UNITED STATES OF AMERICA

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

WEDNESDAY
MAY 12, 2010

The Board met in the DNFSB Hearing Room at 625 Indiana Avenue, N.W., Suite 300, Washington, D.C., Peter S. Winokur, Chairman, presiding.

PRESENT:

PETER S. WINOKUR, Chairman
JOHN E. MANSFIELD, Vice Chairman
JOSEPH F. BADER, Board Member
LARRY W. BROWN, Board Member
JESSIE H. ROBERSON, Board Member

STAFF PRESENT:

RICHARD A. AZZARO, General Counsel
TIMOTHY J. DWYER, Technical Director
BRIAN GROSNER, General Manager

ALSO PRESENT:

THE HONORABLE THOMAS P. D'AGOSTINO, Administrator, National Nuclear Security Administration
RICHARD H. LAGDON, JR., Chief of Nuclear Safety, Office of the Under Secretary, Department of Energy
GLENN PODONSKY, Chief Health, Safety and Security Officer, Office of Health, Safety and Security

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CHAIRMAN WINOKUR: Good morning.

My name is Peter Winokur and I am the Chairman of the Defense Nuclear Facilities Safety Board. I will preside over this public meeting and hearing.

I'd like to introduce the members of the Safety Board who are all present here today. To my immediate left is Dr. John Mansfield. And to his left is Mr. Joseph Bader. On my right is Mr. Larry Brown. And to his right is Ms. Jessie Roberson. We five constitute the Board.

The Board's General Counsel, Richard Azzaro is seated to my far left. And next to him is the Board's General Manager, Brian Grosner. The Board's Technical Director, Tim Dwyer, is seated to my far right.

Several members of our staff closely involved with the oversight of the
Department of Energy's Defense Nuclear Facilities are also here.

Today's meeting and hearing were publicly noticed in the Federal Register on April 22nd, 2010. The meeting and hearing are held open to the public in accordance with the provisions of the Government and Sunshine Act.

To provide timely and accurate information concerning the Board's public and worker health and safety mission throughout the Department of Energy's nuclear weapons complex, the Board is recording this proceeding through a verbatim transcript and video recording.

As part the Board's E-Government initiative, the meeting is also being made available over the internet through video streaming. The transcript, associated documents, public notice, and video recording will be available for viewing in our public reading room on the seventh floor of this building.
In addition, an archived copy of the video recording will be available through our website for at least 60 days.

In accordance with the Board's practice and as stated in the Federal Register notice, we will welcome comments from interested members of the public at the conclusion of testimony.

A list of those speakers who have contacted the Board is posted at the entrance to this auditorium. We have listed the people in the order in which they have contacted us or, if possible, when they wish to speak. I will call the speakers in the order and ask that speakers state their name and title at the beginning of their presentation.

There is also a table at the entrance to this room with a sign-up sheet for members of the public who wish to make a presentation but did not have the opportunity to sign up previous to this time. They will follow those that have already registered with
us in the order in which they have signed up.

In order to give everybody wishing to speak an equal opportunity, we ask presenters to limit their original statements to five minutes. The Chair will then give consideration to additional comments should time permit.

Presentations should be limited to comments, technical information, or data concerning the subjects of this meeting and hearing. The Board members may question anyone making presentations to the extent deemed appropriate.

The record of this proceeding will remain open until June 12th, 2010.

I would like to reiterate that the Board reserves the right to further schedule and otherwise regulate the course of this meeting and hearing to recess, reconvene, postpone, or adjourn this meeting and hearing, and to exercise its authority under the Atomic Energy Act of 1954, as amended.
Today's meeting is the second in a series during the Board will examine the Department of Energy's and the National Nuclear Security Administration's actions to date in response to Board Recommendation 2004-1, Oversight of Complex, High-Hazard Nuclear Operations.

When the Board issued Recommendation 2004-1, it was concerned about DOE's [Department of Energy] and NNSA's [National Nuclear Security Administration] desire to shift responsibility for safety oversight at defense nuclear facilities from Headquarters and Field Offices to contractors' self assurance programs.

What continues to concern the Board is the following question: Will modifications to the DOE and NNSA organizational structure and practices, as well as increased emphasis on productivity improve or reduce safety and increase or decrease the probability of a high-
consequence, low-probability accident?

The public meeting and hearing focuses on the important topic of safety oversight at defense nuclear facilities. Is oversight going to continue to be an effective component of conducting the vital work of the Department of Energy?

It is the Board's view that oversight responsibility cannot be diminished or delegated from the Government to its contractors. Today we hope to hear DOE's views on this issue.

Just like in 2003, DOE is again implementing significant changes to their directives, oversight processes, and governance models. The intent of this public meeting is to understand what DOE's concerns are with their current system of directives, oversight, and governance, and how these changes will address those concerns.

A strong system of safety oversight plays a key role in managing high-
risk activities. One need only invoke the names of Challenger, Columbia, Davis-Besse, Chernobyl, Texas City, or Bhopal to remind us of the consequences of failing to learn that lesson.

But we, as a nation, continue to learn that lesson the hard way. The loss of life last month in the Upper Big Branch coal mine is another stark example. In all instances, the primary cause of these accidents has been the failure of government oversight that was preceded by delegation of inherently governmental responsibility to the private sector.

We are all committed to ensuring public and worker safety in DOE's Defense Nuclear Complex. And during the past 20 years, the Department has achieved significant improvements in safety.

Actions take by DOE in implementing elements of Recommendation 2004-1, as well as the successful completion of...
early related Board recommendations have led
to clear requirements for oversight, a
technically-capable workforce to conduct that
oversight, and processes like corrective
actions and lessons learned for ensuring the
issues identified during oversight are
properly addressed.

The current DOE Oversight Policy,
DOE Policy 226.1A, has a key role in DOE's
efforts for protecting the public, workers,
the environment, and national security assets.
Through that policy, DOE mandates that all DOE
organizations implement assurance systems to
ensure compliance with requirements. And that
all DOE organizations pursue excellence
through continuous improvement.

The Board supports the
strengthening of contractor assurance systems
that are vital to managing the risk inherent
in defense nuclear facilities. But it is
critical that the Government independently
verify and validate that safety controls at
its defense nuclear facilities are adequate, implemented, and maintained.

The Government must use its line management and independent oversight functions to ensure that the appropriate balance between mission and safety and help mitigate DOE's inherent conflict of interest that arises from its self-regulation.

DOE directives, in conjunction with DOE's safety rules, provide the bedrock upon which adequate protection of the public, workers, and the environment is built. And they provide the insurance that DOE contractors will safely conduct operations at defense nuclear facilities.

These directives embody over six decades of experience in operating nuclear facilities and are rooted in commercial nuclear power, naval reactors, and defense programs. The Board is concerned that recently DOE established a goal to reduce the number of directives by 50 percent.
The Board believes that any effort to overhaul the directive system should be undertaken with the objective of strengthening and improving the directives while continuing to ensure adequate levels of protection and prevent accidents or incidents at defense nuclear facilities.

Finally, the Board is concerned that recent messages from DOE and NNSA leadership have the potential to cause misinterpretations of the vital role of oversight and the importance of directives.

These messages include the Deputy Secretary's March 16th, 2010 memorandum entitled Department of Energy 2010 Safety and Security Reform Plan, the NNSA Administrator's memorandum dated December 18th, 2009 entitled Six-Month Moratorium on NNSA-Initiated Assessments, and the NNSA Administrator's memorandum dated December 22nd, 2009 entitled NNSA Enterprise Reengineering Reform Initiative LOCAS [Line Oversight and
Contractor Assurance System].

Each memorandum suggests that reform is needed to mission of the Department, leaving at least the impression that safety is a barrier and not an enabler to that mission.

So, once again, and in the simplest terms, we are asking what is wrong with the current DOE oversight systems and directives at defense nuclear facilities and how will the ongoing changes improve the situation?

That concludes my opening remarks.

My fellow Board members will now present their opening remarks. First the Vice Chairman, Dr. John Mansfield.

VICE CHAIRMAN MANSFIELD: Thank you, Mr. Chairman.

I'm John Mansfield. I was originally named to this Board by President Clinton. And before that I served on the staff of the Senate Arms Services Committee when the legislation establishing the Board
was first considered. And, in fact, that was one of my duties, DOE activities and defense nuclear activities were part of my duties.

At that time, there was a widespread loss of public confidence in DOE, in particular having to do with readiness to restart reactors and resume plutonium operations at Rocky Flats.

The DOE, itself, under Admiral Watkins sent tiger teams to ascertain the current state of safety at DOE facilities. And that resulted in a series of about 20 articles in the New York Times over a month or so about DOE's highest risk plants.

That series was a list of horror stories. The only conclusion the public could make was that the system was out of control and DOE was not at the helm at that time. No one at DOE Headquarters appears to remember these stories. I haven't found anybody that has a copy of them. And I've been handing them out.
The DOE doesn't remember those stories. They don't remember the public outrage that they caused. But believe me, Congress does remember.

The Board immediately addressed the issues raised in those -- I think they were 1988 articles. In the first three years, the Board made 19 recommendations, fully a third of the total we've ever made in the 20 years we've been around, nearly all directed at deficient or non-existent standards and very poor conduct of operations and training.

All 19 were accepted by the Secretary. What came of this, under the Secretaries' direction, was a body of technical standards, a body of regulatory statements of one sort or another, orders, directives, orders, manuals, policies, et cetera, that have, in some cases, not been changed until today.

There was also a body of federal regulation, 10 CFR 830 and 835.
These were rapidly put together, rapidly promulgated, and established as DOE's operating rule. Furthermore, a rigid system of operational readiness reviews was established, which did not exist before.

These standards, regulations, and readiness reviews were made mandatory by DOE precisely to eliminate the horror stories of the New York Times articles.

No one at DOE seems to remember that that's where these regulations, et cetera, came from. But Congress remembers.

Now -- so it's not surprising that the first duty established in the Board's enabling statute, the very first, is to review DOE standards that underpin safety pertaining to all cycles -- all the life cycle phases of DOE operations. And then to make recommendations -- and to make recommendations to improve those standards.

These standards were meant to be comparable to those that prevailed in the
commercial nuclear power industry but had not,
up to that time, been applied to DOE defense
nuclear facilities.

As the Board often pointed out,
unlike commercial plants, the risks are not,
at DOE's Defense Nuclear Facilities, are not
solely a function of the quantities of nuclear
material but more importantly, the material
processes involved and the physical states and
the potential for explosive disbursal of
radioactive materials or inadvertent nuclear
detonation even.

So DOE's standards and regulations
are necessarily different from those for the
commercial nuclear standards. And if you
hadn't written them in the early 1990s, there
would be none. There would be none.

So we've been at this for 20 years
now. And we've made great progress in many
areas together. But we can't take our eye off
the ball. And we can't afford to allow
someone else watch the ball in our stead.
Given the magnitude of the accidents that can come out of DOE facilities, the federal role in oversights must be maintained rigorously at all times.

I now -- that concludes my remarks, Mr. Chairman.

CHAIRMAN WINOKUR: Thank you, Dr. Mansfield.

MR. BADER: Thank you, Mr. Chairman.

I'd like to offer some thoughts on how a sound directive system is critical to oversight. You need to state what your requirements are and you need to be clear in how these requirements will be competently implemented and rigorously maintained.

The directive system does this for you. Without a strong and well-considered directive system, oversight degrades to an ad hoc process. And I believe this will stymie DOE's ability to effectively identify safety
issues and resolve them early.

Whether it's new design, construction, or operations, the resolution of issues will take more time and more energy because you'll be reinventing the wheel to solve problems. This would be a burdensome, duplicative, and inefficient process.

Directives should be used as a tool that facilitates clarity, efficiency, and progress. As evidence of this, I point to the good headway that has been made in both the uranium processing facility at Y-12 as well as the integrated waste treatment unit project at DOE's Idaho site.

These are examples of how the application of Standard 1189 integration of safety into the design process, as called for in DOE Order 420.1B, Facility Safety, works in these matters to date.

One of our objectives has been early identification and early resolution of design issues and the directive system has
facilitated that to everybody's benefit.

The Deputy Secretary has called for the revisions of the directive system measuring near-term success by relief of specific low-value, burdensome requirements unquote. And with an arbitrary goal of 50 percent reduction in directives in eight months' time.

There are directives which are cumbersome, which are duplicative, and which are unclear. No argument. There was a directives review process in place since 2007 to address this issue. It has worked pretty well. It benefitted from clear, specified criteria and a thorough review process.

It has worked more slowly than it should in part due to application of insufficient resources to make it work as quickly as it should have, at least in my opinion.

Continuing this appropriate process would benefit both us and DOE and is
highly worthwhile.

Let's consider the opposite, a hurried directives review process. What will this accomplish?

Let's consider the situation where the DOE directives system with respect to nuclear safety is changed such that a reasonable degree of specificity is lacking or it is incomplete with resulting gaps.

The Board will be required to ensure the same level of public and workers' safety in new and old operating facilities. It will just take longer to get to the same place, absorbing more of our time and DOE's time. We will get there.

It will mean more letters, more recommendations without the efficiencies of a good, clear, comprehensive system of directives. In some respects, it would be a return to the situation at the beginning of the Board's operation that Dr. Mansfield just referred to. This is in nobody's interest and
should be avoided.

Mr. Chairman, I have no further comments at this time.

CHAIRMAN WINOKUR: Thank you, Mr. Bader.

Mr. Brown:

MR. BROWN: Thank you, Mr. Chairman, and fellow Board members.

I am Larry Brown. And I look forward to the testimony from DOE on recent oversight initiatives, how those initiatives are intended to improve public and worker safety, and how they correspond with the Board's 2004 Recommendation on Oversight of Complex, High-Hazard Nuclear Operations.

One of the actions DOE has completed in response to the Board's recommendation was to issue an oversight policy. This policy can be found in the document titled DOE Policy 226.1A.

The first sentence says, and I quote, "The purpose of this Policy is to
establish a Department-wide oversight process
to protect the public, workers, environment,
and national security assets through continuous
improvement."

It is my opinion, and I
acknowledge, that the dedicated technical
cadre of facility representatives and the
cadre of safety system oversight personnel
serving in DOE's Defense Nuclear Complex has
improved since 2004. The importance of their
daily presence in monitoring high-hazardous
operations conducted at defense nuclear
facilities cannot be overstated.

However, because this cadre of
safety system oversight personnel is
relatively small, high-hazard nuclear
activities commonly take place when technical
oversight cannot be present. That is to say
federal onsite oversight is just one part of
a larger program. The larger program includes
strong directives program, external oversight,
and technically competent federal leadership.
While preparing for this hearing, I took the opportunity to reread a speech given in 2004 by the Board's first Chairman, John Conway. The public meetings which preceded the 2004 recommendation had probed into the causes of the space shuttle Columbia accident.

One conclusion in the Columbia accident investigation report that is relevant to the discussion today was the change in roles between NASA [National Aeronautics and Space Administration] and its contractor. And let me quote, "NASA's structure changed as roles and responsibilities were transferred to contractors, which increased the dependence on the private sector for safety functions and risk assessment while simultaneously reducing the in-house capability to spot safety issues."

Chairman Conway went on to observe that the conclusion reached in the accident
report was that over the years of budget reductions and downsizing at NASA, the NASA engineers and managers came to depend on its contractors for interpretation and analysis of technical data and did not have the training necessary to evaluate the results.

We cannot and should not allow this same sequence of events to affect DOE's ability to technically manage and direct contractors in the safe operation of hazardous activities.

Chairman Conway also said that if you are not moving ahead and improving, you are falling behind. As I said at the beginning of my statement, DOE has an oversight policy that requires continuous improvement.

I look forward to learning from our speakers today how these recent initiatives will affect DOE's ability to technically manage and direct contractors in the safe operation of hazardous activities.
Mr. Chairman, I have no further comments.

CHAIRMAN WINOKUR: Thank you, Mr. Brown.

MS. ROBERSON: Good morning. Thank you, Mr. Chairman, and fellow Board members.

It is an honor and a privilege to serve on the Board again. I have worn many hats in my career, as a contractor, federal program manager, field office manager, and program secretarial officer.

My experience has taught me that the oversight model has been key in identifying the right problems to solve and where and how to deploy resources to solve them. I can attest -- I can personally attest to the commitment and expertise of the oversight folks in the field and the incredibly valuable role that they play.

However, they need to be backed up
by a rigorous framework. A key premise of SEN-3591 [Secretary of Energy Notice] states, and I quote, "DOE and contractor management are responsible for continuously pursuing enhancements to safety, not just complying with the minimal set of requirements."

The Department further demonstrates this value through Department-wide goal setting. DOE's Policy 450.7, which states, and I quote, "The DOE's ultimate ES&H [Environment, Safety and Health] goal is zero accidents, zero work-related injuries and illnesses, zero regulatory enforcement accidents and reportable environmental releases. This goal is to be pursued through a systematic and concerted process or continuous performance improvements using performance measurements."

Effective oversight requires that we have a firm fix on baseline requirements and the ability to capture and repeat good practices while avoiding repeat mistakes. We
need to understand how you are embracing the spirit of SEN-3591 to continuously pursue enhancements to safety and what role oversight has played and will make in the future.

Thank you, Mr. Chairman, I have no further questions at this time.

CHAIRMAN WINOKUR: Thank you, Ms. Roberson.

This concludes the Board's opening remarks.

At this time, I'd like to welcome the Honorable Thomas D'Agostino, Administrator of the National Nuclear Security Administration to present his testimony followed by questions from the Board.

Administrator D'Agostino?

MR. D'AGOSTINO: Thank you.

Grab a little water.

Mr. Chairman, members of the Board, thank you very much for this opportunity to meet with you in this public forum to discuss effective oversight of our
nuclear facilities.

You provided a written lines of inquiry prior to the meeting and my formal response is organized around those written lines of inquiry. Of course I'll be happy to answer questions that you may have.

Let me begin by describing our overall oversight approach as it currently exists. I'll discuss its effectiveness, point out its strengths, its weaknesses, and use it as a basis for describing the changes we are considering.

I'll then discuss our approach to Headquarters assessments, and will close with a brief discussion of the Central Technical Authority function and its staffing.

The National Nuclear Security Administration oversight of our nuclear safety responsibilities, as you pointed out, has developed over many years and has proven highly effective in preventing nuclear accidents and significant radiological
exposures to the workers and the public.

The primary responsibility for safety has always rested closest to the work being performed, first with the workers, and then oversight beginning with the first line supervisors who are responsible for the work that they are doing is performed in accordance with our nuclear safety requirements.

The direct supervisory function starts with the contractor line management consistent with the nuclear safety requirements that are imposed by regulation or included in the contract.

Oversight at the contractor level also includes contractor self-assessment functions that vary somewhat from contractor to contractor but they help provide line managers with a comprehensive assurance that key nuclear safety requirements are flowing down from the contract and are effectively implemented.

