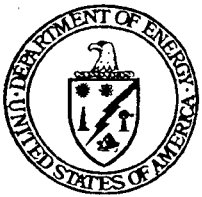


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Department of Energy

Washington, DC 20585

December 30, 1999

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

Dear Mr. Chairman:

The Department acknowledges and appreciates the assistance that the Defense Nuclear Facilities Safety Board (Board) and its staff have provided during the difficult period of restart of Enriched Uranium Operations at the Oak Ridge Y-12 Plant. The Department agrees with the Board's November 9, 1999, letter that there have been a number of examples of inadequate safety management and insufficient attention to technical safety issues in the execution of Department of Energy (DOE) projects at the site, during this period. The Department commits that root causes shall be identified, and corrective actions shall be developed and executed as soon as practicable.

A group of senior DOE and contractor managers have developed a list of project management root causes within the DOE organization, the contractor's organization, and on the interface between DOE and the contractor. This list is provided as an enclosure to this letter. The list was derived from an independent assessment of the hydrogen fluoride supply system line item project, which is also enclosed. The Department is making arrangements with Mr. Paul Rice to verify and, if necessary, add to or modify our initial root cause list. This verification will be completed about January 28, 2000, and will be provided to the Board by February 11, 2000.

Additionally, Mr. Rice will be advising and assisting in the development of the corrective actions for both the contractor and the Oak Ridge Operations Office, to remedy identified root causes and problems as well as changes to Integrated Safety Management practices at the Y-12 Plant. These corrective actions will be the subject of a report the Department will provide to the Board. To ensure Mr. Rice's availability and total engagement in this effort, we are requesting an extension from the 90-day request included in the Board's November 9, 1999, letter to May 12, 2000. This will better enable Mr. Rice's participation in the development of corrective actions.

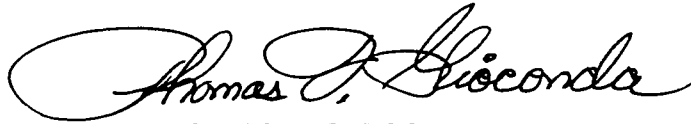
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If the Board or its staff have any questions, please contact me or have your staff contact Daniel Rhoades at (301) 903-3757.

Sincerely,

A handwritten signature in black ink, reading "Thomas F. Gioconda". The signature is written in a cursive style with a large, looping initial "T".

THOMAS F. GIOCONDA
Brigadier General, USAF
Acting Assistant Secretary
for Defense Programs

2 Enclosures

cc w/enclosures:
M. Whitaker, S-3.1

Contractor Root Causes:

1. Roles and responsibilities were not established to effectively execute projects. Design Authority is split among different organizations. (Defining work)
2. Project management authority was not commensurate with responsibilities. (Effects all integrated safety management functions)
3. Project management training and experience was not sufficient for the complexity and importance of projects. (Effects all integrated safety management functions)
4. Issue resolution organization did not provide timely/dedicated support for decision making. (Feedback)
5. Integration of project management with line function was not effective. (Effects all integrated safety management functions)
6. A lack of senior management attention and focus existed. (Effects all integrated safety management functions)
7. There was a lack of control of program and functional requirements during project execution. (Defining work, analyzing hazards, establishing controls)
8. A lack of training and execution to established processes and procedures existed. (Establishing controls)

DOE Root Causes:

1. A lack of training and execution to established processes and procedures existed. (Establishing controls)
2. There was a lack of integration of project management with line functions. (Defining work, analyzing hazards, establishing controls, doing work safely)
3. Project management authority was not commensurate with responsibilities. (All integrated safety management functions effected)
4. A lack of senior management attention and focus existed. (All integrated safety management functions effected, especially feedback)
5. There was a lack of technical expertise to provide effective oversight of projects.

Interface between DOE and the Contractor:

1. DOE and contractor procedures were not effectively aligned/integrated. (All integrated safety management functions effected)
2. Interfaces/points of contact between DOE and the contractor were not well defined. (All integrated safety management functions effected)

Enclosure 2

For Enclosure 2,

Please contact

Oak Ridge Operations Office

At

(865) 576-3545, (865) 576-0953