One  
15 thing that I don't think we do a good job is that  
16 when we go out in the field sometimes, the engineers,  
17 they just go out there and do something, they don't  
18 necessarily talk to people, let them know that  
19 they're there, go see the crafts person, go see mid-  
20 management, go see the Fac Rep, let them know that  
21 they're out there. So it's more than just going out  
22 there and doing assessment, but it's having your eyes  
23 on, your lights on, and being involved, and adding  
24 value, and we've been emphasizing that and we're  
25 probably not where I want to be right now with that,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 but I've got it on my list of things to do.

2 DR. MANSFIELD: Well, I really urge you  
3 to, because if there's one useful function for your  
4 system engineers, it's to be able to tell the CH2M  
5 Hill people what they see might be a problem before  
6 you start bending metal. It's a lot easier to do it  
7 then.

8 MR. SCHEPENS: Right.

9 DR. MANSFIELD: When you start design  
10 reviews at ORP, are you going to have -- will your  
11 system engineers be at a sufficient level of  
12 qualification that they can adequately help you with  
13 design reviews?

14 MR. SCHEPENS: Well, we're doing some  
15 design reviews right now, and I'm using a mixture of  
16 the system engineers that I've appointed. Even  
17 though they're not qualified, they do have the  
18 technical credentials, and then I supplement that  
19 with contractor support as I need to.

20 DR. MANSFIELD: You had a -- you profited  
21 a good deal from investments in contractor support,  
22 supplementing the technical staff. My understanding  
23 is that that's -- you haven't got as much money to do  
24 that as you used to have.

25 MR. SCHEPENS: I've got what I need.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 DR. MANSFIELD: You've got what you need?  
2 Okay.

3 MR. SCHEPENS: Yes.

4 DR. MANSFIELD: Okay

5 MR. SCHEPENS: We were not using it  
6 wisely in the past. We were using it to basically  
7 supplement and do the feds' work, and actually having  
8 them there full-time we were creating busy work for  
9 some of them, so in this case what I've done now is  
10 I've decided what reviews I want, like I have a black  
11 cell review scheduled for January 12th, an  
12 operational review of the black cells, and we're  
13 bringing in consultants to do that, I'm bringing in  
14 Bill Brasel who works at Savannah River Site, so  
15 we'll bring in whatever expertise we need, whether  
16 it's a contractor or whether it's a fed, if we don't  
17 have it, to do these reviews adequately, and since  
18 I've been there, we've done a design review on the  
19 ultra filtration system, we've done a design review  
20 on the cesium ion exchange columns, and we've done a  
21 design review on the LAW [Low Activity Waste]  
22 facility operations and production.

23 DR. MANSFIELD: That corroborates my  
24 impression, that the level of engineering focus is  
25 increasing the way it should at ORP. What about Tank

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 Farms. Are you -- how are you utilizing the Tank  
2 Farms engineers? Do you believe that that's working  
3 the way it should?

4 MR. SCHEPENS: Yes. We have them, and we  
5 just approved the Documented Safety Analysis, and we  
6 did a rigorous review, engineering review, of that,  
7 and we've implemented that on both the Tank Farms and  
8 the evaporator, so I feel like I've got adequate  
9 staffing on the Tank Farms.

10 DR. MANSFIELD: The qualifications there  
11 is -- I know it's different kind of work. Eventually  
12 it will be very similar work, but it's a different  
13 kind of work, nuclear work and construction work  
14 being different. Do you cross-qualify people? Do  
15 people have to carry a nuclear card and a  
16 construction card, for instance, to do the job you  
17 want?

18 MR. SCHEPENS: Yeah, we'll look at doing  
19 that. We're doing that on the Vit Plant right now.  
20 The other thing --

21 DR. MANSFIELD: Oh, you are doing that?

22 MR. SCHEPENS: Yes, like for example,  
23 we've got Jeff Bruggeman who was a construction guy,  
24 and we just qualified him as Fac Rep, so he's got  
25 construction experience, and now he's got operational

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 Fac Rep experience. The other thing that we're doing  
2 is we're rotating our Fac Reps into engineering  
3 positions for three-month assignments, and what I've  
4 found, that's been value added to the individual,  
5 gives them a perspective on how the Plant is being  
6 designed, as well as it brings that rigor and  
7 discipline of the Fac Rep into the engineering  
8 organization, so it's good for my organization, and  
9 it's good for the individual to develop them so that  
10 they'll be good management material one day.

11 DR. MANSFIELD: Thank you. That sounds  
12 healthy. My last question is this. For years now  
13 we've been talking with you about plans to give more  
14 approval authority for variances to the contractor.  
15 Does -- it seems to me that -- for you to satisfy  
16 your roles and responsibilities requires a level of  
17 technical oversight at that -- of those activities to  
18 make sure nothing slips by. Is it clear in your mind  
19 how you're going to do that?