Contractor self-assessments
include systematic oversight as well as
targeted assessments such as design reviews
for construction projects, readiness reviews
for start up or restart of nuclear facilities,
verification of implementation of safety bases
requirements, and reviews within functional
areas such as those conducted by cognizant
systems engineers for vital safety systems.

In a number of situations our
contractors have relied on corporate reach
back to bring in oversight resources from
their parent work corporations to address
particular needs. In other cases, our
contractors have engaged in support
contractors and contractors from other sites
to provide the needed subject matter expertise
for their self-assessments.

On the federal side, the primary
responsibility for nuclear safety oversight is
again vested with the line managers who are
closest to the work being performed. These
are generally our Site Office personnel led by
our Site Office managers.

    Site Offices conduct, as you know,

day-to-day oversight through a variety of
mechanisms. These include the use of facility
representatives who spend most of their time
in our nuclear facilities systematically
observing contractor performance, safety
system oversight personnel who are responsible
for ensuring that the contractors' treatment
of vital safety systems preserves their
functionality, and a variety of subject matter
experts who provide routine inspections within
their functional areas.

    NNSA Site Offices generally
execute a systematic approach to oversight at
both the system level and a transactional
level. At the system level, Site Office
personnel review the implementation of the
nuclear safety requirements through a
combination of scheduled assessments that
address key nuclear safety disciplines.

    Frequently Site Office personnel
observe or shadow contractor self-assessments
and they independently execute focused
oversight functions. Focused oversight
includes reviews of credited safety control
implementation, reviewing readiness of nuclear
facilities to begin operations, design
reviews, and review of vital safety systems.

These reviews provide direct
insight regarding the adequacy of the
contractors' implementation of the nuclear
safety requirements.

Additionally, Site Office
personnel also provide oversight through
review and approval of specific contractor
deliverables. They include but are not
limited to review and approval of contractor
training implementation matrices, nuclear
maintenance management programs, conduct of
operations implementation plans on reviewed
safety question documentation, documented
safety analysis, technical safety
requirements, justifications for continued
operations, and exemptions from or
equivalencies to nuclear safety requirements.

The review and approval of these
nuclear safety program documents provides a
direct awareness and measure of control over
how the contractor intends to implement
nuclear safety requirements and how unusual
situations or significant changes that could
affect safety are addressed.

Although our contractors and Site
Offices serves as our primary mechanisms for
conducting nuclear safety oversight, we also
rely upon a number of Headquarters' initiated
oversight functions to ensure that delegated
nuclear safety responsibilities are being
executed appropriately as well as to train and
equip personnel while ensuring uniform
understanding and application of the
requirements.

NNSA has assembled a network of
resources at Headquarters that provide this
additional level of oversight for our field
operations. Headquarters oversight functions are executed through line manager organizations such as the Defense Programs Office of Safety as well as functional area managers such as the Chief of Defense Nuclear Safety and other support organization as circumstances warrant.

Headquarters organizations maintain regular contact with the field through numerous mechanisms that provide an opportunity for real-time oversight.

Headquarters personnel observe or participate in Site Office level discussions of significant operational events and also conduct regularly scheduled teleconferences with site personnel in group settings to discuss emerging issues.

These provide an opportunity for Headquarters personnel to become engaged on specific issues when the need exists to do so.

Headquarters also provides oversight through a number of periodic or
systematic assessments. The Office of Chief of Defense Nuclear Safety leads a biennial review of roughly 18 nuclear safety areas at each of our Site Offices.

Other focused assessments involving nuclear safety include technical independence project reviews of design and construction of nuclear facilities as well as accident investigations. Headquarters personnel observe or participate in field reviews such as readiness reviews and design reviews and reviews selected safety documentation and reports to maintain awareness of situations on the field.

Taken together, our contractor oversight, corporation oversight, reach back and assistance, Site Office and Headquarters oversight functions provide multiple layers of oversight to ensure that nuclear safety requirements are being effectively implemented.

NNSA receives additional oversight
and assistance by external organizations such as the Office of Health, Safety, and Security, and, of course, the Defense Nuclear Facility Safety Board. The Government Accountability Office and the Office of Inspector General, of course, also evaluate and provide input on nuclear safety matters as situations warrant.

The strength of the existing NNSA oversight arrangement is that these overlapping layers of oversight result in many experts at many layers and levels, helping to ensure that nuclear safety requirements are being implemented effectively.

However, the strength is also related to the weakness, in my view of the existing approach. As an oversight approach has evolved, the number of organizations involved has resulted in some confusion regarding appropriate oversight roles and responsibilities.

It also appears that our approach to oversight of non-nuclear safety areas --
and I'll repeat non-nuclear safety areas --
may have been generalized from an approach
which is more appropriately in the nuclear
areas, resulting in an inappropriate
collection of oversight resources on less
important, non-safety requirements -- and non-
nuclear safety requirements.

At the contractor level, the need
to support oversight conducting by multiple
organizations has sometimes resulted in
unpredictable impacts on operations when
demands for contractor resources to support
non-contractor oversight and production
schedules have come into conflict.

Concerns over the lack of
coherence in the existing process and its
somewhat conflicting nature have led NNSA over
the past few years to seek a way of
streamlining our approach to oversight of our
contractors. This investigation of
alternatives led me to establish in January of
this year a limited six-month moratorium, or
pause, on certain low-risk Headquarters assessments of our Site Offices and their contractors.

This moratorium did not include high-risk reviews and day-to-day facility operational awareness activities, especially in the nuclear facilities. The principle purpose of suspending certain low-risk assessments was to free up resources to evaluate our governance model and associated roles and responsibilities and come up with more effective approaches to oversight, ultimately in the end to improve safety, and security, and mission performance, all of which are entirely linked and the same.

Once complete, organizations that are responsible for the suspended low-risk assessments will review their assessment schedules in accordance with the new integrated assessment model that is currently being developed. This will result in a rebalancing of priorities to ensuring that the
appropriate degree of degrading is applied to oversight with the higher consequence, higher hazard activities receiving proportionately more oversight than low consequence, low hazard activities. And that's a very important principle from my view is put the resources on those higher consequences nuclear security activities and move them in that direction.

Some of the suspended activities, such as the nuclear safety biennial reviews, this is just a temporary suspension, will resume following this moratorium although there might be some modifications to streamline the approach. The details I don't have right now because it is still in progress.

For the biennial reviews, the assessment schedule will not be compressed. It will simply slip six months. And the reviews that would have been conducted in the first half of this year are going to commence
in the second half. This started particularly for Pantex and the Savannah River site.

Once the moratorium is over, full-time resources employed to work on governance matters will largely be released to their normal duties. However, I anticipate there will be some additional refinements needed to governance changes arising from the moratorium.

So I'll periodically ask the personnel who are currently involved to assist in evaluating feedback and modifying our approach as necessary. Ultimately, as was mentioned in your opening remarks, continuous improvement, working to get better and better in safety.

As the moratorium is not yet over, I have not finished determining the specific changes that we will make to the oversight of non-nuclear safety. We have adopted a set of operating principles that are designed to take the maximum advantage of the expertise of our
contractors and of the consensus standards
that are available in industry.

We'll have also taken steps to
transition to more of a performance-based
contracting approach at our contractor sites
for oversight of non-nuclear operations. The
advantages of this approach are that the
contractors' parent organization plays a much
more active role in the management of the
contract while the federal offices define the
deliverables via a revised contract
performance and evaluation plan.

Federal oversight is increasingly
risk informed while contractors'
accountability and ability for delivering
mission results in the most cost effective and
efficient manner has increased.

This approach, this shift over
more towards performance-based contract models
will allow -- has allowed our contractor at
our non-nuclear site in Kansas City to use
industrial standards where appropriate and
1 transferred the responsibility for the design
2 and implementation of the standard operational
3 administrative processes from NNSA to the
4 contractor.

5 NNSA moved more towards
6 determining desired outcome and the contractor
7 was allowed more to determine the appropriate
8 method for achieving it. The key here is the
9 transparency that covers both.

10 NNSA increased its use of the
11 contractor assurance system, third-party and
12 our peer reviews, and for-cause type reviews
13 in place of additional line management
14 oversight reviews.

15 Prior to shifting to the
16 performance-based contracting model, the
17 Kansas City contractor had demonstrated strong
18 safety performance. Subsequent review of the
19 safety performance has shown continuing
20 improvement in its total reportable case rates
21 and in overall safety performance that exceeds
22 that of private industry.
Since the transition to the current approach, which began in 2007, Kansas City has achieved a 33 percent reduction in TRC [Total Reportable Case] rates from 1.02 in 2007 to .068 thus far in 2010. For comparison purposes, private industry TRC rates hover between 2.7 and 2.9 whereas the Kansas City TRC rate has been between .56 and 1.02.

The 2010 rate is approximately four times lower than private industry's best available statistics. In addition, the prime contractor has worked approximately 4.1 million hours without a Day Away from Work Case. The last case occurred in June of 2009.

Beyond sound safety performance, the Kansas City Site Office currently projects a cost savings or avoidance of roughly 40 million over the first five years under this new approach. In a resource-constrained environment, such savings on low value activities makes more funding available for high value activities such as upgrades to the
safety systems that are needed to make
Departmental safety expectations.

Currently NNSA has asked the
Sandia Site Office and the Sandia National
Laboratories (New Mexico) and the Nevada Site
Office and National Security Technologies,
LLC, to take steps for evaluating and possibly
implementing similar performance-based
principles at their respective sites for non-
nuclear operations.

Once we have demonstrated the
practicality of this approach, we will
evaluate extending to model to other non-
nuclear activities at other sites.

In parallel, roles,
responsibilities, and accountabilities of the
federal workforce at these sites and at
Headquarters would be more clearly aligned and
defined with regards to both mission
performance and oversight.

Upon final implementation, there
will be a significant distinction between NNSA
oversight of nuclear safety, which will be essentially unchanged from our current practices, hopefully improved, and NNSA oversight of non-nuclear safety areas.

I anticipate that there will be far less transactional oversight and far fewer process-related requirements in a non-nuclear safety area than there will be for the nuclear safety area where it is more appropriate.

Application of this approach requires an evaluation of requirements in the contract and the consensus standards or other provisions that could replace them. At this point in the effort, we're still evaluating potential changes that may be made so I cannot tell you what the final requirement set will look like.

As we work to implement this approach, we are mindful that both the Sandia and Nevada sites have nuclear facilities as well as non-nuclear facilities. Our intent is to apply this approach to non-nuclear
operations but not -- I'll repeat -- but not
to affect the safety of our nuclear
facilities.

Accordingly, we are carefully
evaluating any changes to the implementation
of the directives and regulations that NNSA
has defined as having an impact on nuclear
safety. Some directives, such as those
covering packaging and transportation, quality
assurance, and design and construction, apply
to both nuclear and non-nuclear facilities and
help ensure the safety of our nuclear
facilities.

Where possible, we intend to
simply retain the applicability of those
requirements to the nuclear facilities even if
alternative approaches are approved for the
non-nuclear facilities. Where that is not
feasible, we intend to carefully evaluate any
alternatives proposed to assure that a truly
equivalent level of performance and supporting
methodology is retained for our nuclear
facilities.

Evaluating alternatives to balance requirements and resources, considering the affect on safety as well as the level of available resources and other drivers, is an inherent task of line management. But achieving a proper balance never requires a decision that trades mission accomplishment for adequate safety.

The nature of our enterprise requires safety to be integrated into all of the activities we conduct. Consequently, safety impact generally carries the greatest weight when establishing overall priorities for competing proposed activities so that the overall decision-making approach ensure adequate safety.

For its ongoing operations, NNSA uses a number of metrics to help gauge the significance of needed safety enhancements. With respect to occupational safety, we track metrics similar to those tracked by
industries, including total reportable cases and days away/restricted time. We also track near misses, electrical incidents, and other safety occurrences.

With respect to nuclear safety, the principle metric I use to determine where additional attention and resources are needed is how well our sites perform in nuclear safety assessments. For design and construction projects and for age-related matters of our aging infrastructure, this is augmented by the results of safety analysis, which help to determine where significant expenditures to support both mission and safety are needed to meet Departmental expectations.

Let me close with a discussion of NNSA's implementation of the NNSA's Central Technical Authority, or CTA [Central Technical Authority] function. When established by the Secretary of Energy, the CTA was assigned eight responsibilities associated with nuclear
safety requirements. These responsibilities have not changed.

In brief, the CTA concurs on nuclear safety requirements, applicability, and inclusion in contracts and on exemptions, works with the Department on revisions to nuclear safety requirements, and concurs on those revisions, and the CTA maintains operational awareness on the implementation of nuclear safety requirements.

The CTA reviews and assesses nuclear safety staffing and provides input into the selection of DOE and NNSA nuclear safety research and development activities.

When the Secretary first established the NNSA CTA, he assigned principle staff support responsibility to the Office of Chief of Defense Nuclear Safety. When the NNSA declared the CTA function implemented, CDNS [Office of the Chief of Defense Nuclear Safety] had eight technical personnel on its staff.
After some reorganization, attrition, and hiring actions recently taken, the Chief of Defense Nuclear Safety Office has that same number of personnel. All of Chief of Defense Nuclear Safety functions have the same number. Technical personnel are required to qualify as senior technical safety managers and all are band five members of the accepted service, very senior folks.

Additional support for the CTA function comes from the Office of the Senior Advisor for Environment, Safety, and Health and from the Office of Safety within Defense Programs itself, both of which work closely with the Chief of Defense Nuclear Safety to ensure adequate support to the CTA functions.

In addition, NNSA takes advantage of field expertise to augment staff capabilities while providing value opportunities for field personnel to be exposed to technical areas at other sites. An example of this approach is the conduct of the
biennial reviews of nuclear safety
performance.

NNSA uses these reviews to assess
many areas of CTA responsibility. When we
review a site office, we staff the review team
with subject matter experts from other Site
Offices as well as from other Headquarters
organizations, including the Office of Health,
Safety, and Security.

Creating a blending team of
Headquarters and field personnel helps ensure
uniform understanding of the requirements
across the enterprise while enabling a vital
CTA function with minimum of full-time
assigned staff, though we still main eight
full-time assigned staff.

Similarly, the CTA has
responsibility to issue expectations and
guidance on technical matters affecting
nuclear safety. When such matters arise, CTA
staff leads the effort but depends upon
significant coordination and support from
subject matter experts throughout the NNSA enterprise and from elsewhere within the Department.

The approach that we have taken to staffing the CTA function has resulted in a small but effective organization that meets the Department's goals with expectations and expectations for the CTA function, I believe, in a robust manner.

Again, thank you very much for the opportunity to speak with you today and for your attention. I'd be happy to answer any questions that you may have.

CHAIRMAN WINOKUR: Well, thank you very much for your testimony.

MR. D'AGOSTINO: Sure.

CHAIRMAN WINOKUR: And I want to go back to my opening remarks where I asserted that I felt the Department and NNSA had made significant improvements in safety over the last 20 years.

And I think that came from DOE and
line oversight, independent oversight, which might be from the Health, Safety, and Security organization or the Defense Nuclear Facility Safety Board, and a very strong system of directives.

So I thought we had a process and a system, at least in the nuclear area, that was working very well. And it is in that light that I have been looking at a lot of these safety reforms that are taking place. And you are certainly aware of them.

MR. D'AGOSTINO: Right.

CHAIRMAN WINOKUR: You know that the Deputy Secretary has set a goal of reducing 50 percent of directives that are under the purview of the Health, Safety, and Security organization. About three-quarters of those are orders of interest to the Board.

And you've also talked pretty clearly about looking at -- we've seen other oversight changes potentially going from transactional to assist. And then you're
talking about new governance models.

And what I thought I heard you say today is that you draw a very clear distinction between non-nuclear and nuclear. And that you, you know, believe that we're going to maintain this kind of winning system we have in the nuclear area because it served you pretty well. And it is because it is so important to a national security mission. Wouldn't that be true?

MR. D'AGOSTINO: Yes. And I'd like to amplify on that a bit.

You know what we've observed time this is, in my view, one of the weaknesses we've had. While robust in robustness as it has developed throughout the 1990s and into this decade has resulted in clarity directives and the like in the nuclear area, as I mentioned in my testimony, it has spilled over into kind of everything the Department was doing on the federal side and into the non-nuclear safety.
Still important, I don't want to
discount non-nuclear safety. It is incredibly
important. But what we ended up doing then is
doing a couple of things in my view.

We -- because of the layers and
without defining the clear separation between
who is responsible for each one of the layers,
we can create an environment, and I've seen
have created environments which create
confusion on account of who is responsible for
what at each one of these different layers.
That's problem number one.

Problem number two, in my view,
and I want to say I describe it as a problem,
I think it is more of a weakness frankly,
weakness number two, in my view, is that what
we've done is we've applied the same level of
intensity in the non-nuclear area or in lower
risk activities that ultimately, as we did on
the nuclear side or the higher risk
activities, as a result we end up no
allocating our resources and resources are
I don't know of any organization that doesn't have fixed resources. And, therefore, we are not having -- striking that right balance. So the focus of our first efforts here are to do, in the NNSA are to drive some clarity, this governance clarity, at the different layers. We have to count on all of the layers to work. But we have to drive -- make sure that there is clarity between the layers.

And, step two, is making sure that we apply the attention on the highest risk activities, whether it's nuclear safety or there is maybe some non-nuclear but chemical activities that are happening, that's where we want most of our oversight.

It doesn't mean we ignore the oversight on the non-nuclear or lower risk activities. But it's a matter of driving that balance.

And so that's why when we started
looking at this at Kansas City, we said let's
take the site that has a long track record and
seeing if we can implement this in a
relatively low risk area and take a few years
before we look at the other areas. And then
take it across from there.

So that doesn't mean, if I could
add just one last thing --

CHAIRMAN WINOKUR: Sure.

MR. D'AGOSTINO: -- on your
question, sir, that doesn't mean that we don't
look at nuclear safety because we want to
continually improve how we do our nuclear
safety performance.

In the end, mission shouldn't be
separated from safety. Safety and mission are
the exact same thing. If you can't do it
safe, you're not going to get your product out
the door.

And these things are tied at the
hip. They're tied at the hip at the worker
level, the line manager contractor oversight,
the Site Office level, and throughout the various levels as I've described within the Department.

CHAIRMEN WINOKUR: I appreciate your comments. I'm actually worried about the converse of what you said. I sometimes get the impression that especially at your design labs, they may have a tendency to confuse the fact that processes associated with non-nuclear and things for even like travel of scientists and the flow of information, that that's confused with the nuclear operation. And they might extend their thinking into that area.

CHAIRMEN WINOKUR: And that's -- I think -- I offered a few examples of where we have directives that are -- kind of touch into both types of operations, both nuclear and non-nuclear operations. You know we're clearly going to look at those because we want to drive efficiency there.

But at the same time, I also
mentioned, you know, this is a phased process. We're going to start with the stuff that we
know kind of on the non-nuclear side where we
know we can make improvements right off the
bat.

