



Department of Energy
Washington, DC 20585

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DNFSB SAFETY BOARD

March 25, 2004

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, NW, Suite 700
Washington, D.C. 20004

Dear Mr. Chairman:

The letter is to respond to questions I received during my testimony at the February 9, 2004, public hearing.

1. Line Management - I met with Board Member Dr. Mathews on March 22, 2004, to discuss issues of general interest, including a brief discussion on line management. At that meeting, I provided examples of the flow of direction down through the line management chain and the responses back up through line management. Dr. Mathews indicated these were the types of examples of interest to him. It was agreed to meet again at a later date to have a focused discussion on line management. That meeting will be arranged to accommodate Dr Mathews' schedule.
2. Waivers to Department of Energy (DOE) Order 440 – I misunderstood your comment at our last meeting, when I said we did not give waivers to the Order at Headquarters, and you indicated that answered your question. I assumed this request had been answered. I now understand that you would like an evaluation of waivers given by the field organization, to obtain a clear understanding of the magnitude of waivers given to the 440 Order. I will restart that effort with the field organizations. I do not know, at this time, the resources and schedule that will be required to meet that request. I will contact you shortly with a schedule.
3. Briefing on the proposed 851 rule - A meeting had been scheduled for February 27th to brief the Board on the proposed 851 rule. Subsequently, the proposed rule was suspended and a meeting was held on March 11 with the Board Members and Under Secretary Card, Chief Council Otis, myself, and other DOE staff present. Since then, several follow up meetings have been held between DOE and DNFSB staff.



4. Management Challenges – Enclosed is an additional copy of the DOE 2004 Management Challenges.

If you have further questions, please call me at 202-586-6151.

Sincerely,

A handwritten signature in black ink that reads "Beverly A. Cook". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Beverly A. Cook
Assistant Secretary
Environment, Safety and Health

Enclosure

cc:
M. Whitaker, DR-1

CY 2004 MANAGEMENT CHALLENGES

| Management Challenge | Challenge Owner |
|------------------------------|------------------------|
| Safety | ESE/NNSA & DR |
| Security | SSA |
| Roles and Missions | ADS |
| IT Management/Cyber Security | CIO |
| Project Management | OMBE |
| Contract Competition | OMBE |
| Concurrence Process | OMBE |

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Management Challenge #1: Safety (Owners: ESE/NNSA & DR)

Create an enhanced focus on safety, one that rewards employees for identifying problems, provides clear guidance to line managers and meets our commitments to the Defense Nuclear Facilities Safety Board (DNFSB).

Sub-Challenges (Focus Areas):

- Define and implement our safety goals.
- Place increased emphasis on the implementation of those DNFSB recommendations accepted by the Secretary.
- Revise the current process for preparing and processing DNFSB responses to ensure timeliness and accuracy. (*Owner: ESE, NNSA & DR*)
- Develop and document an enhanced EH process for interacting with the DNFSB to foster mutual understanding of issues, shared expectations and a closer working relationship. (*Owner: ESE/NNSA for cross-cutting issues & DR for maintaining a strong relationship with DNFSB*)
- Enhance DOE line management oversight and contractor assurance programs (including issue and corrective action management processes) to promote effective identification and correction of deficiencies at the site level as outlined in the new Oversight Policy, DOE P226.1 and DOE Notice N226.1 (*Owner: ESE, NNSA*)
- Ensure that field elements have the appropriate resources, training and headquarters support needed to meet their responsibilities for safety as outlined in the new Oversight Policy and Notice (*Owner: ESE, NNSA*)
- Incentivize DOE contractors and Federal employees to take necessary action to fully report incidents and concerns. We need to create an environment where subordinates feel

free to report concerns to upper management without negative consequences. (*Owner: ESE, NNSA*)

- Working with the DNFSB, publish a final worker safety rule. (*Owner: DR, ESE, NNSA*)

Management Challenge #2: Security (Owner: SSA)

Enhance protection of special nuclear material, nuclear material, and classified matter through clear and consistent policies, improved communications, enhanced training, innovative planning, and increased use of technology.