20 MR. SCHEPENS: Yes, I've decided not to  
21 do that.

22 DR. MANSFIELD: Okay, that's --

23 MR. SCHEPENS: I've retained that  
24 authority. Now let me tell you why I did that. It's  
25 because, quite frankly, we weren't doing our reviews

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 efficiently and effectively. The contractor would  
2 submit an Authorization Basis change to us, and we  
3 would look at it for the first time, and then we'd  
4 have lots of questions on it, and the way we were  
5 asking questions was sending e-mails back and forth.

6 So what I've done is I've changed our review  
7 strategy to where when the contractor believes  
8 they're going to have an ABAR [Authorization Basis  
9 Amendment Request] submitted to us, we review it at  
10 the 30 percent, the 60 percent, the 90 percent  
11 completion phase so that we're involved real time, we  
12 understand why they're doing the change, and we give  
13 them our input if we have questions or comments so  
14 that number one, more importantly is, we have a good  
15 understanding of what the change is, and it's hard to  
16 get an understanding of the change for the first  
17 time when a big document sits on your desk and you've  
18 got 30 days to review it, and you're exchanging e-  
19 mails.

20 DR. MANSFIELD: Have you --

21 MR. SCHEPENS: So I've changed how I do  
22 my reviews, and since I've changed how I do my  
23 reviews, plus the contractor has integrated us into  
24 their schedule so we know what the real need date is.

25 In the past there was a lot of talk about we need

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 it, but we really didn't -- the schedule really  
2 didn't need it that soon, so we've integrated so we  
3 can do it efficiently and effectively, and I still  
4 can have my approval authority.

5 DR. MANSFIELD: Is this process fully in  
6 effect now?

7 MR. SCHEPENS: Yes.

8 DR. MANSFIELD: Okay. That's good. I  
9 said it was my last question. Could I have one more?  
10 The Challenger report indicated the importance of  
11 strong engineering oversight, and pointed to  
12 successful organizations like Naval Reactors, for  
13 which engineering oversight is reserved for the very  
14 top of the organization, and it continually exercises  
15 its pressure and presence at the site level. Do you  
16 feel that there's sufficient technical strength at  
17 Headquarters to provide that kind of oversight to  
18 you?

19 MR. SCHEPENS: Yes. Dae Chung has been  
20 down to my Site. I'm very impressed with him. I  
21 also know that he has expertise that he brings from  
22 Lawrence Livermore or other areas when he comes out  
23 to do his reviews.

24 DR. MANSFIELD: So the -- and that points  
25 out the difference between, Mr. Chairman, between

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 NNSA and EM: that EM has constituted a technical  
2 organization that can provide that kind of oversight,  
3 whereas NNSA hasn't. Thank you, Mr. Chairman.

4 CHAIRMAN CONWAY: Dr. Matthews.

5 DR. MATTHEWS: Yes. We had some  
6 interesting testimony yesterday from William Hicks,  
7 and I think Dr. Eggenberger suggested everybody read  
8 that, but I'm going to pull one part of that out and  
9 get your reaction to it. Basically, and I'm going to  
10 read from his testimony: "The Undersecretary of  
11 Energy focused on the importance of speed in the  
12 clean-up and risk reduction and the detrimental  
13 effect of non-value added requirements. In many  
14 cases, the non-value added requirements are the  
15 defense-in-depth safety management programs that are  
16 mandated to ensure the accident with unacceptable  
17 consequences does not occur." And listen to this  
18 one, because it's cute, but it's relevant. His  
19 discussion approach and analogy to an argument for  
20 speeding on the highway since less time will be spent  
21 in a dangerous highway environment. Now, I think Mr.  
22 Hicks' point is that he's really concerned that the  
23 new contract management policies compromise a  
24 defense-in-depth. They're really important to  
25 preventing the high-consequence, low probability

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 nuclear accident, not the slips and falls that we  
2 worry about and we see a lot of data on. I can't  
3 imagine that anybody would, you or anybody else,  
4 would want to increase the probability of a  
5 significant nuclear event, but I'm curious, you know,  
6 how would you counter Mr. Hicks' concern that in the  
7 focus here we may be missing the big issue?

8 MR. SCHEPENS: Well, I can just speak  
9 from, you know, my operations in that what I see this  
10 administration doing is, which I believe in 100  
11 percent, is the Field Manager is responsible and  
12 accountable. I am responsible and accountable, which  
13 means I give out direction to the contractor. In the  
14 past, I know at my Site when I got there, there was  
15 direction given not only at all levels, but there was  
16 direction given from the contracting officer who  
17 didn't have a technical background. So by me being  
18 responsible and accountable, I understand the  
19 Authorization Basis, I approve the AB basis, I don't  
20 see any relaxation in controls whatsoever. I see a  
21 more clear understanding and implementation of the  
22 controls.