We are going to do additional
evaluation, particularly on these orders -- or
directives, I should say, the kind of, you
know, quality assurance, for example, that
applies to both and say, you know, is it
better just to leave what we have in place?
Or is there clarity that can be driven in
there?

And I appreciate your concern.

And it is my concern as well. And, you know,
the level of nuclear work that happens at
Sandia is different percentage-wise to the
level of total work -- well, work is different
than at the Nevada Test Site where you have a
significantly greater level of nuclear work.

So we're going to focus on the
non-nuclear safety area first. Then take a
look at the things that cross over both areas.
And then always look to improve our nuclear
safety performance.

Because in the end, that's what we
have to do. In the end, it is all about
improving safety performance oversight.

CHAIRMAN WINOKUR: Have you shared
your thoughts with the Deputy Secretary of
Energy and the Secretary -- I think you know
that the Deputy -- we know he wants the
highest levels of standard but he has set a
very aggressive goal of reducing orders and
directives. That is certainly going to move
into the areas that you and I are discussing
here which deal with nuclear safety and safety
at defense nuclear facilities.

Have you shared any cautions with
him and the Secretary about your feelings
about the need to maintain the integrity of
those directives that are important to your
safety at defense nuclear facilities?

MR. D'AGOSTINO: Yes, I have. And
I believe -- I know the Secretary -- the Deputy Secretary and Secretary share concerns about nuclear safety directives. In the end, directives reductions shouldn't be what this is about. This is about safety improvement. And I think that what we have is a situation where, you know, I have provided an opportunity where messages can get mixed, that this is all about directives reductions. This is about safety improvement frankly. And the Deputy Secretary would agree with that.

CHAIRMAN WINOKUR: I want to move on to something a little different. I wasn't planning on talking to you about it today but I never miss my opportunity to do it.

And that is this extremely heavy reliance upon DART [Days Away Recorded Total] and TRC statistics, especially for folks who are responsible for nuclear operations or activities at defense nuclear facilities.

I have had an opportunity to speak to your contractors and DOE folks many times
about this. I don't think it is a very good measure of safety at defense nuclear facilities. And it is typically the first number they like to discuss. And I just encourage you, as I encouraged them, to make sure they have a very good set of metrics to deal with that -- give them a better measure of what you are most concerned about because we both know that we want to prevent an accident. And if an accident occurs, your mission will be compromised.

MR. D'AGOSTINO: Thanks, Mr. Chairman. I agree. I think this is not about a number although in the cases in the non-nuclear area, you know, we do have different -- there is a systematic look to safety. You have to look at your reportables because it is information that we collect. And there is value in information.

You don't want to be driving performance. You don't want to be driving people to push not report because they know
that the management cares about that.

You know Frank Russo and Don Nichols and I have talked about this a lot, that, you know, assigning dollar values and fees to these things sends the exact wrong message. That we have to look at kind of overall safety.

We have to look at, you know, there is a bit of subjectivity, frankly, to some of this. And it requires the details, the objective evidence and it requires the subjective evidence before you can come up with an overall picture.

CHAIRMAN WINOKUR: I have an additional question but I think at this time, I'll just move to Dr. Mansfield.

MR. D'AGOSTINO: Yes, sir.

VICE CHAIRMAN MANSFIELD: Thank you. I'll be quick.

On this last issue of reportables and what the good statistics are, we put a lot of weight on the ORPS [Occurrence Reporting
and Processing System] reports. Not that you can score them and count them.

MR. D'AGOSTINO: Right.

VICE CHAIRMAN MANSFIELD: The numbers are irrelevant. But it is what they reveal about changing personnel and worker practices.

MR. D'AGOSTINO: Right.

VICE CHAIRMAN MANSFIELD: And, therefore, we put -- we tend to worry a great deal if there seems to be a predilection of some organizations to make their ORPS reports as uninformative as possible, concealing, in fact, the actual possible dangers like electrocution. And reporting words like had the leads in the wrong place.

MR. D'AGOSTINO: Right.

VICE CHAIRMAN MANSFIELD: So I would say that having a constant eye on the utilities' ORPS process and training people to use it right really would help.

The -- one or two other things.
MR. D'AGOSTINO: Yes?

VICE CHAIRMAN MANSFIELD: Your postponement of reviews, many of the CDNS reviews were on your list of -- are they sliding forward six months?

MR. D'AGOSTINO: There were two, sir. Could I comment on the ORPS report?

VICE CHAIRMAN MANSFIELD: Oh, yes.

MR. D'AGOSTINO: I'd like to just reply to that because I think when I first started in the Department of Energy in the days of the SEN notices, Ms. Roberson, and I recall those vividly. In fact, many of you will remember the K reactor restart days in the early '90s and the occurrence reporting process, which was finally starting at that point.

And I recall in my nuclear safety and operations oversight role in Germantown and the trips I've made down to the Savannah River, we counted on the ORPS reports and we had daily phone calls frankly when we were
involved in this operational readiness review work and getting the reactor ready.

Part of what we still do is in addition to looking at the -- reading the ORPS report is the CDNS staffs, both for nuclear safety and my Senior Safety Advisor, Frank Russo, read those in great detail. I get a daily email of the summary of those reports and I always look for the electrical ones.

And they make the phone calls out to the field. Hey, what happened with this thing here? Tell me more about it. Not to pick on that particular things but to find do we have a systematic problem.

So I think that's a good approach. Obviously the level of detail or the more that you have in there, the better insight and comfort level or discomfort level but the better insight is the most important thing that you can have.

So I'll take your point and Mr. Nichols and Mr. Russo are here and we'll look
at how we can improve that.

I apologize. I think I forgot your second question.

VICE CHAIRMAN MANSFIELD: No that's fine. You got it.

MR. D'AGOSTINO: It was the --

VICE CHAIRMAN MANSFIELD: I had asked the question about the CDNSes and whether or not --

MR. D'AGOSTINO: Oh, yes, right.

Okay. Thank you. Excuse me.

During the first six months, we had planned on what we would call -- what we had been doing previously were the biennial reviews at the sites. And both Pantex and Savannah River were originally scheduled during the six-month period.

We are going to continue to do those. We are going to push it back into the second six-month period of this year.

I recall distinctly talking to Don Nichols about okay, why should we be
comfortable with that? I reviewed the list of
the 120-some-odd project reviews that we were
doing from Headquarters.

And looked back at the previous
scores and the performance of those two
particular sites. And recognizing that the
next review was actually going to be more
focused on assisting and particularly in
improving the areas where they had problems
with, which were minor problems in the past.

So I felt -- I took that decision
to say I'm comfortable with moving that back.
But we will get back on track with those
reviews. The Site Office managers find value
in those. And in the end, you know, I think
all of -- I would certainly espouse that
having the right level of technical people at
the Site Office where they are there day in
and day out watching the contractor in the
nuclear safety areas, the highest technical
level folks, is our best assurance from an
oversight perspective -- from the federal
oversight perspective.

Of course that doesn't mean we
don't do anything. We will certainly follow
up. But ours is more of taking a look at the
overall system versus the day-to-day here from
Washington.

VICE CHAIRMAN MANSFIELD: Another
question about standards, consensus industrial
standards and things like that.

Is it your opinion that proper
adherence to industrial standards, not DOE
safety standards, would have prevented the
Zuni rocket accident at Sandia?

MR. D'AGOSTINO: I'll have to get
back to you on that. I think I'd like to take
that for the record. I haven't looked at it
from that perspective. I mean that is
something that I know we're going to -- I
haven't received the input from the six-month
group that had been looking at how do we
improve our safety.

VICE CHAIRMAN MANSFIELD: Okay.
MR. D'AGOSTINO: There are a
number of pieces to that particular incident
at Sandia that covered the contractor level
but also at the local Site Office level and
our level. So I think it requires a more
considered response.

VICE CHAIRMAN MANSFIELD: I'd just
like to make one comment --

MR. D'AGOSTINO: And would like to
put that for the record.

VICE CHAIRMAN MANSFIELD: -- about
the standards at Sandia. Nuclear operations
are not common or frequent at Sandia but they
do occur. We have found a less than
questioning attitude -- an insufficiently
questioning attitude on the part of Sandia
people as to whether their approach is
sufficiently conservative.

And having to do, for instance,
with the ventilation system for the hot cell
or the proper accident analysis for the z-
machine plutonium shots, things like that. I
worry that that lack of precision might be
something that rose from not having the burden
of nuclear standards. And I wonder what will
happen under Kansas City standards for cases
like that.

That's just an observation and I
don't expect an answer --

MR. D'AGOSTINO: Okay.

VICE CHAIRMAN MANSFIELD: -- from
that.

MR. D'AGOSTINO: Point taken.

VICE CHAIRMAN MANSFIELD: But my
last question is Kansas City has an excellent
occurrence record, as you pointed out. How
about their quality record? Is their quality
record of delivered product as good now as it
was before consensus standards were applied?

MR. D'AGOSTINO: The Kansas City
quality record is extremely high.

VICE CHAIRMAN MANSFIELD: Okay.

MR. D'AGOSTINO: It's -- I don't

know to how many 99 point -- but it's very
high. You know we occasionally have had problems in the past. And, you know, one screw, for example, is so important.

But most recently, it's been -- I mean it's been very high. It's always -- you know obviously it's got to be -- in my view, it's got to be perfect, you know, because these are components that go into various devices and support a variety of national security missions.

But we're very satisfied. And I think that our DoD [Department of Defense] customers are very satisfied that. And the same with the other agencies.

VICE CHAIRMAN MANSFIELD: Thank you, Mr. Chairman.

CHAIRMAN WINOKUR: Thank you.

Mr. Bader?

MR. BADER: Mr. Administrator,

good morning.

MR. D'AGOSTINO: Sir, good morning, sir.
MR. BADER: Do you consider federal oversight to be an inherently governmental function on nuclear safety?

MR. D'AGOSTINO: Federal oversight, yes. I mean it means -- maybe I don't -- of course, federal oversight is inherently governmental. That doesn't mean federal oversight can't be supplemented or supported by other activities.

We want -- the federal oversight should involve looking at all of the data that's available. Certainly all the data that our M&O [management and operating] contractor has. As well as own independent checks.

MR. BADER: But the enforcement is inherently governmentally.

MR. D'AGOSTINO: Well, enforcement belongs to my colleague, Mr. Podonsky. So I think he would agree with that.

MR. BADER: Let me go from that sort of philosophical question to a very specific question.
If I understood one of your earlier statements, you referred to mixed signals being sent as a result of some of the communications that have been made by yourself and the Deputy Secretary. Did I understand that correctly?

MR. D'AGOSTINO: We have to watch out for mixed signals. People have taken what we have said in a way that, in my view, I hadn't expected. You know when I've talked to the Deputy Secretary, he has reiterated to me the importance of safety, the integration of safety with mission, safety as mission. And try not to -- and not separating those two.

And the focus ultimately in the end for all of this activity is to enhancing or improving or advancing safety on those activities that should be enhanced and relying, where we can and where appropriate, on the appropriate level of safety oversight on activities that don't merit the degree of safety oversight that it has been having.
And there are differences. And there is an evolution in the Department, I think as we've talked about, the great push to define directives in the Department throughout the 1990s and then not only defining them but then implementing them and then having a system of governance that applies to them.

And it shouldn't be applied equally to a high hazard facility -- or activity as to a low hazard facility -- activity. There needs to be set a proportionality. And ultimately that's management's job.

MR. BADER: Are you -- or are you aware of any attempt to make clear what was meant and clear up any mixed messages?

MR. D'AGOSTINO: Well, this is an attempt to do that right now, sir.

(Laughter.)

MR. D'AGOSTINO: But if you're -- I mean other than continued communication with people in the organization -- I had -- the
answer is yes. Let me just answer your question. Yes. I had a two-day offsite with every senior executive in the NNSA about a week and a half ago.

The two-day offsite was to accomplish a couple of things. First get all the senior executives, all the senior leaders in the NNSA in one spot at one time. It's never been done before, okay. And that's very important for these senior managers that run these organizations and facilities and provide technical advice to know who each other are. I mean frankly, I'll admit this, I didn't know ever senior technical manager in the whole NNSA. But we had them all there, 140-or-so folks.

The other purpose was to talk to them about the importance of mission accomplishment. And I was very clear in that session that safety is a mission area for the NNSA. It is a mission area that doesn't get separated out. People tend to -- and same
with security, by the way -- people tend to say well, safety and security, those are functional actions that, you know, I've got this group of people there. They're doing that. Hey, I'm in charge of the pointy end. Let me go do my business.

    And, you know, we made it very clear. We had a great discussion amongst the senior executives that were in that two-day session on the integration of safety and security and work on the stockpile, not proliferation work, work enable the reactors and the like.

    And I had the opportunity also to talk about these activities -- you know, this idea of defining governance meaning sharp and layers. And we had breakout sessions on this topic.

    And what I got out of the breakout sessions -- I'd say it didn't surprise me. I was a little disappointed that we still kind of have this understanding. So what it tells
me is I have to continue to communicate to the senior executives that, you know, how we are moving forward in this area.

I also talked about the increasing workload. You're very familiar with this. We've talked about it before. That we anticipate, depending on Congressional authorization and appropriation, additional workload across a variety of fronts.

I won't go into the details here but that in this increasing workload environment, I'm going to be holding them responsible for, you know, delivering not just the -- what I would call the numbers of systems per year out the door but delivering them safely and securely.

So it was a great session. And that was my significant attempt frankly to get that message out directly to the folks that then communicate down in their organizations because I told them I expected, you know -- and frankly, it was my view, my assessment is
that it was very well received.

But -- and they asked frankly for much more communication from me on these items.

MR. BADER: Do you feel, given -- I mean I think the verbal communication is extremely important. But given that the mixed message came from written documents, do you feel that it would be helpful to correct that or let's say not correct but make clear what the message was meant to be in the written document?

MR. D'AGOSTINO: At this point, since I don't have the -- I haven't -- it's probably been a couple of months since I've taken a look at that particular document, I think there is always value in clarifying things. And something that Glenn Podonsky and I can talk about as we look at it and talk to our bosses. So --

MR. BADER: I'd like, instead of asking another question, I would like to make
a comment that I did appreciate your off-the-cuff remark at the 10th anniversary on the relationship of the Board and NNSA.

MR. D'AGOSTINO: Thank you, sir.

MR. BADER: That was a nice comment.

MR. D'AGOSTINO: Thank you. Well, if I could respond, I do think -- I believe the Board has a -- provides me and my managers an independent -- there is an independent group of folks that are concerned, you know, what we -- and we've talked about this in a variety of discussions that we've had kind of informally, that it is good for my managers to have input.

Those line managers, he or she, whoever is in charge has to ultimately make a decision about how do I balance risk. But it's very hard to do that if you don't have input. So the Board provides a set of inputs that I value.

MR. BADER: I'd like to make one
other observation. Your statements on taking some of the savings from industrial safety oversight by going to a so-called Kansas City model, we have made comments that there has been a shortage of federal people in the integrated project teams in major projects like UPF [Uranium Processing Facility] and CMRR [Chemical & Metallurgy Research Replacement].

And I'd sure like to see some of those savings show up in strengthened integrated project teams from the federal perspective at those places and some of the other projects.

MR. D'AGOSTINO: Okay.

MR. BADER: The other thing I'd say is we have some very old and decrepit facilities like 9212 and PF-4 [Plutonium Facility] -- not PF-4, not quite so bad, but that would clearly benefit from some of the savings being directed to risk reduction in those facilities.
MR. D'AGOSTINO: Right.

MR. BADER: So unless you'd care to comment back on that --

MR. D'AGOSTINO: It sounded, sir, like you were in my budget meeting yesterday.

We did talk about that quite a bit, particularly -- I'll call it the making sure the right -- from a project management standpoint, particularly as we embark on a pretty robust set of activities over the next ten years, that we figure out a way to have not only right number but also qualified folks looking at these projects.

I think it is going to require an increase in number. Again, we're evaluating different ways to figure out how many that should be. Everyone has a different way of calculating what that should be.

But also evaluating how to get the quality of the people that are doing the oversight as well. We do really want to learn, you know, we heard about a lot of
lessons learned. And we do really want to
learn from the past and not repeat those
mistakes.

And the Deputy Secretary has put a
really increased focus in this project
management area. And I think one of the items
that will really help us is this idea of not
proceeding on to critical decisions,
particularly to establish performance
baselines until the design work is, you know,
almost significantly completed.

That way was can get input from
the Board, we can get input from others. We
can do independent checks. And then we
proceed on into the baselines with sound
understanding of how we move forward. I think
that will help a lot.

MR. BADER: Well, you know my
thought on that, that there is another --
that's another area where, perhaps, your
directive in that respect has created some,
shall we say, unclarity that needs to be
fixed. But that's another subject for another
time.

MR. D'AGOSTINO: Yes, sir.

CHAIRMAN WINOKUR: Okay. Thank
you. I think we need to move on.

MR. BADER: Mr. Chairman.

CHAIRMAN WINOKUR: Mr. Brown?

MR. BROWN: Well, thank you, Mr.
Chairman.

I'd like to repeat what Mr. Bader
said about your comments last week at your
10th anniversary.

MR. D'AGOSTINO: Thank you.

MR. BROWN: I was there. I really
appreciated you pointing out to your staff,
the folks there, the role that we play over
here and how we try and support.

Let me just ask four questions if
I can. You talked about redundancy, duplicity
of oversight, and trying to reduce that.
Could you give us some specific examples that
would help understand what needs to be
synthesized here to improve oversight?

MR. D'AGOSTINO: Okay. There are

a number of procurement management reviews

that we do kind of from Washington and also

procurement reviews that are done kind of out

in the field. And then the contractor does

its own procurement reviews.

And, you know, there is a cost to

kind of multiple levels of reviews on what I

would call -- I mean I'm not saying

procurement reviews aren't important but at

some point they begin to lose their efficacy

in the overall operation.

You know a Headquarters team that

shows up at a, you know, particular site

requires support by both the Site Office group

that's there as well as the contractor. And

if it is reviewing something that has already

been reviewed twice, then you've got to ask

yourself, you know, how much better am I going

to get as a result of that?

I can provide you more of a list -
- the duplicative nature of some of these reviews, I think kind of in the procurement area -- and that's one of -- in the list of, you know, dozens and dozens of what I would call Headquarters-level assessments that we did, that was one that showed up quite a bit.

I don't know how -- you know, I have a separate team. I'm trying not to influence the team as they go off and look at how do we improve the areas of oversight in these areas. But we'll be getting reports pretty soon I imagine or maybe not an official report but a briefing on where the group is ending up, taking a look at these non-nuclear types of activities.

But it's not just kind of reviews. I think the thing -- what I want to do is when I think about duplicative, it goes into governance a little bit. To make sure that we don't have the people at all the layers thinking that they are in charge of the exact same thing because what that ends up doing is,
you know, the old adage if everyone is responsible, no one is responsible.