Sub-Challenges (Focus Areas):

- Take the near term actions necessary to meet the Secretary's expectation for full implementation of the Design Basis Threat (DBT) by the end of FY 2006.
- Establish a corporate level process for consolidating nuclear materials.
- Develop a corporate level approach to ensure proven and evolving safeguards and security technologies are evaluated and incorporated into facility design, construction, and maintenance planning activities.
- Reduce the number and severity of security-related lapses through better training, investigation and resolution of events, assessment and communication of lessons learned.
- Reassess the baseline purpose of the foreign visits program to streamline access and maximize the benefits to the scientific community while ensuring adequate security measures are in place to ensure only authorized access to information, equipment or technologies.
- Enhance DOE line management oversight and contractor assurance programs (including issue and corrective action management processes) to promote effective identification and correction of deficiencies at the site level as outline in the new Oversight Policy, DOE P226.1 and DOE Notice N226.1.

Management Challenge #3: Roles and Missions (Owner: ADS)

Clarify and document roles and missions in specific areas within the Department to minimize duplication of effort, maximize efficiency and enhance performance.

Sub-Challenges (Focus Areas):

- Clarify and implement the roles and missions of organizational elements with respect to future waste management, decommissioning & decontamination, remediation, and environmental management. (*Owner: ADS*)
- Clarify the roles and missions of counter-terrorism operations across the Department. (*Owner: NNSA*)

Management Challenge #4: IT Management/Cyber Security (Owner: CIO)

Enhance information technology management by focusing on improved cyber security and a mature, flexible Enterprise Architecture that best meets DOE's needs.

Sub-Challenges (Focus Areas):

- Monitor the 1st generation I-MANAGE Data Warehouse, including an enterprise-wide repository that links the Department's business systems and incorporates a central data warehouse. Implement STARS by Oct 2004. Ensure components fulfill their resource commitments to promote the success of the I-MANAGE effort.
- Develop a plan and schedule to address systemic and specific shortcomings for IT investments.
- Reduce cyber security weakness across the complex.
- Expand use of SIPRNET.

Management Challenge #5: Project Management (Owner: OMBE)

Improve project management across DOE by expanding the application of sound project management principles and procedures.

Sub-Challenges (Focus Areas):

- Establish and implement a certification program for DOE contractors' Earned Value Management Systems (EVMS).
- Continue to implement the DOE Project Management Career Development Program. In CY 2003, we certified 65 IT project managers. In CY 2004, we are aiming to certify 40% (43) of all remaining incumbent DOE Project Directors.
- Issue and implement a directive to broaden the coverage of the Department's established project management principles to include operating projects.

- Implement and/or develop specific action plans for those recommendations from the National Academy of Sciences report "Progress in Improving Project Management at the Department of Energy, 2003 Assessment" accepted by the Secretary.

Management Challenge #6: Contract Competition (Owner: OMBE)

Determine and implement the most effective strategy for applying competition in the award of laboratory management and operating contracts.

Sub-Challenges (Focus Areas):

- Implement the direction contained in Section 301 of the FY 2004 Energy and Water Development Appropriations Act, which requires the Department to identify and compete contracts for five Federally Funded Research and Development Centers (FFRDCs).
- Evaluate and determine path forward on competition policy and process for laboratories.
- Improve the effectiveness of laboratory performance objectives, measures, requirements and evaluations to promote clarity and direction to the contractors. *(The end product will be reflective of unique NNSA and ESE requirements)*

Management Challenge #7: Concurrence Process (Owner: OMBE)

Reduce coordination time for all Departmental documents significantly (e.g., 25%, 50%).

Sub-Challenges (Focus Areas):

- Examine the concurrence process for various types of documents and correspondence to determine if efficiencies can be identified.
- Evaluate the adequacy of time scheduled for all document preparation and concurrence process steps, taking into account the time-savings resulting from e-mail correspondence.
- Bring technology to bear on the process by evaluating and selecting an electronic document management system for development, revision, and tracking of documents, to include records management.
- Identify *actual* correspondence delay times in each major Program Office; i.e., for each major office, provide an average length of stay for essential-critical items assigned to that office or in certain other offices for concurrence (ME, GC, CI).

- Develop enforcement measures for non-compliance with concurrence procedures and due dates.
- Examine the feasibility of standardized or less complex replies; flexibility in determining proper signature level and adjusting turn around times accordingly; and evaluating the multiplicity of concurrences required for correspondence items.