23 Now I do see that I have removed  
24 unnecessary work that we, DOE, were put -- and I'll  
25 give you an example of that. In the contract for the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 Vit Plant, there was a clause in there that said  
2 submit interface control document every six months.  
3 Well, there's 12 of those documents. They're that  
4 thick, so every six months we were requiring the  
5 contractor to submit that when, in fact, I could go  
6 look at that at any point in time, and I will do  
7 that. So we remove some layers of requirements like  
8 submitting documentation that we would approve once  
9 and then once it's approved, we'll just provide  
10 oversight of it. So those are the kinds of things  
11 that we worked on streamlining them, I don't see  
12 where we've done any reduction in requirements or any  
13 reductions. The thing that we did on Tank Farms,  
14 quite frankly, through this new DSA, was we put a DSA  
15 in place that's appropriate for the phase of  
16 operations that we were in. We had an FSAR in place  
17 for an operating plan. We've changed it to a DSA  
18 that's for the phase of project we're at and that is  
19 removing waste from tanks and closing tanks. So what  
20 that has done is it's clearly defined what are the  
21 real accidents that can happen, so the operators can  
22 focus on those, so my engineers can focus, I can  
23 focus on that and make sure we've got the right  
24 controls in place.

25 DR. MATTHEWS: Okay. I was going to use

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 the Tank Farms as an example, and we've talked about  
2 that earlier in the week. You're about to embark on  
3 a very aggressive schedule to find more space, and to  
4 pump out the single-shell tanks, is that correct?

5 MR. SCHEPENS: Right.

6 DR. MATTHEWS: And, you know, you're  
7 experiencing some problems. You've got the S-112  
8 issue, you've got potential operator issues, you've  
9 got some hydrogen issues, and you've got a pretty  
10 nasty source term, and so this is the one I'm worried  
11 about. You understand what I'm saying?

12 MR. SCHEPENS: Right.

13 DR. MATTHEWS: It's just -- the message  
14 is, let's not lose sight of that big accident that is  
15 really what -- I have another question, if I could,  
16 and it's along the line of you know, we've seen words  
17 about manage the contract, not the contractor: tell  
18 them what, but not how. I have to be honest, from  
19 your testimony, I don't see you doing that at all.  
20 In fact, you know, I don't see Mr. Allison or Mr.  
21 Klein doing that. It sounds like you really are  
22 managing the contractor in a lot of ways, in the  
23 oversight activities, and stop work experiences. I'm  
24 curious if you would comment on that: the instruction  
25 you've gotten relative to that?

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   MR. SCHEPENS: My best example of manage  
2 the contract is for example, when I came to ORP we  
3 had about \$400 million worth of requests for  
4 equitable adjustments from the contractor. DOE had  
5 not appropriately resolved those with the contractor.  
6       We were not managing the contract. Was that safe?  
7 Was that proceeding down the right path of design?  
8 No, you need to resolve those real time. So since  
9 I've been there, I've resolved those and to this day  
10 we don't have any requests for equitable adjustments.

11  
12                   So I made decisions, and one of the  
13 things that I've talked to my staff, I've asked my  
14 staff, I said, what do you think of how I'm managing  
15 the job today? What do you think of how Roy Schepens  
16 is doing? And they said they like the fact that you  
17 make decisions. They liked the fact that -- in the  
18 past, quite frankly, management would get issues and  
19 they'd push it back down to the staff, and then the  
20 staff would have to send letters back and forth.

21                   So to me what managing the contract  
22 means, I'm responsible, I'm accountable, I'm the one  
23 that signs my name to the letter that sends it to  
24 either Mr. Aromi or Mr. Henschel and they respond to  
25 me. In the past, at ORP, we had contracting officers

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 sending letters back to contracting officers, and the  
2 presidents of the company or the managers of DOE may  
3 or may not even have known about the letter, nor was  
4 the letter clear and communicated what the issue was  
5 or what the resolution of the issue was.

6 DR. MATTHEWS: So is it fair to say then  
7 that managing the contract means the business  
8 aspects, and as far as the safety and operational  
9 you've got strong ownership of that?

10 MR. SCHEPENS: I've got strong ownership  
11 for the business, safety, and engineering aspects.  
12 It means it all, and I'm technically competent to do  
13 that. You have to be technically competent, you just  
14 can't be business competent.

15 DR. MATTHEWS: Good. Thank you.

16 CHAIRMAN CONWAY: Thank you. You don't  
17 believe in the Harvard Business School that you don't  
18 really have to know the product, just know how to  
19 manage it. Right?

20 MR. SCHEPENS: Right.

21 CHAIRMAN CONWAY: Mr. Aromi.

22 MR. AROMI: I think it's still morning.  
23 Good morning. Before I say the first words, while  
24 the screen is coming up, I think that managing the  
25 contract or managing the contractor notwithstanding,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701