And that is bad for the procurement reviews. But it is even kind of worse for safety because now you're talking about, you know, wanting to make sure everybody goes home in the evening with the same number of fingers and toes that they started off the day with. I mean ultimately that's the particular goal of that.

So there's two levels of things. It's the reviews -- certain reviews themselves but it's the duplicity that can kind of happen at the governance level.

So our focus ultimately is to try to sharpen those lines at the different levels and to, again, I don't have the briefing yet -- and to eliminate or to refine the oversight process.

MR. BROWN: Thank you.

MR. D'AGOSTINO: Yes.

MR. BROWN: You mentioned that
you've, in the non-nuclear safety area, you've adopted a set of operating principles. I'd be interested if you can elaborate a little bit on how the operating principles for non-nuclear will differ from the operating principles for nuclear.

MR. D'AGOSTINO: Well, I don't break them out separately, saying well, this is what you do for nuclear and this what you do for non-nuclear. I think the operating principles focus on -- and, you know, this is a tee off from the Deputy Secretary's operating principles -- you know, that we'll pursue our mission in a manner that is safe, secure, legally and ethically sound, and fiscally and environmentally responsible.

And my focus is to ensure that the mission, that safety is an element of part of the mission. You can't separate out those two.

I don't call out and say well, you are going to do less oversight on low risk
stuff and higher oversight on high risk stuff inside the operating principles themselves. I think that gets -- and when we start laying out our governance documents and the like, that should be communicated as an element of that.

MR. BROWN: It sounds like the principles would be pretty much the same between non-nuclear and nuclear. I mean --

MR. D'AGOSTINO: Yes, sir. I mean pursuing safety --

MR. BROWN: -- at that level.

MR. D'AGOSTINO: -- at that level because the principles are a high level set of words. I think it is how do you translate those high level set of words. So pursuing things in a safe, secure, legally sound, and physically responsible manner means that it is more important to things that can cause greater risk than things that can cause fewer risks.

And there are going to be
judgments that get applied to what is in what category. I think, as a general view, nuclear safety is at a different level of judgment than non-nuclear safety.

The danger here, again, this is part of the problem is to say non-nuclear safety is not important. Absolutely. It's very important.

But since we have, and I've described the multiple levels of assurance, both the workforce -- it starts with the worker but that has to be communicated and constantly reinforced.

Then it goes to the worker's manager. Then the contractor's corporate -- you know the corporate family, that corporate reach back.

And then it continues to Site Office, we have facilities reps, folks that are out there on the field, Site Office manager, program line organization, which has a safety organization that's within it,
defense programs, an independent check by my senior safety advisor, as well as another independent check by a health, human safety organization. And those are very robust levels of that.

But the key is is you don't want to apply the same the level of kind of oversight press on the lower risk activities than you do on the higher risk. You want that press frankly to be even better on the higher risk activities.

MR. BROWN: Thank you.

You mentioned that federal oversight is increasingly risk informed. How do you -- what metric do you use to evaluate risk of nuclear -- high hazard nuclear activities? Hopefully it's not how many accidents you have.

MR. D'AGOSTINO: Right. The metric I would use is more focused on the independent assessments that come in. And the reviews that come in from the biennial reviews...
that I receive, typically let out of the CDNS organization, from the reviews that I receive from Mr. Podonsky from HSS [Health, Safety and Security], from the -- I mean those are the two primary what I would call within DOE approaches.

I have been informed by the Board's letters plus the -- I know that your folks out in the field send regular updates. Don Nichols -- I don't get a chance to read those every week. I just can't to it. But I do have somebody that does that for me, Don Nichols and Frank Russo take a look at those closely and they update me periodically. And I get quarterly safety reviews on those particular items.

The final thing I get is about every two to four weeks, depending on how we can get it into my schedule, I sit down with Frank Russo and Don Nichols and we go over a - - we have a matrix list of activities that, you know, whether it is responses to the
Board, whether it is what's happening out in the field, whether it is hey, Defense Programs is looking at doing the following thing, this is going to come up to the CTA for action. How do we look at this particular activity? Do we look to, you know, make sure that we're watching the Defense Programs organization, the Nonproliferation organization as appropriate and the like.

So -- and it is independent. And I'm very comfortable with that approach. That's kind of how I judge it. It's not a TRC/ -- it's not a number that -- well, my number is -- falls in the band, therefore I can feel good.

MR. BROWN: Right, right. So you don't have a number like DART or those other --

MR. D'AGOSTINO: No, sir.

MR. BROWN: I guess the last question that I will ask, in the beginning of the CTA function, you had a deputy and in NNSA
he became the CTA on the other side of the fence -- was retained by the Under Secretary and I guess that's still true today.

You haven't got a Deputy. You're a very busy guy. How do you effectively function as CTA in NNSA?

MR. D'AGOSTINO: I won't kid you, you know, I miss Bill Ostendorff. It was good to have somebody with his experience doing it then. And he and I consulted quite a bit.

The way -- the approach I use is I rely -- and this is one of the reasons why we had to put a single focus on restaffing the CDNS office, which had dipped down in staff numbers to a point that I was very uncomfortable, particularly without Mr. Ostendorff there helping me, so Don and I made a very concerted effort to get the staff levels up.

And this kind of regular reporting to on this kind of two to three, two to four week basis -- in fact I think we have one
scheduled this week -- to go over the matrix of all the CTA -- all of the CDNS activities, which ones are going to have CTA implications and all the open ones. And obviously there are more open ones than I'd like but we're working down that particular list.

So I rely on the CDNS and the CDNS staff for that primarily as my direct report. And then we dip down to the Defense programs where we think we need to.

MR. BROWN: Thank you very much.

Mr. Chairman.

CHAIRMAN WINOKUR: Ms. Roberson?

MS. ROBERSON: Thank you, Mr. Chairman.

CHAIRMAN WINOKUR: Thank you.

MS. ROBERSON: And thank you, Mr. Administrator, for your testimony today.

MR. D'AGOSTINO: Thank you.

MS. ROBERSON: In your testimony, you emphasize that the Kansas City contractor had a strong safety culture and safety
performance history when you began
implementation of this new model. What is your assessment of the
state of safety culture and performance at your other facilities? You know clearly
Nevada and Sandia, as you are piloting those, are in one state. And then you have
everything else.

And combined with that, what do you need to see that makes you comfortable as
the owner that they can sustain -- obviously anybody can implement but they can sustain the
level of safety you desire as they implement these new models?

MR. D'AGOSTINO: Okay. We started off with Kansas City a few years ago because
they had a strong track record. Interestingly, and Mr. Podonsky and I will remember this, when we looked at an approach
to improving the efficacy of our overall safety, you know, we thought well, best in
class. But we said no, we want the Honeywell
corporate sponsor to come in and independently check, which they do periodically before we kind of say -- I don't to use the word turn over the reins but before we started proceeding down the path we rely more on the management approach and corporate reach back.

And what Honeywell corporate said is they're not quite ready just yet. We need to see some improvements in some areas. So we waited because that was -- and Honeywell has a very strong reputation. And I believe deservedly so.

The -- what we end up with is a -- what we ended up with is kind of stepping at it -- going back to your second question, what do I need to see, and I need to see the kind of commitment from a corporate reach back standpoint that there has been an independent verification that the contractor assurance system, not done by the Site Office or not done by the local contractor -- independent, outside verification that there is a
contractor assurance system that is sound,
that's integrated, that's independently
checked, that has people in place, that has
training, and that can be -- and sustainment
is important. You're absolutely -- this is
not just a one-time okay, now you can go,
that's maintained over time.

You know I can't tell you whether
or not these two sites have that but I need to
see that. We need to see that.

We, the Department, needs to see
that before anything happens on the non-
nuclear side on moving down this path,
particularly, Mr. Chairman, as it relates to
your all's concerns, I think, about how this,
you know, kind of the bleeding over question,
making sure that we actually do this
appropriate shift, focus on high hazard
activities, and nuclear activities, without --
don't let what some might term as downgrading,
because it's not downgrading, it's kind of --
it's a more efficient approach impacting the
other activities.

So I think the answer -- the straight answer to your question is this independent group of folks that come in and say whether they are ready or not. Then we will review that as well. That is what Patty Wagner would like to see. That's what I would like to see. That's what we'd like to see.

MS. ROBERSON: Okay.

Mr. Chairman, I don't have any other questions at this time.

CHAIRMAN WINOKUR: A couple of things stand up. I think we would benefit as a Board to understand a little bit more about the Kansas City initiative. We've spoken to your contractors and at times there seems to be a little bit of confusion about the application of it and what it really is or is not.

And then, of course, we always have the challenges associated with defense nuclear facilities that have nuclear and non-
nuclear work in them. So at least from our perspective, we see a certain amount of uncertainty about this model and its application. And I think we'd benefit from a little bit more feedback.

MR. D'AGOSTINO: Yes, sir.

CHAIRMAN WINOKUR: And the other thing that I'll take the opportunity to do -- and let me say at the start that I understand your personal commitment to safety and I think it is extremely important, we talked today about communication with your direct reports, communication with the workforce.

And I've always personally felt that your statement getting the job done is something that could create some confusion about the important role of safety because, you know, you and I both know the workers are out there, they're making split second decisions all the time.

We know how exciting it is to get the work done and how important it is.
MR. D'AGOSTINO: Right.

CHAIRMAN WINOKUR: And I'm just asking you, I guess, to, as much as you can, balance that thought as frequently as you can. I'd like you to add the word, you know, getting the job done safely. I don't know if you'll go there with me but at least balance that thought when you get occasion to do that.

MR. D'AGOSTINO: I'll do that, Mr. Chairman. And I'll note, at least in Defense -- we had a banner on the bottom on safety. But we have to make sure that that isn't just written there but it's communicated verbally as well.

CHAIRMAN WINOKUR: Great.

MR. D'AGOSTINO: So I'll have to figure out -- making sure we get that message out.

CHAIRMAN WINOKUR: Okay. All right.

Well, I think we want to thank you very much for your testimony.
MR. D'AGOSTINO: Okay. Thank you, sir.

CHAIRMAN WINOKUR: And the answers to the Board questions. We know you are extremely busy and we appreciate your time.

MR. D'AGOSTINO: Thank you, sir.

CHAIRMAN WINOKUR: And thank you for being with us this morning.

MR. D'AGOSTINO: I certainly appreciate that. And unfortunately I'm going to have to leave if that's okay.

CHAIRMAN WINOKUR: I think we understand that. Thank you.

MR. D'AGOSTINO: Thank you.

CHAIRMAN WINOKUR: Well, the Board notes for the record that the Under Secretary of Energy Johnson was unable to attend today's meeting and delegated her responsibilities to Mr. Richard Chip Lagdon, who is the Chief of Nuclear Safety.

And I'd like to suggest -- I hope you're prepared that you could perhaps keep
your oral comments to about five minutes to leave us a little more time for questions. And we want to welcome you here this morning to present your testimony.

MR. LAGDON: Okay. Thank you, Mr. Chairman, members of the Board. It's a pleasure to be here and certainly an honor to represent the Under Secretary as the central technical authority and in my capacity as the Chief of Nuclear Safety.

Since I was assigned as the Chief of Nuclear Safety in 2006, my focus has been on strengthening internally, working within the organizations I'm responsible for, strengthening the safety culture and strengthening safety oversight.

I'd like to talk a few minutes about how we did that, keeping my remarks to five minutes or so. First let me state that there's about 130 nuclear facilities under my purview. And these range in level of complexity from Hazard Category 1 to Hazard
First and foremost, my staff of eight individuals are each assigned sites. They are liaisoned with the field offices. And they provide technical support to those line organizations responsible for conducting oversight both at the field level and at the Headquarters level.

Coupled with my charter as the Chief of Nuclear Safety and my original tasking from my predecessor that has continued with the current Under Secretary is strengthening project performance. So we are also deeply involved in resolving technical issues involving major projects, leading and conducting construction project reviews.

One of my primary concerns in nuclear safety is criticality safety oversight. We worked with EM [Environmental Management] to establish the Criticality Safety Oversight Program and have executed that over the past three years to ensure that
criticality safety is maintained throughout the complex.

Areas subject to review with regard to criticality safety include safety evaluations, recent incidents, nonconformance reports, controls implementation, corrective actions, and management processes.

We've also been engaged in a number of nuclear facility startups, particularly the DUF6 [Depleted Uranium Hexafluoride] facilities at Portsmouth and Paducah, operational readiness reviews at Hanford K West Basin, Remote-Handled Transuranic Waste Processing and other DOE facilities.

We provided extensive oversights to waste treatment and resolving issues with respect to black cell piping and quality assurance, assigning more QA [quality assurance] resources to integrated project team and working other areas such as deposition velocity and other technical
Along with those functional oversight programs, we've also been responsible, my staff is responsible for programs with regard to improving the way the Department does business. One thing that remains a goal is technical authority. Right now it has manifested itself in our support of the Technical Advisory Board being held by EM.

We've also sponsored training to increase and improve technical capability. The first training session was general safety basis. We followed that up with a three-day course on environmental restoration, deactivation, and decommissioning, safety basis training.

And later this year, we'll be conducting design of nuclear facility components and seismic design courses, which your staff has also been invited to attend.

One of the major initiatives under Secretary Chu has been construction project
reviews. We started last year with the first round of reviews. This is under the direction of Secretary Chu to improve oversight of these projects.

And I believe you are going to see great improvement in the construction project performance to rapid resolution of technical issues and bringing the right technical capability to bear on the projects.

Another program responsibility we took responsibility for was the code of record for EM facilities. A code of record is a body of requirements, including federal and state laws as defined in contracts and the standards and requirements identification documents or their equivalent, that are in effect at the time that a facility or item or equipment was designed and accepted by DOE.

The code of record includes those requirements invoked during the design phase and later used to initiate operations to ensure they are available to all responsible
parties during each phase of the life cycle of
the facility.

As part of our lessons learned
process in studying the issues, the technical
issues primarily with the construction
projects, we embarked on an ambitious plan to
develop a standard review plan for EM,
capital, and major operating projects.

This was started about two-and-a-
half, three years ago. We recently issued
rev. 2 and are using that to strengthen the
degree of rigor in our construction project
reviews.

The third area we focused on was
sponsoring crosscutting nuclear safety
initiatives involving -- the first one is
natural phenomenon hazard assessment and
design. I've established a lessons learned
panel. We met yesterday for the sixth time to
provide feedback and comments on our
performance and seismic design of our nuclear
facilities and strengthen our approaches to
future facilities.

We've also been involved in strengthening the seismic hazard characterization at Paducah, Hanford probabilistic seismic hazard assessment, and supporting the central and eastern United States Seismic Source Characterization Project.

We have conducted quality assurance and software quality assurance training to over 150 federal and contractor staff over the last two years. We've established an energy and science software quality assurance work group that is supported by the Offices of Science, Nuclear Energy, and Science.

I participate on the Director's Review Board for the Under Secretary in maintaining awareness of directives activities. And as you know, I am the responsible manager for the Defense Board Recommendation 2007-1, Safety-Related In Situ

Our plate is full. We continue to work and continue to learn and try to apply process improvements where we can and improving our safety oversight of our nuclear facilities.

With that, I'd like to address your specific questions in the testimony if that's appropriate. The first question involves provide your assessment of the effectiveness of your oversight programs.

The oversight programs have been established at three organizational levels for the Under Secretary for Energy, including Site Offices, Headquarters, program secretarial offices, and the central technical authority or the Chief of Nuclear Safety and my small staff.

For the purposes of this meeting, I'm focusing my comments on oversight at defense nuclear facilities under the control of the Under Secretary's Office of
Environmental Management.

The oversight program is established, maturing, and effective as evidenced by the contributions described above. The first and most important level of our oversight program is our Site Offices.

Site Offices provide comprehensive and direct oversight of the contractor activities affecting safety and mission. The Site Office manager and federal project directors evaluate contractors' current and near-term activities and associated hazards, complexity, recent DOE contractor assessments, past performance, and external events issues affecting other nuclear facilities.

Using that information, a plan is prepared which identifies targeted activities to be assessed and the relative priority of each assessment. A schedule is developed from the planning phase that details assessment topics, dates, duration, and responsible staff.
Planning and scheduling efforts also identify resources needed to accomplish the assessments. While each Site Office has dedicated staff to manage and implement assessments, they also supplement their assessment teams with federal staff from other Site Offices and Headquarters, including my staff, consultants, national labs, and occasionally from external organizations such as the U.S. Army Corps of Engineers.

In addition, these field offices are also supported, as we discussed earlier, the Fac Reps [Facility Representatives] and the safety system oversight personnel. I should mention that it is the responsibility of each of my site liaisons to walk down their safety system oversight responsibilities with the associated representatives and participate in Fac Rep walk-downs.

The next level of our oversight program is at EM Headquarters. Headquarters oversight includes the evaluation of the
implementation of programmatic initiatives, including quality assurance, project management, and operations. For these initiatives, EM Headquarters, through the efforts of the Safety and Security Program and their offices of safety operations assurance and standards and quality assurance, take an approach similar to the sites in planning, scheduling, and execution of their programmatic and site-specific assessments.

In these instances, the schedule and scope are tailored to the needs as determined by a variety of means. These include daily site safety performance, as reported through existing Departmental mechanisms, period Headquarters project reviews, corrective actions, and corrective action effectiveness reviews from prior assessments, and most recently the increase in activity associated with the American Recovery and Reinvestment Act being undertaken at EM sites.
Second question involves identify what you believe to be the strengths and weaknesses of oversight processes in your area of responsibility.

The CTA's program's greatest strength is maintaining the focus on site oversight programs where they have the daily pulse of activities. By overseeing the activities of the site programs and assisting where necessary on a priority basis, we are able to keep the onus for day-to-day oversight on the field. The expertise of my staff has proved to be a valuable resource in this regard.

Strengths of the oversight program also include the variety of assessment types we perform, the assessment protocols, qualified assessment staff, and the improvements that have been yielded.

We need to improve the technical performance on some of our major construction projects. The Secretary and Deputy Secretary
of Energy are committed to the process of these projects, the success of these projects, and resources are being aligned to provide more support.

As the construction process review process matures, better technical support will be provided. The Secretary was personally briefed on the outcome of last week's review at the Waste Treatment Plant. So he remains very proactively engaged.

Third question for proposed changes to current oversight programs, identify the specific issues driving the perceived need for change. The only changes to nuclear safety-related oversight under my purview pertain to minimizing redundancy and maximizes the effectiveness of the oversight.

As Technical Advisor, I am responsible to be aware of any significant weaknesses in oversight of our nuclear facilities and provide assistance to Site and other Headquarters activities under a priority
Quite frankly, I think the Secretary is asking us to intelligently apply what we have in place and do it with prudence and what I would call intelligence -- he's looking for intelligent execution.

