



**The Secretary of Energy**

Washington, DC 20585

October 19, 1998

The Honorable John T. Conway  
Chairman  
Defense Nuclear Facilities Safety Board  
625 Indiana Avenue, N.W., Suite 700  
Washington, D.C. 20004-2901

Dear Mr. Chairman:

Thank you for your September 30, 1998, letter transmitting the Board's draft report evaluating external regulation of defense nuclear facilities in response to 16 specific inquiries from Congress. Initial comments on the draft report are provided below. We intend to provide you more detailed comments as this draft report receives more complete review throughout the Department.

I understand the Board's position and concerns regarding the external regulation of defense nuclear facilities and agree that a number of significant issues have yet to be resolved before any consideration can be given to such action by the Department. In an effort to resolve many of these same issues, the Department has been conducting a pilot program with the Nuclear Regulatory Commission. The recent Energy and Water Appropriations Conference Report has now explicitly directed the Department to expand the pilot program to include full consideration of the potential issues associated with regulatory oversight by the Occupational Safety and Health Administration, States, and local governments -- and that pilot projects should not be conducted at sites with responsibility for weapons activities. Consequently, the Board may want to specifically address the effect of the direction contained in the Conference Report.

In terms of the Board's characterization of its role in overseeing the Department's defense nuclear facilities and the overall status of safety at these facilities, we agree that much progress has been made during the Board's tenure and that the complex is a safer place. We also agree that, as evidenced by ongoing efforts to instill an effective approach to Integrated Safety Management across the Department, there are still areas of improvement that we need to address together.

A number of specific issues addressed in the report, including the scope of future defense nuclear facilities under the Board's jurisdiction (e.g., certain planned privatizations such as the Tank Waste Remediation System), will be addressed in our more detailed response.



We appreciate this opportunity to review the draft report and the cooperation you have extended the Department during the course of our deliberations on this subject. We will continue to keep you informed of the results of the regulatory pilot program as it proceeds.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bill Richardson", with a long horizontal flourish extending to the right.

Bill Richardson