



Department of Energy

Washington, DC 20585

AUG 25 1995

Mr. G.W. Cunningham
Technical Director
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, N.W., Suite 700
Washington, D.C. 20004

Dear Mr. Cunningham:

This is in response to your letter dated August 14, 1995, in which you stated that the Department had not resolved seven of the Board staff findings made in a draft letter dated July 7, 1995 regarding DOE order 430.1 Life Cycle Asset Management.

I am pleased to inform you that on August 24, 1995, the Office of Field Management met with staff members of the Board and resolved all findings to our mutual satisfaction. In fact the Department agreed to take appropriate action by October 20, 1995, on all issues raised on a list (attached) provided to us by Board staff members. We also understand that the seven findings referred to in your letter are satisfied as a result of this agreement. Further, as a result of this agreement the Department plans to release the LCAM Order.

We do intend to keep the Board staff members apprised of our progress in the development of the LCAM Implementation Plan, the remaining nineteen guides, and the Home Page system. We also value the many discussions we have had with you and your staff as an aid to the development of management approaches that will assure success. Please let your staff know of our appreciation for the long hours they spent in assisting the Department in meeting this major milestone with the release of the LCAM Order.

A handwritten signature in black ink, appearing to read "Franklin G. Peters".

Franklin G. Peters
Deputy Associate Deputy Secretary
For Field Management

Attachment

cc: A. Durham
R. Nordhaus
R. Diaz
M. Morris
A. Tavares
M. Whitaker



August 24, 1995

**STATUS OF OPEN DNFSB TECHNICAL STAFF FINDINGS (7)
RELATED TO DOE ORDER 430.1 *LIFE CYCLE ASSET MANAGEMENT*
(REF. 8/14/95 LETTER FROM G. W. CUNNINGHAM TO R. R. NORDHAUS)**

Findings 1, 3, 4, 6, and 7 will be closed if the following comments to guides are included or addressed, as appropriate:

- add the Risk Analysis and Management Guide as a reference in paragraph 2.0 of the Project Management Overview Guide
- change "Mission Need" to "Baseline" on page 7, paragraph 3.2.9 of the Project Management Overview Guide
- provide final draft of Engineering Trade-off Studies Guide for review before issuance
- add "risks" to basis for graded approach at end of the third sentence on page 2 of the Project Reviews Guide
- clarify the extent to which the Alternate System Review (ASR) referred to in the Project Reviews Guide relates to Engineering Trade-off Studies, and Test and Evaluation referred to in other guides. (Paragraph 6.3 on page 61 of 8/17/95 draft of PEAEMP Guide provides related clarification)
- provide final draft of the Baseline Development Guide for review before issuance

Findings 2 and 5 will be closed when acceptable guidance is provided on how to apply the critical decision process (ESAAB equivalent) to projects on a graded basis.