Priorities are based on a life cycle status. With regard to the fourth question, excuse me, describe what metrics are applied as a tool for balancing priorities between mission and safety. Fundamentally I do not look at metrics. Priorities are set based on a life cycle status of the facility and the critical functional areas necessary for maintaining proper nuclear safety such as quality assurance, design engineering, construction, procurement, testing, and operations.

When it comes to safety, I and the Under Secretary are in complete agreement. Safety is not compromised. As you know, the body of regulations and directives has been
developed over the years, which codify expectations for safety.

Unfortunately, many were developed through lessons learned the hard way, through sometime interpretations of this body may differ, my standing rule is to ensure adequate safety which is reasonably conservative to the public and the workers at all times.

Question number five, provide your assessment on the adequacy of the CTA support staffing to ensure a robust execution of the CTA function. My support staffing is appropriate for the current scope of activities under my purview.

I believe we are performing effectively and maintain high standards. If additional resources are needed, they belong with the project teams, as previously identified.

Provide your assessment of the differences of oversight approach for nuclear and non-nuclear activities. In my view, the
same overall integrated and graded approach is applied to nuclear and non-nuclear activities.

Again, we're looking for what I would call intelligent execution.

Differences can be found in the areas of assessment, frequency, depth, planning, significance of the impacts, formality of reporting, and improvement processes and assessor training and qualifications. This integrated and graded approach is driven by the Department's primary requirements related to oversight and assessment.


Topics to be assessed: planning and conduct, reporting and follow up of
results, and qualification.

The CTA's focus, however, and mind remains on apply rigorous oversight on a frequency to ensure that Headquarters and field offices are conducting their oversight duties and that nuclear safety is preserved.

I'm now ready to entertain questions, Mr. Chairman.

CHAIRMAN WINOKUR: Well, thank you very much for your testimony. It's very appreciated.

Let me see if I understand what you're saying. It appears to me, and I could get this wrong, but the Under Secretary of Energy doesn't really see any need for a significant safety reform in the Department of Energy because there are a lot of major safety reform initiatives taking place right now in terms of directives, oversight models, more heavy reliance on contractor assurance systems. Did I get that right?

MR. LAGDON: They are looking for
execution, okay, execution in all facets of our operation. They're looking for improvement in our project performance. They're looking for improved safety.

And they have set the bar a notch higher, in my view, with regard to improving our operations.

CHAIRMAN WINOKUR: Does the Under Secretary see a need for a major revision of the directives dealing with operations at defense nuclear facilities?

MR. LAGDON: I do not believe so.

CHAIRMAN WINOKUR: Thank you.

We have new oversight models that are being proposed. In the past, for example, Mr. Podonsky's organization held safety and security, has done transactional oversight. There's now an option to deal with assist type of oversight. And that is sometimes initiated by a program secretarial office inviting somebody in. Is that an initiative that the Under Secretary of Energy welcomes or finds...
beneficial?

MR. LAGDON: We have not, on our side, under the Under Secretary of Energy, taken on any of those initiatives particular to any of the EM sites at this time.

CHAIRMAN WINOKUR: Thank you. And there's a desire also, I think, to rely a little more heavily on the contractor assurance systems and do you have any thought on that? Any thought basically in terms of how you well these contractor assurance systems are performing and whether you want to reply upon them more heavily?

MR. LAGDON: I think it is fundamentally our responsibility to look at contractor assurance systems and continuously try to improve them. I base that on my knowledge of the Institute of Nuclear Power Operations.

When they look at nuclear plants across the complex, they developed a set of six criteria relating to nuclear performance.
And effective plants exhibit six characteristics involving excellence in operations, maintenance, focus on mission, using assessments, and the final one is using assessments in contractor assurance systems to continuously learn and improve operations.

So I think it is a fundamental responsibility we have to put the emphasis and pressure on contractor assurance systems to improve.

CHAIRMAN WINOKUR: And finally, the Administrator talked about wanting to kind of redirect his resources to provide more focus on the high-hazard nuclear types of operations and a little bit emphasis on the lower-value non-nuclear perhaps related work. Not that it wasn't important.

But there was a need to kind of shift resources. And is that something that you -- you think the Under Secretary supports, that generic need to ship resources under her purview to do that?
MR. LAGDON: Again, we're looking at some intelligent execution. Ensuring safety with regard to high consequence, low probability is an utmost priority for all involved.

At the same time, doing unnecessary oversight in the lower risk activities is not necessarily productive either and can have a negative or what I would be concerned about in terms of ambivalent compliance with nuclear safety requirements and directives.

CHAIRMAN WINOKUR: Well, I guess I do have one final question. Has the Under Secretary of Energy communicated her beliefs about these safety reform issues to the Secretary and the Deputy Secretary of Energy? Because basically what I'm hearing you say is that you are pretty confident in the systems you have right now, that you are able to use those if you execute them effectively to provide the safety and perform your mission.
MR. LAGDON: I can't answer that question at this time. I cannot speak -- if she's had private conversations, I'm not aware of them.

CHAIRMAN WINOKUR: Okay. That's all I have.

Dr. Mansfield?

VICE CHAIRMAN MANSFIELD: Thank you. Thank you, Mr. Chairman.

That was a useful presentation.

And I thank you for it.

I just wish to note that more than the many briefers or speakers that we've talked to, you've continually relied on the orders and standards, 413.3, 425.1, 422.X, the whole list of them.

I sincerely hope that none of these are on the shopping block since you've indicated how important they were to you carrying out your responsibilities.

That's all I have, Mr. Chairman.

CHAIRMAN WINOKUR: Mr. Bader?
MR. BADER: Thank you, Mr. Chairman.

Mr. Lagdon, a specific question on directives. My understanding is that EM is the office of primary interest on 15 directives. And three of those directives were the subject of suggestions by HSS that they should be reviewed and EM has said that they didn't see any reason to review them, leaving all 15 to stand.

MR. LAGDON: Yes.

MR. BADER: Given that situation, do you see either the Under Secretary or yourself having any further involvement in the directives review process?

MR. LAGDON: Yes. I sit on the Directives Review Board so I see all the reviews that are going on and the proposed changes to directives. And that Board meets every two weeks.

But with respect to those 15, I don't see any future changes to those in
particular.

MR. BADER: In terms of other reviews, and I'm thinking primarily now of the HSS directives, are you, as a member of that Board, are you looking for implications of other directives that might be reviewed impacting your commitments to the Board under various requirements or letters?

MR. LAGDON: No, absolutely. I have members of my staff participating in the reviews of each of those directives that are designated by 410 -- DOE Order 410 as important to nuclear safety. And if they do impact, I will provide that feedback to the Directives Review Board.

MR. BADER: Do you have any other thoughts on the process of the directives review that you would like to share with us?

MR. LAGDON: I think with respect to nuclear right now, it's still in the defining stages. Not everything has been defined in terms of what outcomes we are
trying to achieve by some of the reviews. And it will materialize over the next few months.

MR. BADER: Do you feel that the process is clear, precise, and unambiguous?

MR. LAGDON: No. But we'll get there.

MR. BADER: I have one other -- no, I think I'll pass.

Mr. Chairman, thank you.

CHAIRMAN WINOKUR: Mr. Brown?

MR. BROWN: Thank you, Mr. Chairman.

Thank you, Mr. Lagdon, for your testimony this morning.

You mentioned the importance of minimizing redundancy and maximizing effectiveness of oversight. Do you have any specific proposals or suggestions on how you do that? So give me an idea of what direction or what we would see out of that initiative.

MR. LAGDON: What are your risks? What are your consequences? And how do you
apply resources to mitigate those risks?

And it is built on various layers between the facility reps, the safety system oversight representatives, the field offices, and then, again, Headquarters. And we have tried to take a systematic approach to doing that within the EM organization in supporting their oversight activities and rather than adding layers.

There is some overlap there. And sometimes the overlap is sufficient to ensure safety. And it's part of the strength that we do have. So any further initiatives regarding that would take a careful look at that hierarchy of priorities and be smartly applied.

VICE CHAIRMAN MANSFIELD: Thank you.

You also mentioned an absolute metric, safety is not compromised and to ensure adequate safety, it must be reasonably conservative. What guides you in defining
reasonably? Where is that -- how do you define that bright line when you cross over it, it's no longer reasonable?

MR. LAGDON: That's a good question. And it's one we have debated over the last few months in terms of some other particular technical details.

Reasonably conservative means you do not bound the outliers. But then you have sufficient defense in depth so that you are not relying on single parameters to protect the health and safety of the public.

MR. BROWN: Okay. Thank you.

The Administrator talked about safety -- nuclear safety being risk informed. The Board issued a recommendation last year on Risk Assessment 2009-1. What role do you see today for quantitative risk assessment in your work? And what role do you think it might have in the future?

MR. LAGDON: I think it can help us further define the levels and degree of
rigor necessary within the hazard category 2 realm. My experience with probabilistic risk assessment at commercial nuclear plants is quite different than how we apply risk approaches to Departmental nuclear facilities.

There's a wide range of facilities within the hazard category 2 realm. And I think the more significant consequence types of hazard category nuclear 2 facilities, it can help us better define approaches to oversight and safety analysis.

MR. BROWN: I mean it sounds like from what the Administrator said and what you've said that this is about risk informed is a subjective assessment as opposed to an objective assessment that gives you some feel that you are comfortable. Whatever that means.

And I'm wondering if there isn't some better metric, that some more rigorous assessment that couldn't help you define risk informed to give you -- maybe not a bright
line but at least a pencil line that would support, you know, decisions.

MR. LAGDON: Well, there's the process of expert elicitation in which you take the judgment and you try to assign risk profiles to that expert elicitation to develop quantitative methods based on subjective expert opinion. And I think we can use some of that to help us better define risk informed decisions.

MR. BROWN: Thank you. One final question. The Administrator went to some length to talk about how he, as CTA, interacts with the CDNS.

I wonder if you could just balance that by giving a description assessment of your relationship with the CTA, the Under Secretary of Energy.

MR. LAGDON: The Under Secretary and I work very closely together. I have daily meetings with her, 8:30 staff meetings. Her door is open to me. Any time I have an
issue, I can bring it to her. I can get on
her calendar almost any time to talk about
issues and exchange information with her
almost daily.

MR. BROWN: Thank you very much,
Mr. Chairman.

CHAIRMAN WINOKUR: Ms. Roberson?

MS. ROBERSON: Thank you, Mr. Chairman.

And thank you, Mr. Lagdon, for
your testimony.

Accepting the approach that the
Under Secretary is taking and implementing
that's reform, oversight reform, nonetheless
there is a reform in progress. What guidance
or direction has the Under Secretary provided
to frame this effort for the programs under
her purview?

MR. LAGDON: We're using the
Deputy Secretary's guidance.

MS. ROBERSON: Okay. And then one
question I had -- I'm probably the only one in
the room that doesn't understand -- there is
some difference, and I understand independent
oversight from line oversight. In some cases
we talk about category one and two nuclear
facilities. In some cases we talk about
nuclear facilities or nuclear activities.

MR. LAGDON: Yes.

MS. ROBERSON: Of the 130 nuclear
facilities, is there any categorization of how
the Under Secretary is looking at reform in
oversight?

MR. LAGDON: We haven't gotten to
that level of detail yet.

MS. ROBERSON: Okay. Then the
next question I had is the Administrator went
through great detail in explaining why reform
is necessary, i.e., oversight activities to
some degree have been normalized between high
hazard facilities and lower hazard, non-
nuclear facilities.

Has the Under Secretary not
detected that as a problem? Why or why not
within these operations?

MR. LAGDON: I don't think it is as significant a problem with the EM side simply because of the way their oversight programs are structured.

MS. ROBERSON: Okay. Do you want to elaborate a little bit more? Simply in what way is it structured so that it avoids --

MR. LAGDON: It's the way they have approached the Headquarters oversight in terms of trying to focus on what are the critical issues and what are the priorities with the EM clean-up mission.

They're more aligned, I think, with the mission and trying to resolve some of the issues that confronted EM with respect to quality assurance and balancing that with routine conduct of operations type of reviews that are periodically done at some of the other sites.

MS. ROBERSON: Okay. So let me just see if I can restate. What I thought you
said is in the formulation of your oversight plan, you take into consideration that issue and the way you apply it is appropriate.

MR. LAGDON: Yes.

MS. ROBERSON: So you don't -- it's not -- it wouldn't be normalized necessarily?

MR. LAGDON: Not necessarily.

MS. ROBERSON: Okay. And then the last question I had is just to provide the opportunity for a clarification.

In your testimony you talked -- you really talked about the CTA's role and relevance in operational awareness.

MR. LAGDON: Yes.

MS. ROBERSON: But then you talk about the different levels of oversight. And what I was going to say is the CTA, your office CTA, Under Secretary's operation, appears really to be integrated with the line. And is really not an independent oversight function.
And I wanted to give you the opportunity if I misunderstood that to clarify and to identify what makes it distinct in the layers of oversight.

MR. LAGDON: The way I set up the office when it was established was to integrate with the line organizations because the line organizations all have organizations within themselves responsible for oversight of their activities.

MS. ROBERSON: Yes.

MR. LAGDON: So we weren't looking at another layer. But I do reserve the right to conduct independent oversight if I deem necessary. And this is modeled after NUREG-0660 [Nuclear Regulation] and the lessons learned from Three Mile Island when the commercial utility established independent safety engineering groups, which is where I got my start in commercial power, at their respect plants to conduct the independent safety engineering function.
And there's oversight responsibilities. But there's also technical support and root cause analysis and evaluation of programs that goes on within those functions to continuously improve operations.

MS. ROBERSON: Okay. Thank you.

MR. LAGDON: So it's a --

MS. ROBERSON: I got it. Thank you.

CHAIRMAN WINOKUR: At this time, Mr. Bader has an additional question. And Dr. Mansfield will have a comment.

MR. BADER: Mr. Lagdon, there was a comment by the Administrator that there were mixed messages being communicated with the Deputy Secretary's reform plan letter and some of the Administrator's communications.

Do you have that same concern?

MR. LAGDON: No. And the simple fact is our contractors, their requirements are established in their contracts. And those contracts have not been changed. So their
expectations are that they continue to carry out their mission in accordance with the requirements as they are laid out.

Now while the Department evaluates some of those activities and some of those directives, they do not have the license to change whatever it is that they are doing at that present time.

MR. BROWN: Thank you.

CHAIRMAN WINOKUR: Dr. Mansfield?

VICE CHAIRMAN MANSFIELD: Mr. Chairman, I ask permission to include in the record copies of the New York Times articles to which I referred during my questioning of Mr. D'Agostino.

CHAIRMAN WINOKUR: Agreed.

(Whereupon, the above-referred to document was marked as Exhibit A for identification.)

CHAIRMAN WINOKUR: We're going to take a -- thank you. First of all, thank you very much for your testimony, Mr. Lagdon.
MR. DWYER: Mr. Chairman, before you --

CHAIRMAN WINOKUR: Yes, do you have a question?

MR. DWYER: Yes.

CHAIRMAN WINOKUR: Okay.

MR. DWYER: Just to follow up on what Ms. Roberson said, so the oversight model you've described is -- you are actually integrated with the line but reserve the right to conduct oversight at need?

MR. LAGDON: Yes.

MR. DWYER: So have you ever?

MR. LAGDON: Yes, on several occasions.

MR. DWYER: Can you give us one or two?

MR. LAGDON: Deposition velocity, for example, conducted independent review. The measurements of the plutonium facility down at Savannah River Site, that was an independent look by the technical support
MR. DWYER: Is that oversight or is that invoking your technical authority side?

MR. LAGDON: Well, you're splitting hairs, I think, but it is part of the same function.

MR. DWYER: Okay. So oversight as in checking on the effectiveness of a Site Office. I'm thinking along the lines of, for example, the biennial reviews that the CDNS conducts.

MR. LAGDON: We have done quarterly site visits to oversee the process which the field officers are using to do oversight. So those, in effect, are independent oversight activities.

MR. DWYER: Okay. So you are currently conducting a schedule of quarterly site visits?

MR. LAGDON: It's not really -- we try to get there quarterly. We don't always
make it because of other demands.

MR. DWYER: Okay. So to go back then to the picture. So you are integrated with the line.

MR. LAGDON: Yes.

MR. DWYER: Reserve the right to conduct oversight at need. And as a part of that oversight, you are conducting quarterly site visits, nominally quarterly site visits.

MR. LAGDON: Right. And what happens -- for example, if something happens, if an event happens, we will follow up with the site and the Headquarters. And if they don't look into it, we will.

And typically if it is severe enough, and if do our homework and they will follow up. And we will participate with their reviews. So the need for redundant or duplicative oversight is not necessary.

MR. DWYER: Okay. And also if I can offer a slight correction in your -- the written testimony, which will go on the
record, when you discussed the seismic lessons learned panel, the written testimony says that Defense Nuclear Safety Board staff are members of the panel. Actually, I need to correct that. They observe the panel meetings but are not members of the panel. We are oversight.

MR. LAGDON: Okay. They participate quite heavily so I'll make that correction.

CHAIRMAN WINOKUR: Okay. Once again, thank you very much for your testimony and answering our questions.

We're going to need to take a ten-minute break before our final witness of the day. So we're going to reconvene this public meeting and hearing at approximately 11:30.

(Whereupon, the foregoing matter went off the record at 11:18 a.m. and went back on the record at 11:27 a.m.)

CHAIRMAN WINOKUR: Okay. I can still say good morning. I'd like to welcome
our final witness of the day, Mr. Glenn Podonsky, DOE's Chief Health, Safety and Security Officer.

I'd like to make the same request that you keep your comments to five to seven minutes if possible. The Board will accept your written testimony for the record.

Welcome, Mr. Podonsky.

MR. PODONSKY: Thank you, Mr. Chairman. And I would have a special request of the Board that recognizing that my colleagues spoke for 25 minutes and 15 minutes respectfully, the brevity of my comments are not to be reflected in the same way that the 50 percent reduction in directives was taken.

(Laughter.)

CHAIRMAN WINOKUR: We'll agree to ask you more questions.

MR. PODONSKY: I look forward to that.

Again, I appreciate being able to provide my views in the role of the Office of
Health, Safety and Security as a key player in the DOE overall efforts to safety accomplish its missions.

I've submitted the written testimony, Mr. Chairman, as you mentioned, which provides details about our approach to implement independent oversight of defense nuclear facilities.

Your express concerns about how the evolving approach towards oversight might affect DOE's efforts to ensure that our contractors operate defense nuclear facilities with the highest regard for safety has our attention.

From the HSS perspective, enforcement and oversight of nuclear safety remains robust and will continue to improve. And that the changes in process do not represent a step back from our commitment to nuclear safety.

These changes are being driven by three factors. First, DOE's implementing
management reforms initiated by the Secretary
to fundamentally change how DOE prioritizes
its efforts. The Secretary's safety and
security reforms are necessary to enhance
productivity and achieve the DOE's vital and
urgent mission goals while maintaining the
highest standards of safe and secure
operations.

