

## **CHAIRMAN'S OPENING STATEMENT**

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 WOULD 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, TIMOTHY DWYER, IS SEATED TO MY FAR RIGHT. SEVERAL MEMBERS OF OUR STAFF CLOSELY INVOLVED WITH 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 22, 2010. THE MEETING AND HEARING ARE HELD OPEN TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT IN THE 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 DEFENSE NUCLEAR COMPLEX, THE BOARD IS RECORDING

THIS PROCEEDING THROUGH A VERBATIM TRANSCRIPT AND VIDEO RECORDING.

AS A PART OF 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 WEB SITE 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 ROOM. 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 THIS 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 AN OPPORTUNITY TO SIGN UP PREVIOUS TO THIS TIME. THEY WILL FOLLOW THOSE WHO HAVE ALREADY REGISTERED WITH US IN THE ORDER IN WHICH THEY HAVE SIGNED UP. IN ORDER TO GIVE EVERYONE 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 12, 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 WHICH 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 AND NNSA'S DESIRE TO SHIFT RESPONSIBILITY FOR SAFETY OVERSIGHT AT DEFENSE NUCLEAR FACILITIES FROM HEADQUARTERS AND FIELD OFFICES TO CONTRACTOR SELF-ASSESSMENT PROGRAMS. WHAT CONTINUES TO CONCERN THE BOARD IS THE FOLLOWING QUESTION: "WILL MODIFICATIONS TO THE DOE/NNSA ORGANIZATIONAL STRUCTURE AND PRACTICES, AS WELL AS INCREASED EMPHASIS ON PRODUCTIVITY, IMPROVE OR REDUCE SAFETY, AND INCREASE OR DECREASE THE POSSIBILITY OF A HIGH-CONSEQUENCE, LOW-PROBABILITY NUCLEAR ACCIDENT?"

THIS 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 VIEW ON THIS ISSUE.

JUST LIKE IN LATE 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 SYSTEMS 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 THE HARD WAY. THE LOSS OF LIFE LAST MONTH IN THE UPPER BIG BRANCH COAL MINE IS ANOTHER STARK EXAMPLE. IN ALL INSTANCES, A PRIMARY CAUSE OF THESE ACCIDENTS HAS BEEN 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 TAKEN BY DOE IN IMPLEMENTING ELEMENTS OF RECOMMENDATION 2004-1 AS WELL AS THE SUCCESSFUL COMPLETION OF EARLIER 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 THAT 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, 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 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 SAFETY RULES, PROVIDE THE BEDROCK UPON WHICH ADEQUATE PROTECTION OF THE PUBLIC, WORKERS, AND THE ENVIRONMENT IS BUILT. THEY PROVIDE THE ASSURANCE THAT DOE CONTRACTORS WILL SAFELY CONDUCT OPERATIONS AT DEFENSE NUCLEAR FACILITIES. THESE DIRECTIVES EMBODY MORE THAN SIX DECADES OF EXPERIENCE IN OPERATING DEFENSE NUCLEAR FACILITIES AND ARE ROOTED IN COMMERCIAL NUCLEAR POWER, NAVAL REACTORS, AND DEFENSE PROGRAMS. THE BOARD IS CONCERNED THAT DOE RECENTLY ESTABLISHED A GOAL TO REDUCE THE NUMBER OF DIRECTIVES BY 50%. THE BOARD BELIEVES THAT ANY EFFORT TO OVERHAUL THE DIRECTIVES 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 (1) THE DEPUTY SECRETARY'S MARCH 16, 2010, MEMORANDUM ENTITLED "DEPARTMENT OF ENERGY 2010 SAFETY AND SECURITY REFORM PLAN," (2) THE NNSA ADMINISTRATOR'S MEMORANDUM DATED DECEMBER 18, 2009, ENTITLED

“SIX-MONTH MORATORIUM ON NNSA INITIATED ASSESSMENTS,” AND (3) THE NNSA ADMINISTRATOR’S MEMORANDUM DATED DECEMBER, 22, 2009, ENTITLED, “NNSA ENTERPRISE RE-ENGINEERING REFORM INITIATIVE – LOCAS” [LINE OVERSIGHT AND CONTRACTOR ASSURANCE SYSTEM]. EACH MEMORANDUM SUGGESTS THAT REFORM IS NEEDED TO PROMOTE THE 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 AND HOW WILL THE ONGOING CHANGES IMPROVE THE SITUATION?”

THAT CONCLUDES MY OPENING REMARKS.

MY FELLOW BOARD MEMBERS WILL NOW PRESENT THEIR OPENING REMARKS.

THE VICE CHAIRMAN, DR. JOHN MANSFIELD.