The reforms recognize that certain
activities, such as nuclear facilities safety,
must be subject to a rigorous oversight and
enforcement program. The outcome of this
reform initiative is the safety and security
directives reform effort.

Although directives from reform is
not a specific part of this public meeting, it
is the subject of your May 5th letter to the
Secretary. So I think it would be important
to describe HSS' ongoing effort in this area.

First, we understand and recognize
the cautions you have warned us about, and,
therefore, I think it is appropriate to
reaffirm that HSS will perform disciplined 
reviews that carefully examine the content and 
value of each directive, regulation, or 
requirement and the potential consequences of 
any change, with particular focus on the 
impacts to nuclear safety.

The reduction in quantity or 
volume of directives was and is intended 
solely to improve the clarity and the 
usability of requirements, not to reduce 
requirements or the DOE's expectations for 
high standards of safety and security.

The process we will use includes 
multiple points of consideration of expert and 
stakeholder input as well as review by an 
executive steering committee.

Decisions will be guided by 
criteria that will be considered, such as 
whether changes to a directive add an 
unintended or indirect impact on protection of 
the environment, public, or the workers that 
needs to be evaluated. And, most importantly,
whether changes impact a previous DOE commitment to an external organization such as the Board that needs to be considered and discussed with that external organization.

In accordance with your charter, these reviews will seek your input at multiple points in the process, more aligned with our 2007 plan.

Second, the GAO [Government Accountability Office] issued reports in 2008 and 2010 that recommended that the independent oversight program be given additional resources and authority to improve oversight of nuclear safety through a review, a safety basis, and more frequent onsite inspections. DOE committed to strengthening independent oversight through better integration of enforcement and independent oversight functions and to provide for more frequent onsite independent inspection reviews for nuclear safety.

Third, DOE has made commitments
based on recommendations and other input from
the Board that have driven many of the past
reforms of DOE and the independent oversight
program.

HSS does not plan to back away
from these commitments but will maintain an
independent oversight program that is
effective and meets critical needs of safety
and security. We have received substantial
input from many other sources, including DOE
line management, DOE contractors through the
EFCOG [Energy Facilities Contractor Group] and
other organizations like labor unions and
advocacy groups as the project on government
oversight.

Some of these groups think that we
are doing too much oversight. Some thing
we're doing too little. Our job is not to
measure how much but to measure efficacy.

We firmly believe that DOE
management, the Board, GAO, and all the other
organizations I just mentioned share the
common goal of safe nuclear operations.

It's clear, however, that they all have different perspectives on how best to achieve that goal. And much like the charter of the DNFSB that marries many different constructs of safety oversight, so much DOE to achieve an effective model with enduring results.

Starting with the management reforms, particularly the DOE end state vision for safety reform and in order to ensure that our design for future independent oversight of nuclear safety is sufficiently rigorous and comprehensive, we carefully considered everything we have learned from the Board's recommendations over 22 years, GAO reviews, and our stakeholders, as well as operating data and extensive experience we have gained in over 25 years of oversight activities, to develop an improved program that will optimize nuclear safety oversight with a priority on higher hazard activities.
We have developed a draft program plan for enhancing independent oversight of nuclear safety that identifies three elements that will guide our efforts.

First, we will establish a site lead program that will provide a mechanism for improving operational awareness, increasing the frequency of communication, and partnering with Program Officers, Site Officers, and sites, and better targeting and focusing independent oversight activities. And this will be married with the ongoing Fac Rec program.

Second, we will effectively implement refined oversight processes intended to be more efficient, better coordinated, better targeted on higher risk facilities and activities and DOE priorities. These processes typically involve smaller teams, shorter visits, allowing us to perform more reviews that in the past.

Independent oversight will still
perform inspections. But will also perform
other onsite reviews through a wider variety
of mechanisms than we have in the past.

Additionally, enhanced
coordination between the HSS enforcement
functions and the HSS oversight functions will
be implemented through closer organizational
or management linkages.

Third, we will perform targeted
reviews based on risk and other priorities
determined by analysis of trends and other
performance data. Areas of emphasis will
include reviews of corrective actions, their
effectiveness, design activities, and
implementation of new requirements.

We have begun to implement the
above steps, including conducting a
significant number of site assistance visits.
We will continue to refine our methods as we
gain experience.

We believe this approach, when
fully developed and implemented, will provide
an overall benefit to DOE by continuing to perform the critical role of regulatory oversight and enforcement of nuclear safety requirements at high hazard nuclear facilities.

In the interest of time, I will skip the questions that you asked for because I'm sure you'll have some more. But I would like to summarize by saying that we are looking to improve independent oversight with a particular emphasis on nuclear safety.

We believe that the proposed changes will result in an independent oversight program that is more effective and more focused on nuclear safety than it has been in the past.

We understand and accept our responsibility to be an advocate for rigorous nuclear safety programs and requirements and effective DOE oversight. As the Department's office responsible for independent oversight, we will continue to monitor ongoing changes.
and evaluate their impact on safety.

We will continuously seriously consider inputs from all of our stakeholders and will plan to work closely with Board on issues of concern. We look forward to providing you more information on our directives reform approach in the report and briefing requested in your May 5th letter.

We passionately believe that an open constructive dialogue among all interested parties will assist us in implementing our oversight processes.

In closing, I would like to show the Board the change in our directives process as a result of your express concerns. The process that we were --

MR. AZZARO: Excuse me, Mr. Chairman, could we have that for the record marked as Exhibit A -- or B rather. We already have A. So B so that we can include this in the record and it can be referred to as he describes it so that people following
the record can understand what it is that we
are referring to.

CHAIRMAN WINOKUR: Approved.

Fine.

(Whereupon, the above-referred to
document was marked as Exhibit B
for identification.)

MR. PODONSKY: And may we ask that
the next one would be Exhibit C.

MR. AZZARO: I didn't know there
was a next one. So that's great. We didn't
practice this either.

MR. PODONSKY: What we have
displayed here is the basic current process
that reflects the latest plan that the Board
received from the independent Office of HSS.
And if you notice, this plan does not reflect
the level of checks and balances that we
previously had in our `07 operation.

We listened to your comments. We
heard your statements to the Deputy Secretary.
And we have decided that it is prudent advice
and counsel that you have given to the Department in accordance with your charter of providing recommendations in the decision-making process for the Secretary and the Deputy Secretary.

So I will show you our revised process, which takes into consideration all of your comments. And this is going to --

MR. AZZARO: This is B?

MR. PODONSKY: This is Exhibit B.

CHAIRMAN WINOKUR: This will be Exhibit C.

MR. PODONSKY: Exhibit C. Thank you.

(Whereupon, the above-referred to document was marked as Exhibit C for identification.)

MR. PODONSKY: and what you will see here is a number of points at which both external and internal reviewers will examine the process. In the process, they will examine the documents so that we make sure,
unlike the first 24 that we put into the
process, where we found after your express
commendations and the express concerns of your
staff, we found errors that were made that
were principally due to expediency as opposed
to quality.

So I realize that you all have
questions. But if you'll indulge me on this
just for one moment, I think this is very
important because the other part of it is that
in the beginning, we have discussed what kind
of specific criteria that we have.

And in exploring -- and I have to
do a mea culpa here, Mr. Chairman, because
when we started down this process, I made the
assumption as the head of HSS, that we
following many of the successes that we had
with the `07/`08 processes with, like we did
with conduct of ops, maintenance management,
contractor training, ORR [Operational
Readiness Review] order, unbeknownst to me is
that because, as the head of the organization,
I encourage them to meet a deadline of the end of this calendar year, the expediency dropped out very vital checks and balances. Those are back into the process.

The other part that is into the process that even my immediate staff are unaware of is we have a checklist of directives reform, Exhibit D, that I would like to submit so that you can see what the reviewers will be going through, all of them.

(Whereupon, the above-referred to document was marked as Exhibit D for identification.)

MR. PODONSKY: It's a 12 list check that we make sure that we have consistency in the reviews. And that if any point in the checklist for the directives there becomes a question, then it doesn't go into the full process. And this is to make up for the lack of rigor that you called to our attention that we recognize now -- I recognize.
It was not my staff's fault. We were running to a time clock because every administration I've served under, and I've been under nine, everyone has realized in their four years, it goes very quickly. Their first year is they are figuring out what they need to do. Their second year, they're doing it. Their third year, they are worried about their fourth year going away.

And as a result, there is a sense of urgency. And we're slowing that down.

And to answer the question you didn't ask yet is have I discussed this with the Deputy? Yes, I have. And I've informed the Deputy that we are not going to make the deadlines that I put into the letter that you saw on March 16th.

We are going to go according to making sure that the purpose of the exercise is like we do every four years, which was the previous witness talked about and answered Board Member Bader's question about the 15
directives that EM was looking at. We did not ask them to look at that. That is MA. That's part of their normal four-year cycle to have the Department look at all of its directives.

In this case, the directives that we're responsible for, 107 of them, we are going to be very focused on making sure that we do not create a vulnerability unintendedly. We are looking at to do consolidation where it makes sense, clarification where it makes sense so that we don't have this tremendous kaleidoscope of directives, policies, orders, manuals, guides. Our focus is to consolidate, clarify, or make no change.

Thank you.

CHAIRMAN WINOKUR: Let me say that Exhibit D will be accepted into the record. Thank you very much for your comments.

And I think the Board's concerns about criteria you have touched on here is that we knew what a rigorous process it took to go through each directive. We had worked
with your organization successfully in the past to put together some outstanding, improved, strengthened directives.

And so I think when the Board saw the Deputy Secretary's memorandum, which suggested that in an eight-month period a great deal would be accomplished, we became concerned that we couldn't apply the same type of formality and rigor we had in the past.

So I appreciate your input on that. I think it is valuable.

MR. PODONSKY: May I comment on your statement?

CHAIRMAN WINOKUR: Please.

MR. PODONSKY: Okay. I want to take full responsible for the Deputy Secretary's March 16th memo. As we were going through the reform process, I asked my subject matter experts in policy, when you take a cursory review of the directives that we are responsible for, how many of those do you think might be changed, revised, eliminated,
consolidated? And they told me 50 percent.

And that's what I put into the letter. It was never intended to be a demonstration of less safety, less rigorous focus on nuclear safety oversight. It was intended for a reduction of confusion if there was confusion that we were hearing.

And as I mentioned, I've worked for nine Secretaries -- under nine Secretaries of Energy. This is not the first Secretary of Energy that brings the stack of requirements to the table that the contractors have complained about. What do you want us to do? What are the requirements you want us to follow?

CHAIRMAN WINOKUR: And I think you'll understand that the Board's involvement in this is that of the orders of interest are that you are the primary purview of that of those 107, 73 orders of interest to the Board, and I think we've heard in testimony this morning pretty uniform agreement that those
types of orders that deal with safety at
defense nuclear facilities are those that we
really want to pay the most attention to,
strengthen, and improve. But that decision
will have to be made very carefully whether or
not they should be cancelled or consolidated
or in any way weakened to not support those
activities.

And I think I've heard that
consistent message this morning. Would you
agree with that?

MR. PODONSKY: Yes. I not only
agree with that but I'll point again to
Exhibit B that the new process that we are
putting in place not only mirrors the '07
process that we had but it amplifies it
greatly.

CHAIRMAN WINOKUR: Thank you very
much.

MR. AZZARO: Did you mean Exhibit
C, Mr. Podonsky?

MR. PODONSKY: Yes, Counselor.
MR. AZZARO: Okay. Just for the record so that everybody follows -- when they're reading it, they can follow it.

CHAIRMAN WINOKUR: I have a couple of questions to begin with and then perhaps a few later. But there was a March 11th letter that Tom D'Agostino, the NNSA Administrator, wrote to Senator Russell Feingold.

And it states that your organization, HSS, will refocus its efforts to provide greater oversight of higher risk operations like nuclear safety while reducing resources committed to lower risk operations. We've heard that theme this morning several times.

And the letter also states that Health, Safety and Security will conduct ten nuclear safety inspections, which is twice the number of inspections traditionally conducted this year.

So I guess my first question is at this point in the year, how many of these --
and I assume they would be independent transactional oversight types of inspections as opposed to assist inspections, have you performed so far this year?

MR. PODONSKY: We have six that have been ongoing. And in the spirit of openness, the GAO had recommended and the Department accepted that we would do ten of these type of inspections.

And so what we have done is we, along with the reform, while my Deputy was responsible for collating the reform for the Department on safety and security, we were examining how can we do this number of inspections with the number of resources we have.

And when you look back over time, all the inspections that we have done over the 25 years that we have been doing this, and we decided that the best thing to do is do focused inspections on critical areas at the defense sites.
And so my Office of Oversight has laid out a plan in which -- and we've already started -- for example, we've already been -- we've been to Los Alamos on five different occasions now this year alone. And when I say in complete candor how we count those, we're not going to say well, that's five of them.

We're not exactly sure how the GAO or Congress or anybody else is going to accept the counting of them, but what we are doing instead of dispatching teams of 40 or 50 people at a time, we're not dispatching teams of five to seven, much more focused on the issues.

And it was through our analysis of our past activities that we saw the reform that was needed, which also complies with what Senator Feingold's letter has stated or the Administrator's to Feingold and what our testimony on the Capitol Hill was that we have gone out and completed inspections where we determined the number of topics to be looked
And sometimes that didn't always match with what the Site Managers or the contractors really needed help in. We were going down this path of making a determination on what we've done previously.

Now we're much more focused and analytical about it, looking at what are the high hazards. We're looking at the reports that the Board has come out with. We're looking at the reports that are coming in from self-assessments. And we're making a much more focused determination, utilizing our finite resources in a much more focused way.

The other thing that the GAO has talked about is that we didn't have enough resources. So we are in the process of hiring five new nuclear safety engineers.

CHAIRMAN WINOKUR: Well, I'll get to that a little later. But these are what you would refer to as the small team inspections, is that true?
MR. PODONSKY: Yes, sir. That is correct.

CHAIRMAN WINOKUR: And how would you compare the inspections you are doing this calendar year, for example, to what you might have been doing two years ago before we had any reform initiatives?

MR. PODONSKY: We are doing three times as much safety reviews and inspections in the field and twice as many security inspections and reviews than we have in previous years because we're actually utilizing our resources in a much smarter way.

One of the things, even before Secretary Chu came, we were asking ourselves the number of times we've gone to different sites to do our inspections, the reports we've issued, the findings that we've left, often times we waited for corrective action plans. Often times we saw what I would call sometimes malicious compliance. People were compliant and we were not sustaining the changes.
What we're finding now both with our approach to oversight, be it assistance and oversight, we're finding that we are sustaining changes, which we had not seen before. And so we're very excited about the reforms that we're doing in terms of oversight.

CHAIRMAN WINOKUR: I want to ask you one more question now and then a couple later after the other Board members ask their questions but I want to start getting into a few of the things the Secretary of Energy has been saying.

I understand the Secretary's deep commitment to safety as well as the Deputy Secretary's. And I'm asking you this because you are the Chief Safety Officer of the Department of Energy. So obviously you have a role in advising them.

And here is a quote from the Secretary of Energy. The veterans at the laboratory tell me that 20 to 30 years ago,
there used to be a different relationship
between DOE and its contractors. It was a
healthier relationship and I want to go back
to that relationship.

Now my concern about that as the
Chairman of the Board is that that was a
period of time in which there were a fair
number of safety-related concerns in the
Department. We had serious accidents,
problems. Things at Savannah River got so bad
at one point that they couldn't reliably
perform their mission.

And I think if you go back to the
period of time that the Secretary is talking
about, 20 to 30 years ago, you begin to see
the events that led to the creation of this
Board, which basically arose because there
wasn't public confidence that the Department
could perform its mission in a reliable and
safe manner.

So my first question to you, I
guess, is have you advised the Secretary of

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Energy on the safety record of the Department during the Cold War? And provided any insights or focused him on this statement because as I said, it does give me a little bit of concern about the message.

And he is the Secretary of Energy so what he says is, of course, terribly important.

MR. PODONSKY: The short answer is no, I have not advised him on the safety posture of the Department during the Cold War.

What I have advised the Secretary on as recently as two weeks ago is the importance of clearly defining the roles and responsibilities that exist in the Department, all the way back to 1983 was the last time we had clear, defined roles and responsibilities emanating out of the Secretary's office.

The Secretary told me that he was going to personally take that on as an assignment because he saw that that was important to do.
I have also talked to him about some of the statements that have been made in speeches about the impact that that has. I believe that the spirit of what the Secretary was talking about was a spirit of collaboration and cooperation.

In no way do I believe that the Secretary was implying to denigrate safety to go back to time that we were expert-based safety instead of following requirements.

I further believe that what the Secretary has learned from his previous life as a lab director is that often times we in the Department have a Byzantine approach that we sometimes drive the wrong behavior. I believe that independent oversight is part of that, both good and bad.

Often times -- and one of you Board members might recall this -- we would go out to do an inspection and often times the site contractor would want to get ready for that inspection, whether it be safety or
security -- get ready for that inspection.

The Site Office would want to make sure that they are ready. The Program Office would want to make sure that they're ready all because inspectors were coming.

That drives the wrong behavior. It doesn't drive what I call the sustainable model where people do safety because it is the right thing to do. As we've heard the Administrator and I think Mr. Lagdon talked about it, you know, safety has to be a core part of the mission in order for the operation to function.

I believe that independent oversight, and the advice that I've given the Secretary and the Deputy Secretary, I think we're moving towards a much more robust model in where the sites are actually utilizing our expertise and not just being maliciously compliant.

And so at the end, just as I've told Congress and I tell this Board, at the
end, isn't it so that we want to fix the
problems so that they are sustained and not
just waiting for the next inspection.

CHAIRMAN WINOKUR: Well, will you
take the opportunity to speak to the Secretary
about this and some other quotes I want to
talk to you about because I know his
commitment is to safety and I do get concerned
that the workforce and elements of the
contractor workforce might misinterpret some
of the things he's saying.

And he is the leader of the
Department. And I think we would all benefit
if that opportunity arose if you would take
that opportunity to do that.

MR. PODONSKY: Sure.

CHAIRMAN WINOKUR: I'll pass to
Dr. Mansfield now.

VICE CHAIRMAN MANSFIELD: Thanks.
Mr. Chairman, I have eight questions, but I'll
split them into two groups of four.

I'll start with an observation
that just for the record, I'd like to clarify
the nomenclature. By directives, we do not
mean anything in the Code of Federal
Regulations. That is not subject to DOE's
revision. There is another process for that.

What we do mean are the policies,
orders, manuals, guides, and standards. Is
that list inclusive?

MR. PODONSKY: Yes.

VICE CHAIRMAN MANSFIELD: Okay.

Fine. And it could be directives, or orders,
or manuals, et cetera, it can refer to all of
those.

MR. PODONSKY: Correct.

VICE CHAIRMAN MANSFIELD: Okay.

My first question is Chairman Winokur related
some of the horror stories from the 1990s
where public confidence was lost at Savannah
River. And those are included in the New York
Times articles that I have put into the
record.

Has the Secretary ever seen those?
MR. PODONSKY: I know I gave
copies to the Deputy Secretary.

VICE CHAIRMAN MANSFIELD: Has he
read them?

MR. PODONSKY: He has.

VICE CHAIRMAN MANSFIELD: Okay.

MR. PODONSKY: He has, I can
confirm that because he discussed it with me
on a Saturday afternoon.

VICE CHAIRMAN MANSFIELD: Okay.

Good. Well, that's progress.

My second question is that I'm
puzzled that -- I don't see the multiplication
factor. I'm puzzled that duplicative
directives necessarily cause inefficiency.

For instance we have four records
-- four directives that I can think of off the
top of my head that are involved with training
and qualification. And it doesn't mean that
you have to do training or qualification four
times. It just means you have to look at four
directives to make sure you've got it all.
So I'm not sure there is a lot of savings in taking those away or reducing them to one. And certainly not if you don't include all the good stuff from all four of them.

MR. PODONSKY: On that point, and I think some of stakeholders are going to be somewhat disappointed and they've already expressed that, especially the contract lab directors have expressed the disappointment that they don't see a lot of savings coming out of our exercise, we're not looking -- our goal is not primarily for the savings. If there are savings, that would be great for all of us as taxpayers.

Our goal is for clarify. We see a lot -- and my staff especially with boots on the ground -- they see a lot of confusion in terms of what to follow in various operations. That's where we think that this is an important exercise.

As I might -- if you will allow me
to go on, I mentioned in my quasi opening statement, you know, as the Board knows, we put 24 directives into the process for cancellation.

We know that there are 11 of those 24 that the Defense Board and we need to come to grips with as to whether they should stay or not, whether we pull those back. Of those, five are due principally because of a process issue and six of them are technical.

And one in particular, and I want to call this to Board Member Bader because he said in our April 12th meeting, the concern about any de facto going away from a Board recommendation, and we actually -- the Board staff actually found one that we put into the system that actually was linked back to a recommendation. And we're pulling that back. We're going to reset the clock on what we're doing. I figuratively say that. We're not on a clock.

But we're going back to take a
look clearly as to make sure that we're not rushing this process because we think you all were correct with the concern about the expediency in which we were moving.

VICE CHAIRMAN MANSFIELD: Okay.

On page four of your written testimony, which I thank you for getting over here early yesterday so that unlike some other witnesses who delivered theirs this morning and therefore required 25 minutes, the -- on page four, and I quote, "takes a strong position that nuclear safety is a special case and that even though significant reductions in directives for non-nuclear activities may be acceptable, the Department's nuclear safety requirements need to remain rigorous in detail."

That's your strong position. Are there any other positions?

MR. PODONSKY: Within the Department?

VICE CHAIRMAN MANSFIELD: Yes.
Well, on that.

MR. PODONSKY: On that? I can say as of the day before yesterday, the Deputy Secretary has that same view.

VICE CHAIRMAN MANSFIELD: Okay.

Good.

MR. PODONSKY: And understanding principally because he also read those articles.

MR. AZZARO: Those articles being which articles?

MR. PODONSKY: Thank you, Counselor, the article is the 1988 New York Times.

MR. AZZARO: The one in Exhibit A. Please proceed. Thank you, sir.

MR. PODONSKY: Thank you, Counselor.

VICE CHAIRMAN MANSFIELD: My fourth question has to do with your written testimony on page six, in the future, line management will continue to develop,
improvement, implement, and track corrective actions but will not have to routinely provide those for independent oversight. Does that include providing them to the Board?

MR. PODONSKY: No. We are referring to ourselves.

VICE CHAIRMAN MANSFIELD: Okay.

MR. PODONSKY: Because --

VICE CHAIRMAN MANSFIELD: Independent oversight within DOE?

MR. PODONSKY: For within the Department.

VICE CHAIRMAN MANSFIELD: Okay, fine. All right.

MR. PODONSKY: If I can elaborate -- because the one thing that the Secretary is doing, which we applaud, he's doing many things we applaud but this, in particular, is pushing the responsibility to the line, to the Under Secretaries.

VICE CHAIRMAN MANSFIELD: That's my fourth question. Mr. Chairman?
CHAIRMAN WINOKUR: Mr. Bader?

MR. BADER: Mr. Podonsky.

MR. PODONSKY: Yes, sir.

MR. BADER: Good morning.

MR. PODONSKY: Good morning.

MR. BADER: With half a minute to spare, the first thing that I wanted to do and I think our good general counselor has given me the appropriate designation is to enter your review of the HSS Safety Directives Project Plan, December 20th, 2007 version into the record as Exhibit --

MR. AZZARO: Exhibit E.

MR. BADER: E.

MR. AZZARO: Right.

(Whereupon, the above-referred to document was marked as Exhibit E identification.)

MR. BADER: And that leads me to my first question which is, I believe, the statement you said -- too many notes at this point -- was that the process you are going to
use is more aligned with the 2007 plan.

MR. PODONSKY: Yes, sir, that's correct.

MR. BADER: Would you send us, for the record, a crosswalk between what you are planning to do and the 2007 plan? And the implication of your statement was that it would be more precise, more clear, more definitive. Is that --

MR. PODONSKY: That is correct.

MR. BADER: Could you indicate in that crosswalk where you think the improvements are please?

MR. PODONSKY: Yes. We will do that.

MR. BADER: Okay.

MR. PODONSKY: It's also depicted on the Chart Exhibit C.

MR. BADER: I'd rather see a crosswalk of the document please.

MR. PODONSKY: Counselor, would that be Exhibit F.
MR. AZZARO: We can so designate that. You've described it adequately. And we can mark it and everyone will know what we are referring to.

(Whereupon, the above-referred to document was marked as Exhibit F identification.)

MR. BADER: A couple of specific questions. There were a number of directives that were described variously as quick wins or low-hanging fruit. Does this new process mean that that sort of approach to do something in a hurry is now gone?

MR. PODONSKY: It was -- the short answer is we're not going to rush to make judgments. The more detailed answer is the quick wins, 12, for example, 12 of the 24 directives were things like safeguard and security nomenclature. And what those cancellations are is to take them out of the Director's piece and put them on to our website so the security community, for
example, still has access to the information but it is not in directive space.

So our process is not going to result in quick wins any longer. Our process is going to be much more precise and much more exact. What we want to make sure is that we don't have unintended consequences that we didn't see.

Now of those 12, we have concurrences from the entire Department. The Board has also had no issues with those 12. But we're past the easy piece. Now we're going to the much more exacting piece that the process will make sure that there are not more errors that were made like in the one that I quoted about the guide that was related back to a previous Board recommendation.

MR. BADER: Yes. My information from the staff was that there were four of those, not just one.

The other thing I wanted to ask in terms of a specific question is under the
prior -- prior being the 2010 plan -- you were looking at, I believe, a cancellation review of 21 days. Are you going to take that back to the original 30 days?

MR. PODONSKY: Thirty days or longer. And you mentioned it in one of the statements to the previous witnesses. We need to put the appropriate amount of resources on this.

MR. BADER: Yes.

MR. PODONSKY: And that has not happened. We need to make sure that the reviews are, in fact, complete. And, again, I did my mea culpa, I'll do it again.

My staff was being very diligent in following the deadlines that I set. That was based on conversations with Departmental leadership. And those deadlines that we set, as the Board noted, were clearly unrealistic to be able to do a thorough job. Our intent is to do a thorough job.

MR. BADER: The last question I
have is if I looked at the 2007 versus the 2010 documents, the 2007 plan gave us seven clear criteria.

There was an eighth criteria that was missing but which my understanding from our staff was honored basically even though it wasn't written down, which was a specific review against Board commitments.

And I was told that was accomplished even though it wasn't in the written criteria. Will you specifically write that down as one of your criteria this time?

MR. PODONSKY: That's criteria number ten in the new criteria.

MR. BADER: Okay. All right.

MR. PODONSKY: Very specific.

MR. BADER: I have no further questions, Mr. Chairman. Thank you.

CHAIRMAN WINOKUR: Mr. Brown?

MR. BROWN: Thank you, Mr. Chairman.

And good morning, Mr. Podonsky.
MR. PODONSKY: Good morning.

MR. BROWN: Let me just ask two questions and then I'll pass it on to my colleague, Ms. Roberson.

We've talked a bit this morning about the process that was in place in 2007 and how detailed that was and methodical. And in my opening statement, I talked about continuous improvement. And I was speaking for myself.

But I would expect many of the other Board members would agree that continuous improvement in the directive system is a good thing. And a regular rigorous review of those directives is not only appropriate but an effective process for continuous improvement.

But in your testimony, you talk about the drivers for change and improvement. And fortunately you gave it to us in advance and I went through it and I'm looking for the smoking gun, if you will, that says we're
going to accelerate an effective process and more this quickly to conclusion.

And while I understand the GAO and the Board are part of that process that are mentioned in your testimony, I don't think we were driving for quicker, more rapid directives review. And then I read that missions, requirements, organizational structures, situations, facilities, technology, tools, and our knowledge of the directives but I don't see any of those as having changed so much that they would require this accelerated review.

So I'm wondering what it is that drove us to jump through these hoops so quickly and frankly what it is we can do to avoid this in the future.

MR. PODONSKY: As you know, Board Member Brown, with each Administration, as I mentioned, there is a sense of urgency as the second year passes and the third year is coming up.
And that sense of urgency is to get things done. And we recognize that that sense of urgency has to be tempered by those of us who are career.

We looked at it -- I looked at it and I made the commitment to the Deputy that with 2010 being a very important year for the Administration to achieve some of things they want to achieve for science and for global warming and other larger-ticket items for all of us, I looked at it and I said to my staff if we put enough resources on it, can we do this effectively?

What I said in my opening statement is that I take full responsibility for the rapidity in which we were moving because I made the assumption, as the head of the organization, that the same rigor was being applied, just at a faster pace.

And when I got thorough briefings since our April 12th meeting with the Board and when you expressed your concerns about
this rapidity, I discovered that I made a judgment error in the process by expecting my folks to produce in eight months what will probably take perhaps twice as long to do it right.

And so you are looking at the cause of the expedited review. And it was my judgment, as the head of the organization, to help deliver for the Department a smarter way, a more efficient way, and a clearer way in which we are following requirements.

MR. BROWN: Well, as I look at the new Administration and when they came in, they had a lot on their plate, you mentioned all the new initiatives in energy from nuclear to renewables, for them to take on a wholesale directives review process suggests to me that they had some reason for taking that on, for finding the system was not effectively being renewed, reviewed rigorously.

And you mentioned in your spoken testimony, and this will be my second
question, you mentioned in your spoken
testimony that some groups think there is too
much oversight. You said that again in the
written testimony.

Can you -- I'm trying to figure
out why people feel that the directives are a
soft target. I mean I really believe that
maybe there is something here that we need to
be addressing. And I'm searching for it.

MR. PODONSKY: I wouldn't say that
people thought -- this is my assumption --
that people thought the directives were a soft
target. I believe that what the Secretary saw
when he came in as the Secretary as an
opportunity to improve what he thought of as
a lab director and that is how do you have
more efficient yet safe operations with a
streamlined directive system and perhaps a
more focused, less cumbersome oversight.

I would tell you -- I mentioned,
Board Member Brown, that all the way back to
Paul Hodel, who was my first Secretary that I
worked under, every Secretary has looked at the Byzantine structure that we have had in the Department and always looked to see whether or not there was a way to improve the management of the Department.

And what the Secretary asked for is there a better way to do oversight? And is there a better way of looking at the directives?

And so we took that on as a challenge while they have been focused on Recovery Act and grants and loans and global warming and new battery technology, et cetera. We took that on because we feel, as part of the main infrastructure, Safety, Security and Health of the Department, that we wanted to look hard at that and make our recommendations as opposed to having somebody else do it who doesn't have to live with the results after this Administration leaves.

MR. BROWN: I think my time is up so I'll pass on to Ms. Roberson.
MS. ROBERSON: Thank you, Mr. Brown.

Thank you, Mr. Podonsky.

A couple questions. One general, one fairly specific.

A couple of times in your testimony, you -- and I'm not going to quote it but basically say these reforms, this reform initiative, one of the goals is to subject certain nuclear activities to a regulatory oversight and enforcement program comparable to that of the Nuclear Regulatory Commission.

And while it is truly a worthy goal and it's not a new goal, it has been one of the objects of the way the Department is structured is regulatory oversight and enforcement program.

The commercial nuclear model is quite different. One, it involves an array of truly independent oversight elements. The owner is not the operator -- I mean the owner
is the operator. The owner motivation cannot be mimicked in DOE. And the NRC [Nuclear Regulatory Commission] is truly independent and does not represent the owners' interest.

But with that in mind, what specific elements of NRC's regulatory regime does DOE seek to replicate in this reform initiative?

MR. PODONSKY: I'll -- there's more specific data that I would want to provide you from my nuclear safety experts but I will tell you this. We want to make sure that we have the same rigor that the NRC does when they go out to inspect a licensee.

And I would offer to you that in the past, our comprehensive ES&H inspections had a great deal of that rigor. The problem is, however, we were only going on once every three years or two years to some of these sites. NRC is out there, with their regional offices, on a much more frequent basis.

That's one of the things we're
moving towards, a more constant vigilance out there and not just waiting for the reports to come in.

And I mentioned earlier an example in Los Alamos. We've been there five times this year alone on different topical areas. So we want to make sure that the one thing that we'll replicate with the NRC is the constant presence that we haven't currently had.

The other partner to that is having a site lead. That's very important for both communication with the sites, the contractors, and for our understanding, on a regular basis, on what is going on out there.

We once had a Site Resident Program, you may recall in one of your previous incarnations, and that worked partly. It wasn't fully integrated with the oversight. And this now will emanate from the oversight. The sites that we already have on site leads, we have identified overseers that
will have specific responsibilities at specific sites. And that, too, is beginning to replicate some of what the NRC has learned over the years.

MS. ROBERSON: Well, you hit exactly where I was going with the second question.

In your testimony, you stated that you have draft protocols for those site leads.

MR. PODONSKY: Yes.

MS. ROBERSON: And I was going to ask you to elaborate a little bit more on that. Or if you want to respond in writing sometime, that would be great.

MR. PODONSKY: Well, we'll respond in writing but I'll just -- rather than just leave it open, I would also say again, what we've determined is we have site leads now for Los Alamos and Livermore, for Nevada and Pantex, for Savannah River and I'm missing Idaho and River Protection in Hanford.

And our site leads, they are going
to be in contact on a regular basis with the site to understand what the operations are. They will go out and visit whenever they deem it is appropriate to see what the operations are. If the Board goes out there, they'll be out there to make sure that we hear the same things that you are hearing.

So it is a constant presence, which I believe personally and professionally, will be actually more effective than the site resident program.

But it will also, I think, will complement the knowledge that is gained from the Fac Rep program. And put that back into the oversight piece so that we understand more of what is going on at the site on a real-time basis.

And we'll give you a more direct answer --

MS. ROBERSON: In writing?

MR. PODONSKY: Yes.
MS. ROBERSON: Okay.

CHAIRMAN WINOKUR: Yes?

MR. DWYER: So is it your vision that this lead is resident at the site?

MR. PODONSKY: No.

MR. DWYER: Or is it resident at Headquarters?

MR. PODONSKY: No, it will be resident here at Headquarters. The reason -- well, first of all, our experience with the site resident program is that unlike the Fac Rep program, which has been very successful, the site resident program had some shaky starts. And we don't have the resource capability to move people out there at the different sites.

We believe that doing it based out of our oversight, there is more of a linkage directly to the oversight folks. And we'll use the existing systems to include the Fac Rep as supplement.

MR. DWYER: Okay. And in your
testimony, you said marry this up with the Fac Rep program. The Fac Rep program is a very successful program and the Fac Reps are under the Site Office manager. They are his eyes and ears.

MR. PODONSKY: Correct.

MR. DWYER: It would be a travesty to disrupt that link. When you say marry up, can you elaborate?

MR. PODONSKY: Just make sure that we're communicating on a regular basis to find out --

MR. DWYER: Okay. So there is no intent to disrupt it?

MR. PODONSKY: No, no.

MR. DWYER: I just wanted to be clear about that.

MR. PODONSKY: Marriage means different things to different people.

(Laughter.)

MS. ROBERSON: Clearly.

MR. DWYER: I was curious. You
said that you had 12 low-hanging fruit that
were cut from the directive system.

MR. PODONSKY: Right.

MR. DWYER: And that the Board's
staff had no comments on them. Could I get a
copy of that list because I know we sent you
at least three that we distinctly objected to
cancellation. And at least eight others that
we did not believe the justification was
adequate. So I can't make the math add up.

MR. PODONSKY: I'll be happy to
provide that to you.

MR. DWYER: Thank you.

MR. AZZARO: Define -- it's the
Chairman's direction how he wants it. Do you
want to make it an exhibit to this proceeding,
Mr. Chairman? Or just have them send it over
and then we can -- the record is going to be
kept open, as I understand it, for a while
anyway. And it can be added to the record.

CHAIRMAN WINOKUR: We can
certainly add it to the record, that's fine.
And let me, for the record, state that the last three questions have been asked by the Board's Technical Director, Tim Dwyer.

MR. DWYER: In the program plan for enhancing independent oversight of nuclear safety, is that complete? It says -- in your testimony, it says it is a draft.

MR. PODONSKY: It is a draft. I have not read it yet. But I understand it is very close to final. And that's coming out of my Office of Oversight and Enforcement. And we will be happy to provide that draft so you can review it and comment.

MR. DWYER: Thank you. That was my next question.

And the GAO reviews that were done and the recommendations they provided you, one of the things that you highlighted in your testimony was that you needed to focus more sources on the safety bases. How has that been accomplished?

MR. PODONSKY: We haven't done
that yet.

MR. DWYER: Okay. Thank you.
Thank you, Mr. Chairman.

CHAIRMAN WINOKUR: Thank you, Mr. Dwyer.

A few pieces of bookkeeping. Then I do have some very general questions for you. Did you say -- I wanted to get this clear for the record -- that the Deputy Secretary is aware of the reform changes we have been talking about today? Your -- I'm sorry, the process that we are going to be using to evaluate the directives?

MR. PODONSKY: Yes. He -- the Deputy does not have all the fine detail. But what he has is the understanding, based on our discussions with him, based on your discussions with him, the understanding first of all that his guidance that he put out, in terms of the 50 percent, he never intended for that 50 percent to be an indicator of the driver or reducing safety. But clarifying the
directive system.

The other thing that he is aware of is that the time frame that I committed to is not going to be met because, as I said in our April meeting with you, we are not going to sacrifice quality for time.

CHAIRMAN WINOKUR: Thank you.

I have just a few general things which I'm going to go through fairly quickly. I just want your help on these things. I don't think we can have a detailed dialogue right now.

But the Secretary of Energy once again has made some very specific comments about the oversight process. And this is a hearing today about oversight.

And I think we would all agree that we want to strengthen these processes, we want to strengthen the directives.

But let me just give you two quotes from the Secretary in the hope that you can perhaps, as the Chief Safety Office, at
least provide some guidance and insight if you
think it is necessary.

One of the quotes from the
Secretary says, "In terms of safety, if you
look at companies that are extremely safe,
they have a very skeleton crew of health and
safety experts, a company like DuPont."

But I really haven't heard
anything here today that makes me think that
the NNSA Administrator or the Chief of Nuclear
Safety or yourself believe that we are heading
towards skeleton crews of health and safety
experts.

And I don't know if you want to
briefly comment on that and my sense of it is
that it might not be sending the right
message. But what would your quick sense of
it be?

MR. PODONSKY: More than my sense,
my actual discussion with the Secretary was
that he had a view that corporate safety at
DuPont was a skeletal crew, 15 people. We
actually had DuPont, the head of their safety organization come and meet with us, Mari Jo Campagnone, who you all know, made the arrangements. And we had the Chief of Staff for the Deputy Secretary there. We had the NNSA representative from their safety office there. We had Dr. Brinkman from Science there.

And what we learned from DuPont is that yes, at headquarters they day 15. But they had another 1,500 out in the field. So we were getting the information back to the Secretary that what was the perception was not the reality.

CHAIRMAN WINOKUR: And you've communicated that to him?

MR. PODONSKY: I've communicated that to his Chief of Staff, not to the Secretary yet. But I intend to.

CHAIRMAN WINOKUR: Thank you.

Well, here is another quote. And it says, from the Secretary, "Reduced federal
oversight doesn't necessarily reduce safety. Quite the opposite. So another suggestion to the complex that we should reduce oversight.

You know my strong feelings about it are we should, you know, trust but verify. And the day may come when the contractor assurance programs are so strong that we convince ourselves that less oversight might be necessary.

But until that point occurs, and I don't think we're there yet, that we probably need to maintain a pretty strong focused, dedicated safety staff, or oversight function.

MR. PODONSKY: I'll just comment, I fully -- we fully agree that we need to have a strong safety oversight as well as security, for that matter, which is also part of the HSS responsibilities.

But I am reminded of the culture in the Department, all the way back to 1994 with the Bob Galvin report that was written for Secretary O'Leary that talked about
checkers checking the checkers.

One of the issues that has to be dealt with with the Department, as I said earlier, and I mentioned to the Secretary, is roles and responsibilities. What are the expectations? What is the Site Office? What is the contractor? What is the Program Office? What are the different staff offices?

Because it comes to a point in time that I think the Administrator said this or implied this, you can go so far that you have too many checkers and not enough doers. And so I don't disagree with the spirit of what you're saying, Mr. Chairman, but I also think that the Department has gone sometimes in the wrong direction.

CHAIRMAN WINOKUR: And the final thing I would say is that we have had a very good dialogue here today. One of the things that I was concerned about when you and I met with the Deputy Secretary of Energy is always the message that the contractors are
receiving.

And I did want to share with you that I think the contractors have gotten the message from the initiatives and safety reforms that their requirements are going to be significantly reduced. And I do want to tell you that the Board staff that has been out to attend certain meetings with the contractors, you know, sense that the Board is being viewed as an impediment to the Department doing what it needs to do so the contractors can get their job done.

But I think we've agreed here today that safety is an enabler, not a barrier to that mission. And we can certainly use your help in making sure that the contractors get the better message in terms of what we're all trying to do here to strengthen and improve these directives.

MR. PODONSKY: I fully agree. And once again, I had to admit that I added to the confusion of the messaging because at one
meeting in particular at EFCOG, I talked about
the Hill having interest in what we were doing
in reform.

And when I mentioned the Defense
Board, I said that you all had your hands
around my throat. My intention was not that
you were strangling me but my intention was
that you had my attention. And so obviously
we have to clear those messages.

CHAIRMAN WINOKUR: Thank you.

Dr. Mansfield?

VICE CHAIRMAN MANSFIELD: Thank
you, Mr. Chairman.

One of my remaining questions has
already been answered so but my fifth
question, this has to do with the site lead
program. I can see that this will be an
important mechanism, especially for
operational awareness.

Do you intend to have a formal
qualification process with the functional area
qualification program for these people?
MR. PODONSKY: Yes.

VICE CHAIRMAN MANSFIELD: Okay.

MR. PODONSKY: And we also -- we have done oversight, as I mentioned, for 25 years. We have brought in some of the best safety experts that we can get to join the federal government.

But we have never had a regimented process for follow-on training because they come to us so qualified. But we need to do that as well.

VICE CHAIRMAN MANSFIELD: Okay.

Great.

My next question has to do with --

I want to thank you for your words on page six about the historical, fruitful working relationship between DOE and the Board. I certainly think that that's a fact. And it has been important.

I do have to raise a question about the term stakeholder. Recent communications have mentioned that there is a
list of stakeholders, including the Board.

I just want to make a distinction that I think is firmly founded in our statute. Stakeholders are interested individuals who have a right, a Constitutional right to be heard and be consulted with respect. However, they don't have a right to dictate what DOE does. And they may -- their views may have to be in the last instance, not followed.

But the Board has a problem, a different problem. We have a statute that demands that we be action-forcing. In other words, we bother you to give up. And that doesn't make us ordinary stakeholders. Do you recognize that distinction?

MR. PODONSKY: Absolutely.

VICE CHAIRMAN MANSFIELD: Okay.

Good.

And my last question, on the directives revision process, which is -- or the approval process for it, which is a question I also have for the approval process
for getting correspondence out, about
recommendations and things like that, but some
of these directives reply just to defense
nuclear facilities. And were written that way.

So why does, for instance, the
Office of Energy and the Office of Science
have a say in changes of those directives?

MR. PODONSKY: Because the
structure in which the management of the
Department operates is that the three Under
Secretaries have a responsibility to the
Deputy and to the Secretary for concurring on
all the requirements. Some of them may be
applicable, some of them may not.

In the same way that they also,
the General Counsel, Congressional --

VICE CHAIRMAN MANSFIELD: So does the, for instance, Director of NNSA weigh in
on the peer review process for DOE grants in
science?

MR. PODONSKY: That's a good
question. I don't know. But I did describe
the process as somewhat Byzantine.

VICE CHAIRMAN MANSFIELD: Yes.
And it's also been obstructive. I mean I call
to mind Recommendation 2009-1 where there was
useless waiting because of, I believe, a
pointless objection.

Mr. Chairman, that's my questions.

CHAIRMAN WINOKUR: Mr. Bader?

MR. BADER: I have no further
questions. Thank you, Mr. Chairman.

CHAIRMAN WINOKUR: Mr. Brown?

MR. BROWN: In your testimony, Mr.
Podonsky, we talk about greater emphasis on
this or that. And I'm wondering about your
resources to do your job at the Department of
Energy, the safety section of your job.

Are they increasing, decreasing,
staying the same? I'm talking about dollars.
Can you tell me something about that and your
ability to fulfill your role as the
Departmental safety rep.
MR. PODONSKY: We are being very creative with the use of our limited resources. The budget for HSS is a matter of public record. It has been on a decline.

MR. BROWN: Can you describe how much of a decline? Characterize it some way?

MR. PODONSKY: Well, it has had me and my managers become creative in terms of our prioritization. We will not sacrifice safety for the less budget.

But, for example, I have used moneys that we had originally planned for security technology deployment, so I'm using money for -- instead of deploying technologies, which by all rights should be the responsibilities of the Under Secretaries to pay for, I'm no longer paying for that. I'm using that money for the safety aspects where I need them.

MR. BROWN: You mentioned you are hiring five more --

MR. PODONSKY: Five more nuclear
MR. BROWN: How is your cadre of safety personnel? How has that tracked over the last couple of years in numbers?

MR. PODONSKY: We've been able to keep a pretty substantial cadre of safety folks both between oversight and policy. But it is taxing my people. We actually need to make some changes.

And I intend to, as the reform goes through to a more mature state, I want to go back to the Deputy Secretary to restructure the organization so I can make a more focused effort on our resource base on safety as well as security.

MR. BROWN: Do you have any programs for renewing, restoring the -- your personnel as -- I mean, you know, in most organizations around the government, there are a lot of retirements coming up. What are you doing to reinvigorate the youth of your organization?
MR. PODONSKY: We are having a special Medicare program for our folk -- I'm being facetious. We do have an aging workforce. And what we really need to do, and we've started looking at a younger cadre.

Part of our problem also is we have some technically competent, very, you know, junior folks that are being recruited away from us to do work within the line. And, of course, we don't stand in their way because we want people to have as much experience as possible.

It is, Board Member Brown, we do have a problem there. And we are trying to work it within the finite resources, financial resources that we have.

MR. BROWN: You mentioned in your written testimony that you are putting a greater emphasis on the full range of enforcement options to ensure compliance with safety requirements. Can you describe what enforcement options HSS will be emphasizing
that you haven't emphasized in the past? I mean that implies a change. And what is this change?

MR. PODONSKY: Well, the change is the enforcement process, since its inception in 1993 with the former EH [Environmental Safety & Health] organization, has always been driven out of Headquarters.

The federal line folks have not seen this as their tool. And we're pushing back to have the Under Secretaries and the Assistant Secretaries recognize -- and the Site Managers -- that enforcement is a tool for the feds to hold the contractors accountable and responsible.

It's not just Headquarters. What we had found -- and in that process, there was a long delay, eight, nine, ten months after an event when you see an enforcement action. So on two fronts, we're trying to streamline the process so that we shorten the amount of time, number one.
Number two, we're getting the sites' federal folks to recognize that this is their tool, not just HSS's. Those are the two major areas.

MR. BROWN: Now when you say enforcement actions, you're talking Price-Anderson?

MR. PODONSKY: We're talking about Price-Anderson. We're talking about 824 and Worker Health & Safety -- 824 was the security classification. We had three enforcement responsibilities: Price-Anderson for nuclear safety, classification for security, for documents, and then Worker Health & Safety.

MR. BROWN: Okay. Thank you, Mr. Chairman.

CHAIRMAN WINOKUR: Ms. Roberson?

MS. ROBERSON: Actually, I just have one topic I wanted to follow up on, Glenn, and that was the mission support function that you described in your testimony. My recollection is some part of
the organization has been available for
assistance to the line anyway. What is new
and different? And based on what is new and
different, how are you protecting your
enforcement function from the mission support?

MR. PODONSKY: Mission support in
the old days, like the Maytag repairman
waiting for somebody to call us, or sometimes
like at Rocky Flats, I'll always remember Mark
Silverman having an EH fire safety assistance
at the same time we had an inspection. And I
remember Mark never requested that fire
safety.

We're talking about mission
support where we're actually working with the
line to fix some of the problems that they
don't have the resources to fix, they don't
have the expertise. And we are finding -- in
fact my oversight folks will tell you, we have
more requests now than we have people to do
all the work.

It's the same -- it is across the
Board. It's in safety. It's in cyber. It's in physical security. For example, we are at science facilities right now, SLAC [Stanford Linear Accelerator] out at the Stanford facility. It's run like a university and they need help with their security.

They've had a number of vandalism inside issues. And so we've had people go out to help them.

Now if we ever have to inspect them, we won't use the same people, okay. Now -- and then you might say well how do you manage so few resources?

I mean eventually if we don't bring on more folks to support us, we eventually will run out where we can't do any more inspections. So that is a problem.

But what we look at and say figuratively and literally, if the objective of oversight is to improve the process of the way the facilities are operating, then shouldn't we use that expertise in a way that
MS. ROBERSON: And I understand what you're saying, I guess. And maybe one of the questions I was going to ask you, you already answered is are you looking at structural changes in your organization.

Because one of the concerns I would have in this vein is we talked about -- we have these multiple operational, you know, awareness or oversight, we have the Under Secretaries or Administrator's organization.

The entry points for your assist, is it at the contractor, field, line, Under Secretary, how is all of this stuff intended to work and have meaning in the total scheme of oversight?

MR. PODONSKY: The entry is where the work is getting done. That's most important.

We have found that we can go and talk to the Unders and talk to the Assistant Secretaries, some of the -- I need to correct
one of the witnesses.

Chip Lagdon says to the Chairman's question no, we're not using that organization for assistance. And to the contrary, we're actually out at Hanford, which originally started as an assist visit to look at beryllium turned into an inspection. So we are doing that.

But we're find that where the real work is being done, where the problems exist, is at the sites. So John Bolden and his staff have made the circuit to the site managers. And they understand what's available because like I said, we're pretty much running out of resources to go out and provide the assistance that have been requested, which, for the record, we find that very refreshing in the fact that people are now sharing with us instead of hiding from us.

And I'm anxiously awaiting to see what is going to happen at those same sites when we go out and inspect them and see if the
attitude will change or whether we will have
a respectful relationship.

MS. ROBERSON: Okay. Thank you.

I don't have any further
questions, Mr. Chairman.

CHAIRMAN WINOKUR: Well, thank you
very much for your testimony today and
answering the Board's questions. Thank you
for your patience. You are the third witness
of the morning.

We did give you limited time to
provide oral testimony but that happened
because you were kind enough to share your
written testimony with us promptly the day
before, which gave us a fairly good
opportunity to go through it.

So once again, thank you.

In accordance with the Board's
practice and as stated in the Federal Register
notice, we welcome comments from interested
members of the public.

We ask presenters to limit their
original statements to five minutes. The Chair will give consideration to additional comments should time permit.

Presentations should be limited to comments, technical information, or data concerning the subjects of this meeting.

The Board members may question anyone making presentations to the extent deemed appropriate.

I do have a list here. And we have a name on it, Jennifer Nordstrom from Think Outside the Bomb. Would you come forward please? And please restate your name and affiliation for the record.

MS. NORDSTROM: I'm Jennifer Nordstrom. I'm from Think Outside the Bomb. Thank you for the opportunity to testify today at this hearing for the DOE's implementation of Recommendation 2004-1, Oversight of Complex, High-Hazard Nuclear Operations.

Think Outside the Bomb is the
largest youth-led network for nuclear abolition in the United States and is organized by youth activists, experts, and organizers in nuclear weapons and nuclear energy issues from academic and non-profit fields.

Since 2005, we have organized national and regional conferences focusing on education, community organizing, and creative expression. In August of 2009, we held our conference in Albuquerque, New Mexico, and learned first hand about the effects of the nuclear weapons complex on the health of the people and the natural resources in the area.

At the request of multiple groups and community leaders in Espanola, Chimayo, and other parts of New Mexico, TOTB [Think Outside the Bomb] is now focused on supporting efforts in the areas surrounding Los Alamos National Labs. And in assisting on clean ups of the lab's toxic legacy. And working to prevent any further contamination and risk to
public health and safety in this area.

In March of this year, two of our members met with this Board to discuss issues regarding the proposed Chemical & Metallurgy Research Replacement Facility at LANL [Los Alamos National Laboratory]. Our testimony today is intended to follow up on some of the issues we raised at that meeting as well as to make a specific recommendation regarding necessary DOE oversight of this proposed project.

So with regards to the proposed CMR facility at LANL, we have two main concerns, the first of which is public safety and health. As this Board has acknowledged in depth and in detail, seismic issues at LANL have made the current CMR facility a grave safety hazard in the event of an earthquake or resultant fire.

The building of a new plutonium laboratory in an equally seismically unstable area will not reduce this catastrophic risk.
These concerns cannot be adequately resolved and this building is unnecessary.

The best way to avoid these safety problems is to end plutonium pit production at LANL. Since the DNFSB is operating under a new Congressional mandate to certify this CMRR, might the Board further interpret its mandate to not certify the entire project based on the fact that it cannot be made safe and should not proceed?

Is this Board willing to accept the risk of catastrophic consequences for the population surrounding LANL?

Please tell Congress and LANL that it is not responsible to throw millions of dollars at seismic safety measures that will not work when the risk is easily prevented by curtailing plutonium activities.

The second issue that we're focused on is public input. And while this Board has clearly made an attempt to accept public input on this proposal and others, we
remain concerned that marginalized populations
in these areas are being excluded from this
regulatory dialogue.

So far it appears as though the
Board has made little effort to hear from
Chicano and indigenous groups in New Mexico
such as the Multi-Cultural Alliance for a Safe
Environment, Tribal Environmental Watch
Alliance, TEWA Women United, the New Mexico
Alliance, or the Products of Aztlan Youth
Group.

Such omissions of public
participation should be repaired expeditiously
by holding public hearings on certification in
the effected communities, including the
Espanola and Chimayo area, Santa Fe, and
Albuquerque. For many of these communities,
this is their sacred land.

And it is important to make an
effort to hold a series of meetings with an
open and well-noticed comment period to assure
adequate representation of their perspectives.
Finally, and most relevant to your focus at today’s hearing, we respectfully request that this Board direct the Department of Energy to conduct a supplemental analysis for the environmental impact statement they issued in February of 2004, the Record of Decision 6967, regarding the proposed CMRR at LANL.

In light of the seismic and safety issues this Board made public in the fall of 2009, we feel that this additional analysis is an obvious necessity. We also feel that the initial EIS [Environmental Impact Statement] should have included a fifth alternative, which would have been to cease plutonium pit production at LANL.

We dispute the decision to advance Alternative 1, which was to build a new CMRR at Technical Area 55. This choice overlooks the many risks this Board has acknowledged as being associated with TA-55 [Technical Area 55] and thus warrants a reexamination of the
initial EIS and the incorporation of an option
which would further prohibit plutonium work at
TA-55.

Thank you for your time and
consideration of these points. We look
forward to recommendations from this Board
that will put the health and safety of New
Mexicans in front of unjustified need for
further expansion of dangerous and wasteful
plutonium pit production at LANL.

We sincerely hope this Board will
also make a concerted effort to hear from the
residents that are most directly effected by
the hazards created at LANL.

Thank you.

CHAIRMAN WINOKUR: Thank you. Ms.
Nordstrom, thank you for your testimony.

Is there anybody in the room who
would also wish to address the Board?

(No response.)

CHAIRMAN WINOKUR: Seeing no other
hands, I'm going to move to the closing
statement for this public meeting and hearing.

The record of this proceeding will remain open until June 12th, 2010. I would like to reiterate that the Board reserves its right to further schedule and otherwise regulate the course of this meeting to recess, reconvene, postpone, or adjourn this meeting, and exercise its authority under the Atomic Energy Act of 1954, as amended.

This concludes this meeting and hearing of the Defense Nuclear Facilities Safety Board. We will recess and take up at the call of the Chair when that time is necessary.

Thank you.

(Whereupon, the above-entitled meeting of the Defense Nuclear Facilities Safety Board was concluded at 12:48 p.m.)
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